

BACKGROUND AND MAJOR CROSS-CUTTING ISSUES TO ACHIEVE BETTER RESULTS IN POVERTY REDUCTION THROUGH ECONOMIC INFRASTRUCTURE SERVICES

Information and Communication Technology for Development (ICT4D) is a cross cutting theme for all development activities

*"Poor people's information/knowledge comes from not one ICT but from a mixture of many ICTs, and from the information it is used to access or share. It is the use of the information at this level and the application of knowledge that creates impacts on their lives, and gives progress towards achieving the MDG targets."*¹

Inclusion of an ICT4D strategy in all projects improves efficiency and effectiveness

Like Gender and the Environment, inclusion of an ICT for development theme in the planning and processes of any development cooperation project, including infrastructure projects, improves the efficiency and effectiveness of the development intervention. *'Knowledge is a key factor in poverty reduction and development, as demonstrated in CIDA's strategy paper.'*² However, unlike gender and the environment, an ICT for development analysis has yet to be embedded in development intervention planning processes.

Discussion of ICT needs to distinguish between ICT as an infrastructure sector (e.g. telecommunications, broadcast media), and the integration of information technologies into the much broader use of information and communication strategies as a means to achieve development goals (ICT4D)

JBIC's transport and ICT paper³ emphasizes the role of ICT as an infrastructure subset. However, only Japan and Germany commented on ICT, even though many other agencies have insights. This absence of comments can be attributed to the mismatch between ICT as a tool and as an infrastructure sub-sector. A growing body of agencies discuss ICT4D as an added *tool* for development, particularly with regard to their role in participatory processes and governance. *"ICTs to be used as a tool for development, rather than as an objective."*² Sector papers need to distinguish between the two roles.

ICT as a tool can improve governance, transparency, planning processes and modelling

As a general tool, improved ICT4D can lead to increased government transparency. For instance Gyandoot in India offers farmers access to land title deeds through public ICT bureaus, easing the process, reducing corruption, and promoting development of irrigation networks. *"ICTs can play an important role in combating corruption and making government institutions more transparent, by reducing the opportunities and incentives for and increasing the costs of corruption"*.⁴ Infrastructure for the poor depends on participatory approaches at all stages of the project cycle, and ICT4D can assist in raising awareness to enable changes in government strategy, increasing accountability of private sector companies once there is an ICT-enabled customer service complaint procedure for affected populations, community consultations, setting up community liaison offices, keeping consumers informed of changes, progress and improvements on an ongoing basis.

¹ OECD "How ICTs contribute to the MDGs", Discussion paper, draft 2004

² OECD POVNET 2004 *Updated donor information and communication technology strategies matrix.*

³ JBIC 2004 *Transport and ICT: Making Infrastructure Pro-Poor*, 1st Draft

⁴ World Bank InfoDev, Kerry S. McNamara. 2003 *Information and Communication Technologies, Poverty and Development: Learning from Experience.*

ICT as a tool can improve infrastructure performance

As discussed below, ICT can lead to more dynamic markets. "*MFP growth thanks to the use of ICTs, either through efficiency gains in individual firms, or through network/spill-over effects from ICT use.*"⁵. ICTs are an integral part of innovative payment mechanisms, helping to overcome revenue collection problems, and providing mechanisms for consumer feedback.

ICTs are good for collecting large amounts of data

Good, reliable information is the foundation of infrastructure planning (e.g. resource availability, demographics); more detailed information and communication is required to integrate decentralised planning into national strategies. Data is also needed to monitor service delivery, especially where commercial contracts are based on performance.

ICTs can be effective in education, awareness raising and capacity building

Decentralisation and commercialisation policies mean that private sector institutions need to learn business skills, and government agencies need to acquire new management and monitoring skills. ICTs can ease the flow of information between various levels of government, and between departments.

EMERGING CONSENSUS FOR THE PROPOSED INFRAPOOR GUIDING PRINCIPLES

*"There is an emerging consensus that the role of ICTs is an "enabler" for development, not a "magic bullet", and that ICTs are an effective tool to empower the poor."*⁶

ICT Infrastructure is complimentary to traditional infrastructure, not substitutional

Recent evidence⁷ suggests that the rural poor do not travel less when they have access to a phone. However, they make more efficient use of their travel. Markets become more dynamic and more perishable goods can be bought and sold, thus increasing the effectiveness of other infrastructure (roads, water, etc).

ISSUES REQUIRING FURTHER DISCUSSIONS

If roll-out of ICT were linked to expansion of energy and transport networks, cost savings could be made

There are a number of countries that are combining programmes on energy or transport with telecommunications (e.g. Uganda). The cost savings are potentially high since the marginal extra cost of laying ICT pipelines at the same time as other services is small compared to the overall costs. However, since telecommunications are often privatised, there are considerable hurdles regarding ownership and management of such a combined (public/private) installation.

⁵ OECD Policy Brief Integrating ICT in Development Programmes 2003

⁶ OECD POVNET 2004 *A dialogue on ICTs and Poverty: The Harvard Forum.*

⁷ www.telafrika.org

**Second Workshop of the Infrastructure for Poverty Reduction (InfraPoor)
Task Team (27-29 October 2004, Berlin): Issue Note for Thematic Discussions
Sector: ICT**

*"It is clear that the proper regulation of telecommunications is absolutely critical for the infrastructure development."*⁶

Recent research⁸ shows a mismatch between the policy environment and the access and cost structure of ICTs. While we know that the right policy environment is important, there is a need for ongoing research to determine what the right environment is?

*"Many important aspects of information and communication infrastructure are cross-border in nature, and therefore require international/regional co-operation."*²

⁸ "Fair access to the Internet", Link Centre and M Jensen Consulting, ResearchICTAfrica.net, February 2004.

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KEY RECOMMENDATIONS AND OPEN QUESTIONS FOR THE SECTORS

| | Energy | Transport and ICT | Water and Irrigation |
|--|--|--|---|
| Service Delivery to the Poor | <ul style="list-style-type: none"> • ICT supports environmental monitoring • ICT4D supports planning and prioritising processes • ICT opens opportunities for prepay technology which can be pro-poor | <ul style="list-style-type: none"> • ICT creates dynamic markets (efficiency of infra use). Should added value of ICT (complementarities to Transport) be an integrated part of transport plans? • Should infrastructure projects have policies on how to use ICT4D to create suitable public awareness of the options? • Prepaid ICT is a pro-poor mechanism | <ul style="list-style-type: none"> • ICT4D is strongly linked to awareness raising and education opportunities in health and hygiene. |
| Decentralization and Private Sector Participation | <ul style="list-style-type: none"> • Radio, local and national, offers opportunities for public awareness and comment on privatisation processes. | <ul style="list-style-type: none"> • Given the operational difficulties of roles and responsibilities, InfraPoor projects should include an ICT4D strategy to connect local to national for co-ordination. • The private sector is instrumental in expanding ICT for development access. Private and public sector are responsible for ICT4D applications. How do the two relate in the local situation? | <ul style="list-style-type: none"> • Participatory processes are a challenge, and ICT4D can provide mechanisms for consultation and consensus. |
| Governance | | <ul style="list-style-type: none"> • Community radio with “phone-ins” as a feedback mechanism is a proven mechanism for improved governance - how to use for infrastructure projects? • ICT can improve financial flows – new mechanisms available to reduce transaction costs, and extend reach. | |