infodev Asia Regional Workshop on Promoting Innovation and Entrepreneurship in Asia
Innovation: The Role of Business Incubation
October 3-6, 2007 / Hanoi, Viet Nam

ICT for Development: Donor Strategies and Challenges

By Gerolf Weigel
Head of ICT4D, SDC, Switzerland and Chair International Advisory Panel GK3, GKP

Overview

1. ICT4D: SDC ICT4D Strategy

   => integrated bilateral donor strategy considering ICT as a powerful enabling TOOL for development

2. GKP Event on the Future: Emerging People, Emerging Markets, Emerging Technologies (Global Knowledge 3)

   Additional information on the financing perspective
   (presentation at the ICT Africa Investment Summit 2007)

3. Financing Development-oriented ICT Applications

   Note: This presentation has been prepared in cooperation with STUART MATHISON, Head – Technology Initiatives, The Foundation for Development Cooperation. See Discussion Paper: Financing ICT for Development: Donor Perspectives. Stuart Mathison. Global Knowledge Partnership (GKP), July 2007
1. ICT4D: SDC ICT4D Strategy

- example of a strategy of a bilateral donor agency to use information and communication technologies as a powerful tool to enable development, humanitarian aid and disaster relief

- the SDC ICT4D Strategy is available as pdf or print copy
- see [www.sdc.admin.ch/ict4d](http://www.sdc.admin.ch/ict4d)
“A telephone connection and internet terminal installed in a remote village in Africa will not automatically lead to poverty reduction.”

(SDC-ICT4D Concept 2005)

Table of Contents

1 INTRODUCTION
2 CONTEXT
   2.1 Global Dynamics Regarding ICT
   2.2 SDC's Current Priority Areas
   2.3 SDC’s Lessons Learnt
3 STRATEGIC CHOICES
   3.1 SDC’s Comparative Advantages
   3.2 SDC’s Approach to ICT4D
   3.3 SDC’s Strategic Focus and Objectives
4 IMPLEMENTATION MEASURES
   4.1 Guiding Principles for Implementation
   4.2 Organisational Measures
   4.3 Resources
1 Introduction

**ICT as a tool**

The Millennium Development Goals (MDGs) cannot be achieved in all regions at the present pace of progress. We need to **pool our resources and knowledge** to reach the **MDGs**.

**ICT4D** can make a substantial contribution by **facilitating scalable, inclusive and integrated approaches** and **collaboration between different stakeholders**.

The **enabling** role of ICT as a tool in fighting poverty is manifold, especially through:

- **increasing the efficiency** – reaching more people while reducing transaction costs

- **increasing the effectiveness** in terms of process, ownership, participation, more interactive communication, networking and better service delivery in basic services such as health and education

- **improving the productivity** and income of micro, small and medium enterprises, e.g. through better access to information, credit and markets, effective use of ICT tools in management and marketing.

In addition, the creation of **jobs and income** through **ICT as a sector**, producing hardware, software and other components of the ICT infrastructure plays an increasing role in developing countries.
2 The Context
Where are we today?

“The rapid development of ICT is changing the context for development and poverty reduction programmes.”
(SDC-ICT4D Concept 2005)

Global Dynamics regarding ICT
The rapid development of ICT further changed the context for development and poverty reduction programmes. The trends as summarized in the ICT4D Concept continued or accelerated: a few examples

- the spread and applications of ICTs accelerated
- the World Press Freedom Day 2006 showed an increased interest of the mainstream media in ICTs, so did the broadcasters at their meeting at UNESCO, Paris, Sept. 2006
- great participation in the launch of UN Global Alliance for ICT and Development and role of UNSG
- Mission 2007 and ICT4D in India made substantial progress
- the Inter American Development Bank confirmed ICT4D as one of their strategic pillars
3.2 SDC's Approach to ICT4D (1)

3.2.1 SDC uses ICT as a tool to achieve development goals

The international discussion takes into account different angles and perspectives of ICT4D, e.g. as a paradigm shift, dealing with the way development countries respond to the global changes in society induced by ICT, as a multilateral policy issue, creating platforms for knowledge sharing and negotiating guidelines and norms, as a cross-cutting issue that underpins most development programmes and policies, and as a practical tool to achieve development goals.

For SDC ICT4D is primarily a powerful tool that enables a more effective and efficient implementation of SDC’s development programmes and policies.

Secondly, SDC advocates development oriented positions in multilateral policy discussions on ICT4D and supports the sound participation of partners and stakeholders from the South in multi-stakeholder policy networks on ICT issues in order to reinforce their voice and their opportunities to influence the negotiation processes on ICT4D policy issues.

Whether the objective is to provide access to relevant information, to empower people or to facilitate communication and network building, SDC places the emphasis on what can be achieved through the use of ICT. In other words, ICT is seen as a means to an end and not as end in itself.

SDC takes into account that all technological solutions should build upon a realistic assessment of the nature and scope of existing information and communication needs. By prioritizing information and communication over technology it becomes easier to determine the appropriateness of ICT in development efforts.
3.2.3 SDC applies and combines *three different modes of operation*

SDC follows *three different modes of operation*

**Innovative Approaches to pro-poor ICT Integration**

- SDC supports *local initiatives, approaches, innovations* and *peer-to-peer learning* regarding pro-poor ICT integration.
- SDC emphasizes the active recognition, promotion, use and exchange of *local/indigenous knowledge* in a broader effort of *balancing* local, regional and global knowledge.

**Capacity Development**

- SDC strengthens the *institutional and organisational capacity* for effective and efficient use of ICTs (including communication and media systems) that enhances equal opportunities and social justice.
- SDC *empowers local and regional networks, MSPs* and *organisations* through specific *ICT-related capacity* development that can be used on country and regional level.
- SDC facilitates *South-South cooperation* through local knowledge, content and knowledge sharing.

**Policy influencing and networking**

- SDC advocates development oriented positions in multi- and bilateral discussions on ICT4D issues, influencing international, regional and national agendas on ICT4D.
- SDC strengthens the voice of developing countries and disadvantaged communities in the global, regional and local policy dialogue, especially through networks (e.g. support of national NGO-networks in the field of pro-poor regulation and policies).
- SDC facilitates South-South cooperation and networking through local and regional processes.
3.2.4 **SDC engages in partnerships, networks and initiatives on all levels**

A major strength of **ICT4D** is its **huge potential for networking**. Networks and partnerships ranging from grass root to governmental initiatives. SDC engages in different partnerships, networks and initiatives on all levels (global, regional, country), and across different sectors (public sector, private sector, civil society):

- **Global** initiatives (e.g. follow up and implementation of the World Summit on the Information Society (WSIS), Global e-Schools and Communities Initiative (GeSCI))
- **Multi-stakeholder partnerships** and **networks** (e.g. The Global Knowledge Partnership, Building Communication Opportunities (BCO), Communication Initiative)
- Bilateral agreements with international institutes (e.g. IICD, PANOS, OneWorld International (OWI), APC, Bellanet)
- Cooperation with **UN organisations** (e.g. UNDP, UNESCO) and UN related multi-stakeholder processes such as the Internet Governance Forum, Global Alliance on ICT and Development)
- Cooperation with the **private sector** (e.g. in the telecentre.org programme)
- A growing number of initiatives supported by the **SDC Cooperation Offices** in many countries and regions.
3.2.6 SDC contributes to a competitive enabling environment for private sector investment

The private sector’s main function is to provide large scale infrastructure and innovation. This requires a highly integrated and flexible regulatory framework that promotes innovation and investment, both by domestic and international private sector. However, large marginal areas, regions with low population density, low purchasing power, and cultural minorities are often beyond the commercial interest of the private sector. In such situations, development agencies can have a major role as catalysts for local innovation, policy dialogue and action.

SDC, therefore, assists governments in providing a competitive enabling environment for
- attracting domestic and international investment while at the same time
- ensuring that the overall national policy framework and pro-poor goals are taken into account.
3.3 SDC's Strategic Focus: Overall Goal and Objectives (1)

SDC’s strategic orientation in ICT4D is shaped by the following overall goal:

SDC contributes to up scaling poverty reduction and MDGs advancement through the effective use of the full range of ICTs, enhancing access to knowledge, voice in decision making as well as people-centred networking and communication.

In order to make a substantial and significant contribution to this goal, SDC applies an integrated approach that covers three dimensions: access, voice and networking. Each concrete ICT4D programme consists of a specific blend of the three dimensions.

To achieve this overall goal, SDC defines the following strategic objectives for each of the three ICT4D key dimensions:
### ACCESS: Knowledge for Development

**How to improve the access to information and knowledge through ICTs for poor, disadvantaged people and those in remote areas?**

**Objective:** SDC contributes to poverty reduction through more equitable access to and sharing of relevant knowledge and information facilitated by the enabling use of ICTs that enhance equal opportunities and sustainable social development.

**Action lines:**

1) **Innovative Approaches to pro-poor Access**
   - Support local initiatives, innovations and peer-to-peer learning to improve *multi-user, community-* and *low-cost access* to information and knowledge for the disadvantaged, particularly for the poor people in rural areas as well as women and girls.
   - Promote as a catalyst the creation and sharing of *relevant information*, support the balancing local, regional and global elements in line with the needs and priorities of the poor and excluded.

2) **Capacity Development**
   - ICT in Education and Training: support the enabling use of ICT in education and training systems, including e-Learning, curriculum development, management, teacher training, vocational training etc. (the specific focus in a country or region is determined by the local context and SDC programme priorities at the country level).
   - Develop capacities of public and private organisations and networks to form, manage and advise investments in ICT for development at local, national and global levels.

3) **Networking and Policy Influencing**
   - Engage in multi-stakeholder initiatives as an appropriate way to share risks, lower costs and boost impact/outreach through leverage effects.
   - Strengthen advocacy networks at national and global level (Post-WSIS and MDG- as well as vertical linkages) to support pro-poor regulation and policies within SDC Cooperation Programmes.

**With whom:**
- Local Partners in SDC Cooperation Countries
- Partnerships and cooperation agreements with e.g.
  - the Global e-Schools and Communities Initiative (GeSCI), IICD, APC, Bellanet, IDRC, Telecentre.org)
- Cooperation with UN organisations (e.g. UNDP, UNESCO)
How to give the poor a stronger voice at all levels of decision-making by using ICTs?

Objective: SDC contributes to poverty reduction through empowering the poor and marginalized by ICT enhanced strengthening of their voices, capacities, communication and networking to influence decisions that affect their lives and to foster self-expression of their cultural identity

Action Lines:

1) Innovative Approaches to amplify the voices of the poor and to foster cultural expression and identity
   - Support local and regional initiatives, innovations and peer-to-peer learning to ICT enhanced approaches to the strengthening of voices of the poor and marginalized, their capacities, communication and networking to influence decisions that affect their lives and to foster self-expression of their cultural identity.
   - Efforts include strengthening of:
     - interactive community radio linked to internet and mobile phone exchange, functioning as an open platform and channel for amplifying voices of the people
     - improved participation and governance, more influence on transparency and accountability
     - easier involvement of the local citizens in poverty reduction strategies\footnote{1} through well informed and networked local media
     - cultural expression, identity and dialogue making optimal use of suitable low-cost technology
     - ICTs as tools for conflict resolution, peace-building and disaster management and prevention.

2) Capacity Development
   - Strengthen the capacities and capabilities of the poor and marginalized to identify, discuss, articulate and voice their development concerns
   - Enhance the capacities and capabilities of "communication intermediaries" (i.e. journalists, editors etc) to systematically reflect also the interests and concerns of the poor and marginalized

3) Enabling Media and Communication Systems
   - Promote more inclusive, interactive, independent and pluralistic national and local media systems also
     - generate and provide the information that the poor and marginalized want and need for their economic empowerment
     - provide space for poor and marginalized to discuss issues of their priority
   - Support a stronger role of ICT enhanced networking among local, national, regional, national and global media organisations as well as effective peer-to-peer support mechanisms

With whom:
- Local Partners in SDC Cooperation Countries
- Partnerships with international networks / organisations (e.g. PANOS, World Association of Community Radio Broadcasters (AMARC), One World Trust, World Electronic Media Forum (WEMF), AMARC)
**NETWORKING: Partnerships and Policy Dialogue**

*How to use ICTs to connect people and organisations, to share knowledge and participate in policy dialogue?*

**Objective:** SDC facilitates effective networking, communication and cooperation among people and organisations at the local, regional and global levels that favour equal opportunities and empowers poor and disadvantaged groups to participate in policy dialogue on ICT4D.

**Actions Lines:**

- Facilitate the brokering or strengthening of multi-stakeholder partnerships (MSPs) and networks for increasing effectiveness of ICT in development and poverty reduction

- Foster ICT enhanced networking at local, national, regional and global levels on specific issues: investments in ICT and regulatory framework, aid management and governance

- Develop capacity of partners to better influence policy and public opinion on ICTs that foster equal opportunities and democratic participation

- Advise SDC Cooperation Programmes on effective ways of outreach and leverage by using ICTs

**With whom:**

- Global Knowledge Partnership (GKP) a multi-stakeholder network of networks ... [www.globalknowledge.org](http://www.globalknowledge.org)
- Global initiatives (e.g. WSIS, GKP)
- Cooperation with UN organisations, e.g. Global Alliance for ICT and Development UN GAID; UNCTAD CSTD ([http://stdev.unctad.org/](http://stdev.unctad.org/))
- SDC Cooperation Countries: networks and initiatives supported by the SDC Cooperation Offices
4 Implementation Measures
How do we get there?

“ICTs can only become an effective tool if they are an integral part of a broader, more comprehensive national development strategy.” (OECD, Integrating ICT in Development Programmes, 2003)

4.1 Guiding Principles for Implementation

To ensure, that ICTs have a positive impact on programmes and processes in development, transition, humanitarian and conflict contexts, SDC takes into account the following principles and lessons learnt as specified in 2.3 when planning and implementing ICT4D programmes and projects.

- Best fit to the context
- Embedded in a broader development effort
- Harness the transformative nature of ICTs
- Gender - balanced and - sensitive
- Conflict sensitivity
For a broader integration of ICTs into the SDC development programmes and policies on all levels, the following organisational elements will be deepened further and an **SDC interactive web service** will facilitate easy and user friendly access to ICT4D knowledge, organisations, references, peer-to-peer exchange etc.

- The efforts will be intensified to further increase and broaden the awareness of operational and thematic units about the relevance of ICT4D for the attainment of the MDGs, to improve cost effectiveness and reach leverage effects by ICT4D.

- Strong global and regional partnerships with selected competence centres are developed that can provide advise and services in line with SDC Cooperation programmes in selected regions and thematic areas.

- A selected set of best practice is fed into the standard review processes of the Cooperation Programmes and the synergies between ICT4D programs will be seized more easily thanks to the increased knowledge sharing efforts within SDC programmes and the programmes implemented by the external partners of SDC.
4.3 Resources

The use of ICTs often lowers costs through leverage and outreach of development efforts. Hence, SDC improves the efficiency and productivity in its core mandate of Cooperation Programmes and policy influencing in a large number of important processes by integrating ICTs. Additionally, the relative cost of ICT has greatly fallen over the past years and it continues to fall. As a result, innovative use of ICT tools facilitates information flows and communication at much lower cost than in the past.

One key advantage of the implementation of the ICT4D Strategy is that the larger part of action does not require additional resources, as it builds on ICT integration to increase programme efficiency and effectiveness. For the catalyzing, advisory and networking services and partnerships implemented mainly by the ICT4D Division in close cooperation with ICT4D focal points in other SDC units, the resources included in the current financial planning are expected to be sufficient.
ICT for Development: Key Dimensions and Main Goals (SDC)

Legend:
ICT4D = ICT for Development
C4D = Communication for Development.
K4D = Knowledge for Dev.

What's really new?
- interactivity
- speed, +24 hours,
- horizontal many-to-many communication
- lower costs
- integration of different media

Cross-cutting Priorities
- Multi-stakeholder Partnerships/Poverty Reduction/MDGs

levels
- local
- national
- global

approach
- people centred
- demand driven

ACCESS
to promote use and exchange of relevant information and knowledge for equal opportunities

ICT4D
people and organisations using ICTs as empowering tools to improve their lives/increase efficiency of development support

K4D

VOICE
facilitate broad participation in democratic processes, good governance, cultural diversity and local content

NETWORKING and COMMUNICATION
to facilitate effective human communication and cooperation among people and organisations

G. Weigel SDC April 30, 2004
Knowledge, Communication, ICT and Development

**Social**
Justice
Cultural Diversity and Identity
Sound Social Structure

**Poverty Reduction**
Development
MDGs

**Economic**
Growth
Sustainable Livelihoods
Income, Jobs
Peace + Stability as precondition

**ICT**
Interactive
Community Radio

Mobile phones
Telephone

Video

Internet

Printed Press
Internet-linked

Radio
Television

Smart integration
of different ICTs

Ownership
Participation
Capacity
Governance
accountability
transparency
enabling environment
service delivery

Innovation
Productivity
efficiency
markets

Access

Koppyranh, Communication

Interaction
Community Radio

Internet

Radio
Television

Mobile phones
Telephone

Video

Internet-linked

Printed Press
A GKP Event on the Future: Global Knowledge 3 (GK3)

- Global event attracting 2,000 global visionaries, innovators, practitioners, policy makers
- Platform for vibrant exchange of knowledge and views about the Future at the interplay of emerging people, markets and technologies
- Launch pad for Multi-Stakeholder Partnerships between Government, Business, Civil Society and International Organisation

www.GKPEventsOnTheFuture.org
GK3 Themes and Sub-themes

Interplay / Interface between
• Emerging People
• Emerging Markets
• Emerging Technologies

Cross-cutting Priorities:
• Innovation
• Knowledge
• Futures Perspective
• Women
• Youth
• Sustainability
• Multi-Stakeholder Partnerships
GK3 Cross-Cutting Priorities

• **Innovation**
  – **Key competitive factor** in globalizing world and in shaping the future
  – **Networked innovation** processes moving away from labs, **innovation from the edges**
  – Enabling educational environments and systems at all levels to **stimulate creativity** and excellence

• **Futures Perspectives**

• **Youth**
  – Constitutes major share of population in emerging and developing countries
  – Young entrepreneurs are key driving force for business and self-employment

• **Women**
  – Tremendous potential as driving force for learning, innovation, entrepreneurship and dialogue

• **Knowledge** management and sharing; Knowledge => Key development factor

• **Multi-Stakeholder Partnerships**
  – Powerful mechanism to effect a more holistic approach to development and better governance
GK3 Sponsors and Knowledge Partners

Sponsored by

Knowledge Partners
GK3 Core Programme: Emerging People Track

Plenary: New Jobs and Employment Opportunities

- **EP1**: Empowering Grassroots Women for Good Governance through Community Media
- **EP2**: Engendering the Knowledge Society: Measuring Women’s Participation
- **EP3**: Making Community-Driven Networks a Reality
- **EP4**: Creating Opportunity: Basic IT Skills as a Springboard to Jobs
- **EP6**: Changing Media and Citizen Participation (tbc)
- **EP7**: Linking Education – Experiences with National ICT Programmes for Education (tbc)
- **EP8**: Knowledge Transfer for Development – Approaches to Community Empowerment and Future Strategies (tbc)
- **EP9**: Creating a New Strategy for Gender in the Information Society – Empowering Women in ICTs
- **EP10**: India as Trend Setter (tbc)
- **EP11**: Guiding SOHO Entrepreneurs and Workers into the Information Economy
- **EP12**: Building Knowledge Societies, What Makes the Difference? (tbc)
- **EP13**: e-Agriculture – Continuing Dialogue to Action
- **EP14**: Diplomacy Goes Virtual: Opportunities and Limitations of Virtual Diplomacy
- **EP15**: Accelerating Inclusion Through Knowledge Sharing (tbc)
- **EP16**: Telecentre.org Academy
- **EP17**: Facilitating Innovative Approach to Community Development
- **EP18**: Sharing Practices, Gaining Innovative Experience
- **EP19**: Gender Evaluation Methodology for ICT4D Practitioners

Full Programme: [www.GKPEventsOnTheFuture.org](http://www.GKPEventsOnTheFuture.org)
GK3 Core Programme: Emerging Markets Track

Plenary: Emerging Markets: Is There A Fortune at the Bottom of the Pyramid?

- EM1: Electronic Banking with the Poor: Emerging Technologies for Financial Inclusion
- EM2: Connecting the Diaspora: Migration As An Opportunity
- EM3: Incubating Entrepreneurship: Developing World Tech Incubation Centres (tbc)
- EM4: Rural Societies, Technologies and Languages in Africa (tbc)
- EM5: Partnerships, Networks and the Next Generation of Telecentres
- EM7: Emerging Knowledge Opportunities (The Progress of ICTs in Asia-Pacific and Other Parts of the World)
- EM8: Social Outsourcing and Fair Trade in IT
- EM10: Sustaining Telecentres Through Entrepreneurship
- EM11: Emerging Learning Mechanisms for Emerging Markets
- EM12: Open For Business: The Emerging Collaboration Economy (tbc)

Full Programme @ www.GKPEventsOnTheFuture.org
# GK3 Core Programme: Emerging Technologies Track

## Plenary: Rise of the Alternative Internets: Implications and Challenges for Global Development

- **ET1**: ICTs for a Multilingual Knowledge Society
- **ET2**: Collaborative Tools and Techniques for Strengthening Networks (tbc)
- **ET3**: Open Access: Sharing Research, Expanding Resources
- **ET4**: Making Communities Disaster Resilient
- **ET5**: Transforming Publishing Practices to Enhance Access to Knowledge for Development
- **ET6**: Building a Cybersafety Partnership
- **ET7**: The Future of Access
- **ET8**: Innovative Technology for Community Access
- **ET9**: Multi-stakeholderism in Internet Governance (a look at ICANN and IGF)
- **ET10**: Health Outcomes: The Role of ICT Applications, Standard and Practices
- **ET11**: Teleuse at the Bottom of the Pyramid
- **ET12**: Government Call Centres – Improving a Citizen-Centric Approach (tbc)
- **ET13**: Hello Regulator? Regulatory Authorities’ Information and Communication Practices
- **ET14**: Exploring the Future of e-Government: Knowledge Engineering for Results
- **ET15**: Technology Philanthropy: Supporting NGOs and Civil Society Worldwide Successfully

---

Full Programme @ www.GKPEventsOnTheFuture.org
GK3 Core Programme: Cross-Cutting Track

Plenary: Visions of the Future

• SS1 on Financing:
  Financing Change in ICT4D: Innovative & Emerging Social Investors and Donors

• SS2 on Knowledge:
  Knowledge Management for Development – Innovations, Lessons & Perspectives (tbc)

• SS3 on Future:
  Futurist’s Perspectives

• SS4 on International Policy:
  A joint panel by GKP and UN-GAID

• SS5 on Education:
  Multi-Stakeholder Partnerships in Education: A Step Forward

• SS6 on ICT, Knowledge and Human Development:
  A ministerial panel

Full Programme @ www.GKPEventsOnTheFuture.org
Further Highlights during GK3

Further Highlights:
• **Young Social Entrepreneurs’ Forum**
• IdeaFactory Project: “A world of entrepreneurs – 20 ideas to make it happen by 2020”

**Exhibition Highlights**
• Market of Opportunities
• IdeaFactory – Creative City Exhibition  «A world of entrepreneurs – 20 ideas to make it happen by 2020». A GK3 / brainstore Idea factory initiative
• ‘Devices From The Edge’ Demonstrations
• Emerging Solutions Workshops
• Partnership Initiatives Launchpad
• Telecentres, Community Multimedia Centres & Village Knowledge Hubs
• GKP Pavilion & Network Member Showcase
• Corporate Exhibition

**Evening Highlights:**
• Stockholm Challenge-GKP Awards 2007
• African Information Society Initiative (AISI) Media Awards 2007
• GKP 10th Anniversary: Celebrating 10 Years of Knowledge Sharing and Building Partnerships
  (by invitation only)
GK3 Associated Events

- World Electronic Media Forum 3
- Telecentre Leaders Forum
UN Inter-Agency Meeting on South-South Cooperation
- UN GAID International Task Force on Women & ICT Meeting
- I4d Film Festival
- GKP - Global Action Network – Marc Linderberg Center “Leading Networks: Facilitation, Knowledge and Learning” Workshop
Thank you
Financing Development-oriented ICT Applications
Development-oriented ICT Applications

ICT applications can represent innovative and scalable solutions for achieving key development objectives, for example:

- **e-banking, e-commerce**: towards an inclusive global economy
- **e-health**: public health awareness, providing services to remote areas
- **e-education**: increasing access to education, enhancing learning
- **e-government, e-governance**: providing more efficient and transparent services, and responding to public needs more directly
Multi-stakeholder Partnerships

The champions of ICT-enabled development applications typically come from a diverse cross-section of private and public sectors:

- They have **different strategic interests and core competencies**
- They create partnerships out of very **different business models** and **profit motives**

That is, **ICT4D brings together otherwise ‘unassociated’ actors into multi-stakeholder partnerships**

Given the diversity of interests and competencies, **partnership brokering and maintenance** is often required

Example – delivering **financial services to remote, disadvantaged communities through e-banking**:
Multi-stakeholder Partnerships – e-Banking

- Using ICT to deliver financial services to remote communities typically requires the following partners:
  - **commercial banks**, for their financial intermediation skills and access to lending capital
  - **telcos** and **ICT companies**, for their technological knowledge and ability to extend the frontier of the communications network
  - **NGOs** for their knowledge of, and connection with, communities
  - **Government** support for regulatory reform of ICT and financial sectors

- Of the above actors, only the NGO partners are likely to require financial support to develop their activities and interventions

- A strength of the multi-stakeholder approach is that project resources are mobilized from all partners, and public finance can be targeted in such a way as to leverage these existing resources
Technical Assistance

- Specific technical assistance will need to be directed to specific partners and/or specific tasks. For example, in the e-banking example:
  - Household cash-flow surveys
  - Finance sector regulatory diagnostics
  - ICT sector regulatory diagnostics
  - Hardware innovation for harsh environmental conditions
  - Application of solar power

- Technical assistance helps the project overcome blocking constraints
- These technical assistance activities typically require external grant funding support
Social Venture Capital and Mentoring

- **Business mentoring** is crucial to the promotion and scaling-up of ICT-enabled development initiatives.
- Mentoring involves a developmental relationship between a more experienced "mentor" and a less experienced partner, and typically involves sharing of advice to help a venture expand.
- Mentoring is often a key component of **Venture Capital investments**.

**Examples:**

- GKP Youth Social Enterprise Initiative, [www.ysei.org](http://www.ysei.org)
- Ashoka, [www.ashoka.org](http://www.ashoka.org)
- Omidyar, [www.omidyar.net](http://www.omidyar.net)
- The Skoll Foundation, [www.skollfoundation.org](http://www.skollfoundation.org)
- Acumen Fund, [www.acumenfund.org](http://www.acumenfund.org)
ICT Incubators

ICT incubators support the entrepreneurial process.

Entrepreneurs are selected and admitted into the incubators, where they are offered a specialized menu of support resources and services.

Resources and services open to an entrepreneur might include:

- provision of physical space
- management coaching
- help in preparing an effective business plan
- administrative services
- technical support
- business networking
- advice on intellectual property and
- help in finding sources of financing.
Catalyzing Agents

‘Catalyzing agents’ provide partnership brokering, mentoring, technical assistance, targeted research, and financial support, and must be able to respond quickly when strategic opportunities emerge.

- Most of the important players in new ICT4D initiatives will be commercial enterprises that will not respond to delays or requirements that compromise their timelines.

- Opportunities to assist a commercial enterprise in evaluating a new initiative may be short lived and the catalytic agent must be able to respond with whatever resources are required to advance the project.

- Two excellent examples of ‘catalytic agents’ include:
  - InfoDev [www.infodev.org](http://www.infodev.org)
  - CGAP Technology Program [http://cgap.org/portal/site/Technology/](http://cgap.org/portal/site/Technology/)
Microfinancing and Microfranchising

- Microfinance providers have found that few of their clients are entrepreneurial enough to convert a microloan that carries significant interest charges into an operating surplus.

- A response to this situation has been the emergence of the concept of microfranchising.

- Microfranchising is a business replication tool that seeks to apply the marketing and operational concepts of franchising to small and microenterprises in the developing world.

- In the context of ICT4D, microfranchising is attractive because it provides a methodology to replicate proven pilot initiatives.

- The microfranchise approach has been applied in the ICT4D sector for the replication of community telecentres.
Financing ICT for Development

- Direct financial support is only **one** aspect of scale-up strategies for ICT4D applications.
- In the best cases, **private finance – debt or equity** – will be available to those projects that can demonstrate a **viable** business case.
- Support – in the form of **partnership brokering, mentoring, technical assistance, incubation**, etc. – needs to be provided so that projects can develop a viable business plan and attract private investment.
- **Public sector finance** can be targeted to:
  - provide the targeted support mentioned above.
  - develop an enabling policy and regulatory environment to encourage private investment.
  - leverage the resources that partnership stakeholders bring to the table.
Thank you