



Mainstreaming ICT for Development: the Key Role of the Private Sector

Plenary Session II

“Two Perspectives on ICT and the Millennium Goals: Increasing Aid Effectiveness and Mainstreaming ICT in Development Programs”

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Key Points

Introduction

The combination of DAC and ICCP makes the OECD a powerful partner to help advance the WSIS/ICT4D agenda

ICTs are one ingredient in the knowledge economy growth equation and require environments capable of leveraging them

(DAC “Best practices paper” available as a hand-out.)

Question 3: Implications for MDGs of linking national ICT strategies and PRSs

Pilots tentatively show the poor need useful content through ICT for ICTs to contribute to pro-poor growth dynamics

Mainstreaming, i.e. pulling in ICTs as appropriate as tools in the processes that lead to MDGs requires caution: the link is not direct and it is necessary to develop methods to assess potential and monitor impact

Question 2: Implications for private sector of integrating ICTs into PRSPs

In particular, ICTs are well adapted to support the virtuous cycle of ownership and participation in PRSPs, incl. by the private sector

Lessons learned for mainstreaming ICTs: private sector for access and donors, governments & CSOs for content & applications

Question 1: How can ICTs enhance coherence and synergy in development assistance

ICTs can have a key role in enhance coherence and synergy in development assistance through coordination and collaboration

Experience of donors so far has shown that the 2 main constraints of ICT4D are capacity to use ICTs and availability of useful content

From here to there: [The opportunities are now \(2005\) to be seized](#)

Outline

- How the OECD helps advance the WSIS/ICT4D agenda
- ICTs are only one ingredient in the knowledge economy growth equation (DAC “Best practices paper” available as a hand-out.)
- Question 3: Implications for MDGs of linking national ICT strategies and PRSs
- Question 2: Implications for private sector of integrating ICTs into PRSPs
- Question 1: How can ICTs enhance coherence and synergy in development assistance
- From here to there: The opportunities to be seized

How the OECD helps advance the WSIS/ICT4D agenda

- The OECD: an economic think-tank, a policy forum and intergovernmental co-ordination mechanism. Evidence-based policy analysis for social and economic issues.
- Growth, employment, trade and development (i.e. developing countries) are the four main pillars of the OECD's mission
- The **Committee for Information, Computer and Communications Policy (ICCP)** gives policy advice to its Member countries to optimise the socio-economic benefits of ICTs
 - Information society and communications policy; ICTs / growth; Measuring ICT 4 D; Internet governance (WGIG).
- The **Development Assistance Committee (DAC)** is the channel through which donors coordinate, establish best practices, and collectively quantify their development programs.
 - Task force on Financial Mechanisms (TFFM)

ICT is one ingredient in the growth equation of the knowledge economy which requires environments capable of leveraging them

- OECD countries focus on ICTs to help build a knowledge economy and for increasing economic growth
- Ingredients of ICT for development are similar for all countries, but the recipe is different
- No country has left ICT *entirely* to the markets : active, goal-based policies
- Needs a complementary entrepreneurial environment
- But if developing country economies are largely based on agriculture and raw materials, ICTs may hold less promise to improve efficiency.

Reality check :

Growth is more likely than Pro-Poor Growth



The diagram illustrates the structure of the New Economy. At the top is a triangle containing the text 'New Economy, KBE, IE'. Below this is a large green arrow pointing right, containing the terms 'Globalisation', 'R&D', 'Internet', 'Highly-skilled', and 'MNEs'. Underneath the arrow are four vertical red hatched bars, each with a red label: 'Innovation' (under R&D), 'ICT-GPIs' (under Internet), 'HC' (under Highly-skilled), and 'Enterprise Dynamics' (under MNEs). At the bottom is a blue hatched box labeled 'Economic Fundamentals'. On the left side, there are two large grey arrows pointing left.

**New Economy,
KBE, IE**

Globalisation

R&D

Internet

**Highly-
skilled**

MNEs

Innovation

**ICT-
GPIs**

HC

**Enterprise
Dynamics**

Economic Fundamentals

ICTs can contribute to pro-poor growth

PROCESSES DRIVING GROWTH

- Capital deepening
- Labour utilisation
- Network effects
- Multifactor productivity
- etc.

PRO-POOR GROWTH

Drivers

Rural livelihoods
Private sector development
Infrastructure
Financial infrastructure
Service delivery support

Programmes

e.g. enterprise and SME support

e.g. local agricultural R&D

e.g. rural roads

e.g. micro-credit

e.g. education

GROWTH BARRIERS

- Corruption
- Lack of capacity
- Natural vulnerabilities
- etc.

1. ICTs support growth processes

2. ICTs enhance efficiencies in other sectors

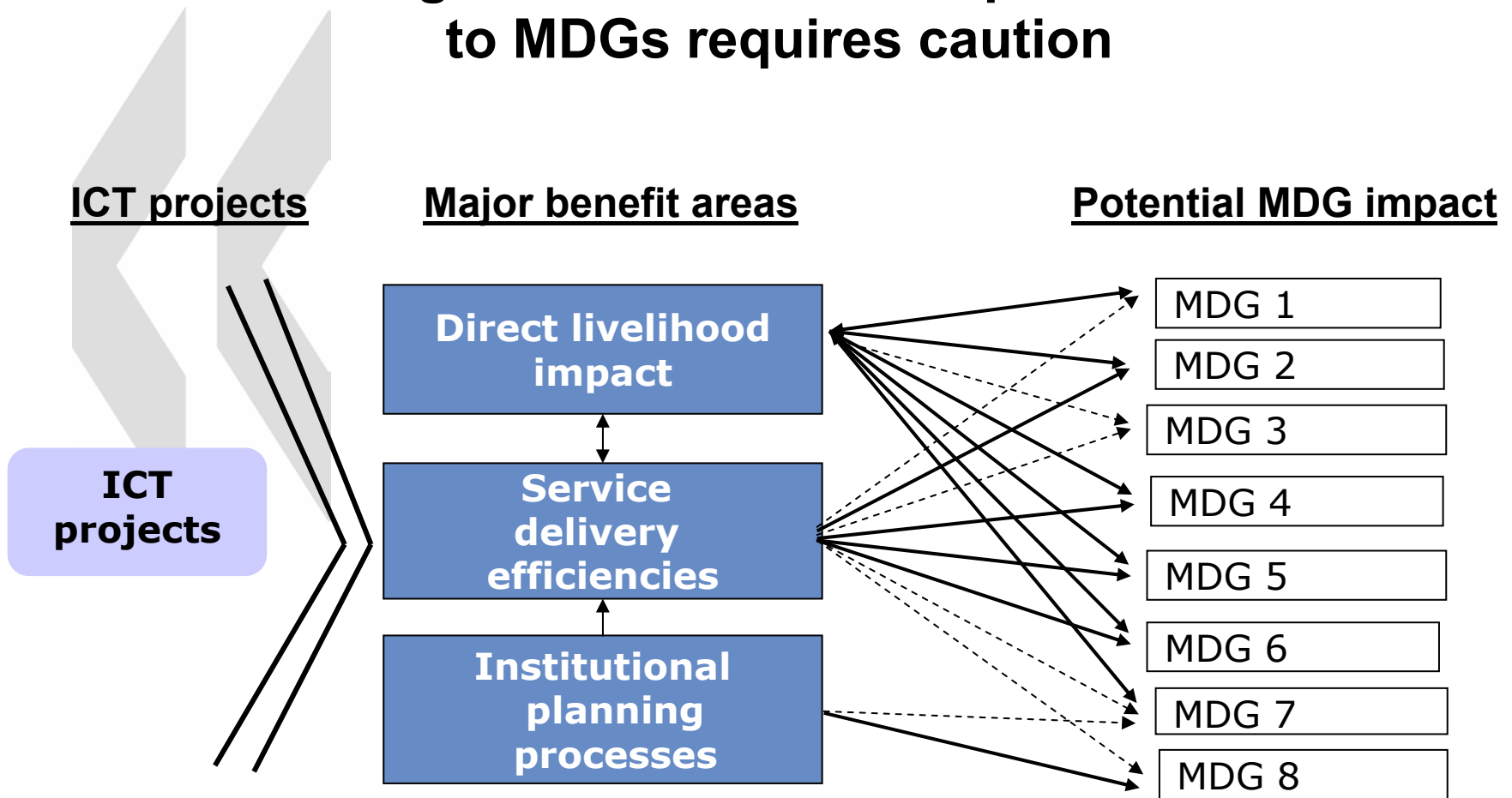
3. ICTs complement pro-poor growth activities

4. ICTs directly enhance livelihoods

5. ICTs address barriers to growth

Information and Communication Technology

Mainstreaming ICTs as tools in the processes that lead to MDGs requires caution



ICTs support a virtuous cycle of ownership and participation in PRSs, incl. by the private sector



Local ownership:

Formed by local stake-holders for themselves

Planning processes:

- Public consultations
- Targeted towards poverty reduction
- National and international
- Monitored and based on results



Create opportunities for participation of all stake-holders:

- Different govt. ministries
- Private sector
- Civil society
- Others



Local Participation

- Early ownership and support by the private sector
- Enabling policies for private sector development

Mainstreaming ICTs: Roles of the private sector, donors, governments & CSOs

- The **private sector** is instrumental in expanding **access** to ICT infrastructure and delivering services across that infrastructure
- Private sector **use** of ICTs can create growth and jobs
- Experience of **donors** has shown that 2 main constraints of ICT 4 D are capacity to use ICTs and availability of useful content
 - ICT devices with simple interfaces, including cellular phones (nearly 2 bn users), will be the main tools through 2015
 - Governments, donors, and civil society can lead on locally-developed relevant applications and content development
- For ICTs to contribute to the 2015 goals, they must be **mainstreamed**, i.e. can be replicated and scaled.
 - Need “**with**” and “**without**” scenarios analysis of incorporation of ICTs into the planning of development intervention

ICTs can enhance coherence and synergy in development assistance through co-ordination and collaboration

- Rome (2003) and Paris (2005) declarations on Aid Effectiveness: ownership, harmonisation, alignment, results and mutual accountability
- Use of ICT by development partners enables:
 - real-time sharing and consolidation of information for development players at relatively low cost, for reporting and monitoring
 - better allocation of donor resources, aligned on country-owned strategies
 - reports and information streamlined, more transparent and available
- Example: First implementation of Aid Management Platform (AMP) in Ethiopia

DAC members now have experience of integration of ICTs into development programmes

DAC members' experience has shown:

- ICT as a tool for development must adhere to the same good practices as other development programmes
- Co-ordination must be a part of bilateral donors' strategies
- Must build capacity and awareness within DAC membership of the use of ICT for development co-operation
- Donor agencies with a senior individual "ICT champion" are successful
- A good model is creation of "ICT expert group" within development agencies

From here to there: the opportunities are now (2005) to be seized

The situation today

- Some in development community believe in the role of ICT4D, not everyone
- Focus on MDGs and highest return on development investment
- Last 5-10 years' experience accumulated on the effectiveness of some ICT applications for poverty reduction
- OECD quantified contribution of ICTs to economic growth in its Member countries – the evidence is harder to find in developing countries
- Ultimately technology generates the productivity gains and wealth of enterprise which pays for social development

What next? Missing links

From here to there: the opportunities are now to be seized (2/3)

What next? Missing links

- Take advantage of momentum: 2005 is seeing much attention on ICTs and development with WSIS, MDG+5, and “global alliance” proposal
- The pace of technological innovation is rapid
- Incorporating ICTs into the planning of development interventions requires an analysis of “with” and “without” scenarios
 - requires rapid and rigorous analysis of the possibilities of replicating and scaling current pilots that are successful
 - requires data on the linkages between ICT pilot projects and the impact on the MDGs.

How can today’s session make a contribute to WSIS?

From here to there: the opportunities are now to be seized (3/3)

How can today's session make a contribute to WSIS?

- Raise awareness in the donor community of ICTs role
- Get ICT policymakers interested in development matters
- Convince the development community of the role of the private sector in creating information society – they already are convinced about the roles of the other stakeholders
- Agree and act upon the need for:
 - Data; and methodologies to analyse the data
 - We must measure and analyse, both to convince the skeptics and to cool-down the enthusiasts. Effective partnerships with adequate resources are the only way to bridge this gap.



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ANNEXES

The Partnership Measuring ICT for Development has agreed to “Core ICT indicators”: a starting point to measuring ICTs use & impact WW

- The partnership:
 - a starting point for developing internationally comparable statistics on the information society
 - ITU, OECD, UNCTAD, UNESCO Institute for Statistics, UN Regional Commissions (ECA, ECLAC, ESCAP, ESCWA), UN ICT TF, WB
- Measuring ICT use and impact
 1. Relevant core indicators developed and agreed to, for:
 - Infrastructure and access
 - Access and use of ICTs by households and individuals
 - Access and use of ICTs by businesses
 2. Assist developing countries in their statistical work on ICT indicators
 3. Develop database of core indicators available on the Internet

EXT
EPS

Additional resources are needed in order to complete next steps:
- making *core ICT indicators* available to NSOs that wish to gather internationally-comparable data on the use of ICTs
- relate them to impact on the MDGs.

Framework matrix and project examples

ICT & PPG Dev. ^t good practice	1. ICTs support <u>growth processes</u>	2. ICTs enhance <u>efficiencies</u> in other sectors	3. ICTs <u>complement</u> pro-poor growth activities	4. ICTs directly enhance <u>Livelihoods</u>	5. ICTs address <u>barriers</u> to growth
Ownership	Local owned supportive research for enabling environment		Reduction of vulnerabilities by increased good governance		
Co-ordination / collaboration	Reduction of vulnerabilities by increased good governance			Improved planning for natural resources	
Capacity building	PRSPs that include ICTs	Integrating ICTs with other sectors	Pro-poor collaboration on ICTs and other sectors	Private sector support for rural livelihoods	
Sustainability	Strengthening policy-makers	Improved health information for planning			Using ICTs to reach marginalised areas
Monitoring & evaluation	Private sector support for rural livelihoods and gender equality		M&E of ICTs to offer mainstream insights		Private sector support for rural livelihoods
Appropriateness	Rapid growth of Mobile phones		Distance education by radio		
	M&E of service delivery efficiencies			Communication on HIV/AIDS	
	Village payphones as support for rural livelihoods				
	Importance of local content				



ANNEX: hyperlinks to specific projects

Example projects by donors

	ICT support for Growth Processes	ICT enhancing efficiencies in specific sectors	ICT complementing specific Pro-Poor Growth activities	ICT enhancement of Poor Livelihoods	ICT used to address barriers
Ownership (Participation)		Local owned supportive research for the enabling environment. www.eldis.org/static/DOC15227.htm		Reduction of vulnerabilities by increased good governance http://www.lawlibrary.co.za/notice/updates/2004/issue26.htm	
				Reduction of vulnerabilities by increased good governance http://www.comnet-it.org/news/stlucia/Thu-12th-CarlosBatista-santalucia-unesco-cmb.ppt	
Co-ordination Collaboration		PRSPs that include ICTs http://www.oecd.org/dataoecd/4/31/15987985.pdf		Improved planning for natural resources www.usaid.gov/qn/infotechnology	
		Integrating ICT with other sectors http://www.usaid.gov/tz/ppg7.html		Private sector support for rural livelihoods http://www.niaa.org/index.php?id=324	
		Pro-Poor collaboration on ICTs and other sectors www.iicd.org			
Capacity Building		Strengthening policy makers www.nettelafrika.org	Improved health information for planning www.phrplus.org/countries_alb.html		
Sustainability	Private sector support for urban livelihoods (and gender equality) http://www.iie.org/wcoast/wit.html			Using ICTs to reach marginalised areas www.usp.ac.fj/df/	
	The rapid growth of Mobile phones www.telafrica.org		M&E of ICTs to offer mainstream insights www.infodev.org	Private sector support for rural livelihoods http://www.echoupal.com/	
Monitoring and Evaluation		M&E of Service delivery efficiencies unpan1.un.org/intradoc/groups/public/documents/APCITY/UNPAN015131.pdf			
Appropriateness				Distance education by radio www.dot-com-alliance.org/newsletter/article.php?article_id=90	
		Village Payphones as a support for rural livelihoods http://tech.gfusa.org/villagepayphone.shtml			
		The importance of local content www.jhpiego.jhu.edu/global/talc.htm		Communication for Development HIV/AIDS http://mali.viky.net/usaid/cgi-bin/index.pl	