

Towards an Inclusive and Development-Rich Information Society: Linking Financing Issues and Development Agendas

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‘The cause of development occupies pride of place in my proposals - in particular, the need for urgent action in 2005 to ensure that our world starts to make real progress towards the Millennium Development Goals, and achieves them by 2015. To achieve the goals, we must harness the potential of ICT. The September Summit, and the second phase of the World Summit on the Information Society to be held in November in Tunis give us opportunities to make vital progress in doing so. In 2005, we must fully integrate the global ICT agenda into the broader UN development agenda. And we must ensure strategic coherence in implementing the decisions taken at these important meetings.’¹

WSIS was important in bringing together a multiplicity of actors and stakeholders concerned with the emerging Information Society, its possibilities and the challenges to its evolution. The latter included not only concerns related to financing its development in various parts of the developing world but also those related to how best to address issues pertaining to the “governance” of various aspects of the Internet’s architecture and ways of contributing to its future development; to rights and to questions relating to inclusion and security, and a consideration of roles, responsibilities, and ways of approaching issues that the emerging information and network society enables but that requires moving away from business and development as usual.

This reflection is concerned with one of those issues –specifically with the development aspects of the financing discussion at WSIS, including through the work of the Task Force on Financial Mechanisms (TFFM) for ICTD. In so doing, it alludes to the connections with the broader development context which would strengthen the case for financing ICTD and

¹ Kofi Annan, The Secretary-General’s Message to the Eighth Meeting of the United Nations ICT Task Force, Dublin, 13-14 April 2005, in: <http://www.unicttaskforce.org/perl/documents.pl?id=1510>

discusses some of the challenges and opportunities for engaging with the wider group of development practitioners and making linkages to other development summits.

Dimensions of the Financing Question at WSIS

At one level, the “financing question” at WSIS could be seen as being about whether there is a need for a new global financing modality such as a new global fund.² Underlying the proposal for such a funding mechanism were a broader set of concerns relating to the effectiveness of existing mechanisms and their potential to respond to the emerging development opportunities and challenges faced by countries and regions within countries in making a case for and leveraging such financing.

The Task Force on Financial Mechanisms, set up in the wake of WSIS-Geneva,³ as requested, undertook a review of the main existing financing mechanisms. It explored trends in financing as well as promising practices and challenges involved in attracting and accessing financing from and by the private sector (external and domestic investment in ICT, equity and re-investment of profits, and access to domestic finance), public financing and provisioning (public sector investment in infrastructure, e-government and the financing of related activities), the effectiveness of modalities such as universal access funds at the national level⁴ and the financing of infrastructure, capacity development and integration into the development sectors through development cooperation.

The report highlighted a number of areas of concern and looked into various ways in which the effectiveness and *development impact* of current financing mechanisms could be improved. In terms of taking stock of the current assignment of roles and responsibilities, it not only pointed to the vibrancy of the private sector and ways that it could be still more effective given the right enabling environment amongst other things, but also highlighted the importance of the domestic public sector and development cooperation.⁵ It pointed to the

² A proposal for a digital solidarity fund was made by President Wade of Senegal at the time of WSIS-Geneva. A voluntary digital solidarity fund endorsed by a number of nation states, regions and cities has since been launched. See <http://www.ds4-fsn.org/> Prepcom 2 in the lead-up to WSIS-Tunis welcomed this fund and saw it as playing a complementary role to the existing financial mechanisms.

³ WSIS-Geneva requested the Secretary-General to setup a task force under his auspices to undertake a review of the adequacy [of existing mechanisms] in meeting the challenges of ICT for development. See http://www.itu.int/dms_pub/itu-s/md/03/wsis/doc/S03-WSIS-DOC-0005!!PDF-E.pdf For the report of the Task Force, see <http://www.itu.int/wsis/tffm/index.html>

⁴ In the report of the TFFM, the discussion of Universal Access Funds (UAF) includes funds such as Telecommunications Development Funds, Rural Development Funds, and any other funds established to support and finance access to ICT in currently underserved areas. See section 3.2.3 of the TFFM report at <http://www.itu.int/wsis/tffm/final-report.pdf>

⁵ For an example of another recent report looking into public and private roles in infrastructure development, see World Bank (February 2005) “Financing Information and Communication Infrastructure Needs in the Developing World: Public and Private Roles”

<http://lnweb18.worldbank.org/ict/resources.nsf/InfoResources/04C3CE1B933921A585256FB60051B8F5>.

role of multi-stakeholder approaches and mechanisms in addressing gaps and challenges and to the valuable role that local communities and authorities can play in providing access and services, and stressed the need to ensure that this role/niche is addressed within the context of policy/regulatory frameworks and financing mechanisms. It assisted in contributing to an agreement on the voluntary digital solidarity fund (see contribution by Shoji Nishimoto in this volume).

Development Divides and Digital Bridges

Given the limitations in access to, and hence the use of, these technologies, many of the discussions at WSIS were framed in the context of the more infrastructure-related dimensions of ICT and there were repeated calls for the need to bridge the *digital divide*. While there was also a focus on the importance of ICT as an enabler of development, with a critical role to play in achieving national and global development agendas⁶, the short-hand remained largely infrastructure-focused.

The relationship between the infrastructure aspects and the Information Society levels are not necessarily only sequential, but can be seen to be more mutually re-enforcing. Infrastructure and service provision can be thought of in tandem. A focus on using ICT for development effectively can, and has, helped to stimulate investment and to make it more self-sustaining both through the generation of demand but also through stimulating a decline in the cost of provision and hence further expansion of demand for ICT.

Going forward, one could contend, it is necessary to operate on two tracks: on the one hand to consider policy, financing and implementation issues as regards “IT is as if development mattered” and on the other, to foster “a realization of development’s full potential in the age of information and communication technologies”.

As regards the former, a number of “openings” in the Task Force report and demarcation of areas for future work have been highlighted, particularly by civil society actors.⁷ To the extent ICT can be considered to be *public goods* themselves or can enable the delivery of or access to other services and knowledge which are considered to be public goods, how can

⁶ For the focus and role in achieving the goals outlined in the Millennium Declaration, see WSIS Plan of Action: “4. The objectives of the Plan of Action are to build an inclusive Information Society; to put the potential of knowledge and ICTs at the service of development; to promote the use of information and knowledge for the achievement of internationally agreed development goals, including those contained in the Millennium Declaration...” http://www.itu.int/dms_pub/itu-s/md/03/wsis/doc/S03-WSIS-DOC-0005!!PDF-E.pdf page 1

⁷ For e.g., see Bread for All (2005) “Who pays for the Information Society: Challenges and Issues for financing the Information Society” http://www.ppp.ch/cms/IMG/Financing_IS.pdf. For an exploration of open access, public goods and community networks see Sean O’Siochru (page 9-11); Also see “Financing the Information Society in the South: A global public goods perspective” by Pablo Accuosto (ITeM) and Niki Johnson for APC at <http://rights.apc.org/documents/financing.pdf> and other contributions at http://www.choike.org/nuevo_eng/informes/2697.html

financing be mobilized for them in this context? Related to this, what is the place and experience of more “open access”⁸ approaches and the role of public financing of common infrastructure facilities? What is the role for community-owned networks in the provision of access and services? In what ways can the importance of providing development services and catalyzing development provide an effective basis for prioritizing infrastructure and access in currently underserved areas? What are the ways in which development priorities and the right to development need to be taken into account as regards the formulation and implementation of property rights regimes?⁹ What is the role for *open source* and *open content* approaches? Where do they work best? In the WSIS process context, some of these issues have also been picked up by the Working Group on Internet Governance (WGIG) cluster focusing on the development aspects of Internet governance, particularly as regards the governance dimensions and issues relating to financing universal access.¹⁰

However, the area of exploration and future work relating to the second track – the integration of ICT into development agendas – and the linkages that need to be made between WSIS and the upcoming September Summit being organized as a five-year follow-up to the 2000 Millennium Summit is more in the nature of work-in-progress at many levels.

Linking Development Agendas and Summits

While the use of ICT in contributing to achieving the development goals outlined in the Millennium Declaration is a theme that is highlighted prominently in the WSIS-Geneva Plan of Action and Declaration, as well in the preparatory processes leading up to WSIS-Tunis, for it to be effective it needs to be matched with a consideration of the role of ICT for MDGs by those who work on the MDGs and poverty reduction. Analogous to other summits, WSIS brought together the various constituencies of the ICTD community, but not other development decision-makers, non-ICT private sector and stakeholders. The support of the latter is important in many ways for the implementation of the development goals of the WSIS agenda and essential for its integration into the broader development

⁸ For a research project exploring open access, see InfoDev (September 2004) “Open Access: New Technologies, New Business Models to Enable Access For All” at http://www.infodev.org/section/programs/enabling_access/open_access. The open access approach is seen to ‘reflect the shifting paradigm in the telecommunication sector predicated on the separation of infrastructure from services.’ The project seeks to explore (1) opportunities for leveraging new technologies to increase access and functionality of existing infrastructure; (2) the design and implementation of open access models for infrastructure; and (3) the potential role of public financing in expanding infrastructure roll-out in Sub-Saharan Africa.

⁹ The issue of strong IPR, the potential for *open source* software and *open content* licensing policies have been taken up in the context of the many of the WSIS preparatory meetings and WSIS discussions. In the context of WIPO, please see page 68 of the following

http://www.wipo.int/documents/en/document/govbody/wo_gb_ga/pdf/wo_ga_31_15.pdf. For coverage see, http://www.ip-watch.org/weblog/index.php?cat=13&res=1024_ff&print=0 and <http://www.iprsonline.org/>

¹⁰ See Draft Cluster 5 Working Paper (April 25, 2005) at <http://www.wgig.org/docs/WGIGPaper-Cluster4-development.pdf>

agenda. However, there are few formal possibilities for making a bridge between the summits. The role of national delegations and stakeholders at the national level, but also at the context of the summit processes at the global level, is key if there is to be an understanding of the potential of a development-rich and inclusive Information Society and if the financing of it is to acquire the traction it needs.

To many in the wider development community, ICT appears to be a development priority competing for much-needed and limited funds but is one that is seen to be able, in many instances, to secure financing through a greater involvement of the private sector. While the role of the private sector is pivotal, public financing and development cooperation are also needed. More specifically, what is at stake here and how does it matter? From the development point of view, the issue of bridging the so-called digital divide should not be the focus for itself, important though that is. It is critical because while the digital divide is a reflection in large part of existing social and economic divides, bridging it and facilitating effective use of ICT can enable countries to bridge these other development divides in potentially more effective ways since ICT is important as a catalyst and an enabler of social and economic transformation. What is lost by not focusing on and being able to deploy ICT as an enabler is being able to catalyze new types of development, entrepreneurial, investment and other economic opportunities; what is lost is countries missing out on a more effective use of existing development resources that would result from a more *joined-up/integrated* approach to the delivery of public services, and through fostering greater accountability, transparency and interaction with citizens; it is a question of formal students and other stakeholders missing out on new types of learning opportunities and innovation and capacities to craft new solutions to address existing challenges and problems; it is a question of potentially perpetuating existing forms of inequities within and across countries as required skills, investment potential and development effectiveness are increasingly dependent upon or related to ICT. These are just some of the development costs that need to be factored into a discussion of financing of ICTD.

These insights are even more relevant to the achievement of the goals outlined in the Millennium Declaration which, given their high-level of commitment, provide a useful set of measurable targets against which to craft ambitious but realistic national strategies and anchor development cooperation and multi-stakeholder actions. They need to be seen as a set of inter-related goals rather than as a collection of separate targets. What this perspective brings to a discussion of financing the MDGs is that the cost is not simply a sum of the different parts. With a consideration of the inter-linkages, in many instances, the total costs can be lower than might be otherwise thought to be. ICT brings an added element to this discussion given its role in facilitating integrated approaches, new forms of partnership and collaboration and contributing to the development of new cost-effective and scalable

solutions. It is thus essential that both as a cross-cutting element and as a development tool it is recognized as a potentially important contributor to the achievement of these other development priorities and that the discussions of financing of ICTD are interconnected to the discussion of financing of the MDGs.¹¹

Important steps in recognizing the role of ICT in this context have been taken by the report of the United Nations Millennium Project and by the Report of the Secretary-General. In the report of the Secretary General, “In Larger Freedom”¹², it is pointed out that, “...The unprecedented combination of resources and technology at our disposal today means that we are truly the first generation with the tools, the knowledge and the resources to meet the commitment, given by all States in the Millennium Declaration, ‘to making the right to development a reality for everyone and to freeing the entire human race from want’” (par. 27). “In Larger Freedom” also stated that “Information and communication technologies can significantly contribute to the achievement of the Millennium Development Goals” (par. 68). And “Similarly, without dynamic, growth-oriented economic policies supporting a healthy private sector capable of generating jobs, income and tax revenues over time, sustainable economic growth will not be achieved. This requires significantly increased investments in human capital and development-oriented infrastructure, such as energy, transport and communications” (par. 37).

The report of the United Nations Millennium Project makes a case for telecommunications (which can easily be and should be broadened to ICT) as a component of core (development) infrastructure and highlights the importance of infrastructure – including telecommunications networks—to achieving the goals throughout its report. For example:

If every city has a reliable electricity grid, competitive telecommunications, access to transport, accessible and affordable housing for the poor, a water and sanitation system, and access to global markets through modern ports or roads, jobs and foreign investment will flow in—rather than educated workers flowing out.

Investing in core infrastructure, human capital, and good governance thus accomplishes several things:

- It converts subsistence farming to market-oriented farming.

¹¹ For some early insights here, see UN ICT Task Force paper (2005) http://www.itu.int/dms_pub/itu-s/md/03/wsis/doc/S03-WSIS-DOC-0005!!PDF-E.pdf

¹² See Report of the Secretary General (2005) , “In larger Freedom: towards development, security and human rights for all” at <http://www.un.org/largerfreedom/report-largerfreedom.pdf>

- It establishes the basis for private sector–led diversified exports and economic growth.
- It enables a country to join the global division of labor in a productive way.
- It sets the stage for technological advance and eventually for an innovation-based economy. (Page 7)

The importance of ICT use and integration in the development sectors and government is also highlighted. For example:

Governments must also invest in the physical infrastructure of the public administration to improve service delivery and reduce opportunities for corruption. Some examples include:

- Communication and information infrastructure for all levels of government, including computer and telecommunications services for government offices, public hospitals, land registries, schools, and other public institutions.
- Information systems to improve the speed, reliability, and accountability of public sector transactions and systems to share information across branches of government....
- Modern technological capabilities for the customs bureau, to speed shipments, reduce smuggling, and control cross-border movements of illegal or dangerous goods.
- Modern technological capabilities for law enforcement, including national criminal databases, information systems to improve response times, and adequate dissemination of information to local law enforcement.
- Electronic government procurement and logistical systems, for example, to ensure reliable access to essential medicines in government clinics and hospitals. (Page 115 and also on pages 125, 135)

The report also specifically takes up the importance of ICT and ICT infrastructure in the context of regional infrastructure priorities for Africa (pages 156 and 177) and small island states (page 178), land-locked countries with special needs (pages 205 and 222).¹³

These are important openings that need to be taken further by the various members of the ICTD community that have an important role to play in linking and integrating the various development agendas at the summit level and in practice.

¹³ See UN Millennium Project (2005) “Investing in Development: A Practical Plan to Achieve the Millennium Development Goals” at <http://www.unmillenniumproject.org/reports/index.htm>