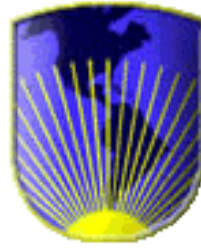


Inter-American Development Bank



Information Technology for Development Division Sustainable Development Department



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Mandate and objectives

- Provides technical advise in **ICT4DEV**. to the Bank
- Provides technical and strategic advise in ICT to the country members in the Region
- Provides cooperation leadership among the public and private sectors and civil society





Priority areas in ICT4Development Division

ICT for sustainable development: Development of E-commerce and electronic platforms for business, support the small and medium enterprises to participate in the knowledge technology
ICT4Business grants managed by the SDS/ICT Division

- **ICT for poverty reduction and equitable development: Develop of **connectivity** programs to promote human capital development**
Telecenters programs with local content
- **ICT for E-governance: Development of Modernization of the State, E-government and improvement of the public administration programs via the use of ICT**
national strategies for the information society





Financial instruments available for E-government; Modernization of state, and Development of ICT for Development applications

- **Technical Cooperation programs**
- **Trust Funds from member countries**
- **Regional Technical Cooperation**
 - **Non-reimbursable special operations fund (FOE)**
- **Lending program**
- **Multilateral Investment Fund (MIF)**

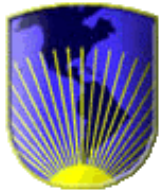




Italian Government support for IDB's programs focus on ICT for Development and E-Government

-
- Financing of technical operations via the Italian Trust Fund for individual consultants, consulting firms and specialized institutions in support to:**
- Development of Digital Strategies**
 - Development of e-commerce in the region**
 - Development of financial platforms for the collection of revenues by the governments**
 - Implementation of “e-governability” programs; e-government, e-commerce and telecenters manuals**





Italian Trust Fund for ICT

- **Initial contribution of EUR 3 millions (US\$3.5 millions) with a possible second replenishment after the second year of implementation**
- **Coordinated work by the IDB, the Minister of Innovation and Technology and the Minister of Foreign Affairs of Italy.**
- **Agreement signed during the IDB's annual Governors Assembly held in Milan, Italy, 2003**



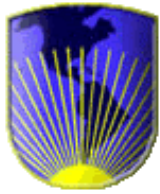
- **Resources partially tied (70%-30%)**
-



Characteristics of the Italian Fund for Development

- **Seven countries originally selected : Argentina, Bolivia, Perú, Uruguay, Honduras, Panamá, República Dominicana and REGIONAL PROJECTS FOR THE ENGLISH SPEAKING CARIBBEAN**
- **Financing of pre-investment studies, activities related to the preparation of projects, pilot programs and small and medium size programs for e-government**
- **Financing under the same rules and regulation of the IDB**
- **An effective team for the implementation and follow up of the projects conformed by the Italian Government and the IDB**





Characteristics of the Italian Fund for Development - cont.

- **The Fund represents a seed capital to encourage the participation of additional countries in strategic areas related to ICT and development.**





Italian Fund for ICT – Commitments for US\$2.4 MILLIONS as of June 2004

- **Panamá:** “Apoyo al Programa Nacional de Gobierno Electrónico: Monedero Electrónico”
 - *Regional-Caribe IDB’s English speaking countries: “TIC y Acceso a la Justicia”*
 - **Honduras:** “Programa de Gobierno Electrónico”
 - **Bolivia:** “Plan de Comunicaciones Gubernamental”
 - **Bolivia:** “Sistema Electrónico de Compras Estatales”
 - **Uruguay:** “Fortalecimiento de la Estrategia de Gobierno Electrónico de la Dirección General de Impuestos”
 - **Regional:** “*El Rol de la Tecnología de Información y Comunicación en el Desarrollo de la Confianza en la Gobernabilidad*”
-



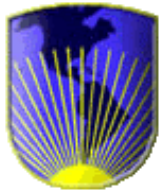


The IDB and the Caribbean Region

- **Why?**
 - **ICT can contribute to increased competitiveness, i.e. faster growth of total factor productivity**
 - **ICT can become a source of exports, i.e. the Caribbean could become a player in outsourcing**
 - **The Caribbean countries have many advantages to become the next generation of ICT-SP (ICT Service providers)**
- **Areas that need to be addressed**
 - **Telecommunications liberalization**
 - **Integrated ICT programs and National e-government strategies**
 - **Regional ICT4dev initiatives and Regional consensus towards the Caribbean participation in Global Forums**



(WSIS)



The New Geography of the ICT Industry

- **The Economist (June 19th-25th, 2003): “...large parts of the business are migrating (from the US) offshore, mainly to India, but also to such places as China, Russia and Vietnam.”**
- **Forecast: 3 million IT jobs will move from the US by 2015 (Forrester Research)**
- **A.T. Kearney “near shoring”, i.e. off shoring in jurisdictions near the US**

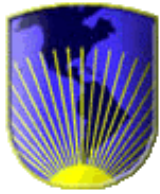




ICT in the Caribbean: Advantages

-
- “Relatively” low labor costs
 - English language and cultural affinity with major markets in North America
 - Many Caribbean origin individuals living in the USA and Canada, are prepared to invest in Caribbean
 - High level of education, *but more can be done in training ICT, management, decision makers should become champions*
 - Same time zone as Eastern seaboard
 - Close to US: security and transport issues



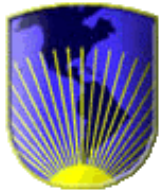


ICT in the Caribbean: Advantages – cont.

-
- Many daily flights (for documents and people)
 - Open environment for private investment
 - Strong institutions many established under British legal system, more familiar to North Americans
 - Respect for rule of law
 - Advanced legal/regulatory framework in **some** jurisdictions

(A lot more needs to be done to prepare the Region for the knowledge economy, starting at the parliamentary level to become “E-ready”

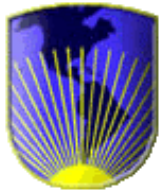




ICT in the Caribbean: basic barriers to overcome

- Competition in telecommunications not fully developed
 - High cost of international telecommunications
 - High cost of backbone
 - Insufficient resources and capacity to regulate in the new competitive environment; incumbent operators continue to dominate with impunity
- Deficient legal framework for e-transactions in many countries
 - privacy; computer crimes; copyright issues
- Low human capital in ICT and brain drain
- Low usage of ICT in the public and private sectors
- Small sized economies results in low “scalability”; but compare with population of the Ireland (4 million) with English speaking Caribbean (7 million) ***Regional Integration is KEY for success and cost savings***





The Role of the Public sector in promotion of ICT

-
- Incentives on networks and **content**
 - E-government may be the best intervention on the demand side
 - Government can be a model user
 - Well-designed e-government projects, focused on the “customer”, can contribute to efficiency of the public and private sectors
 - On the supply side promote competition

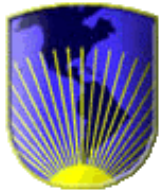




Some Examples of IDB's projects: Jamaica, Guyana, Trinidad and Tobago

-
- Best approach:
 - Telecommunications liberalization
 - Enabling environment for ICT
 - In parallel, development of national ICT strategy and/or connectivity agenda
 - Jamaica: success
 - Guyana: stalled
 - Trinidad and Tobago: in progress

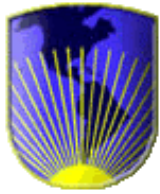




Jamaica: Some reasons for success

-
- Leadership of Minister Paulwell
 - Began phased liberalization of telecommunications market earlier than most other countries in the Caribbean
 - Seminar to present the strategy and to discuss a possible IDB program: **a lot of consultation with stakeholders**
 - Support from US Government Services Agency (USGSA) for ICT strategy
 - USAID provided critical help for project design to the IDB
 - USAID provided resources for the drafting of e-commerce legislation
- Excellent donor coordination
-

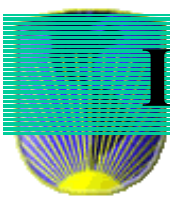




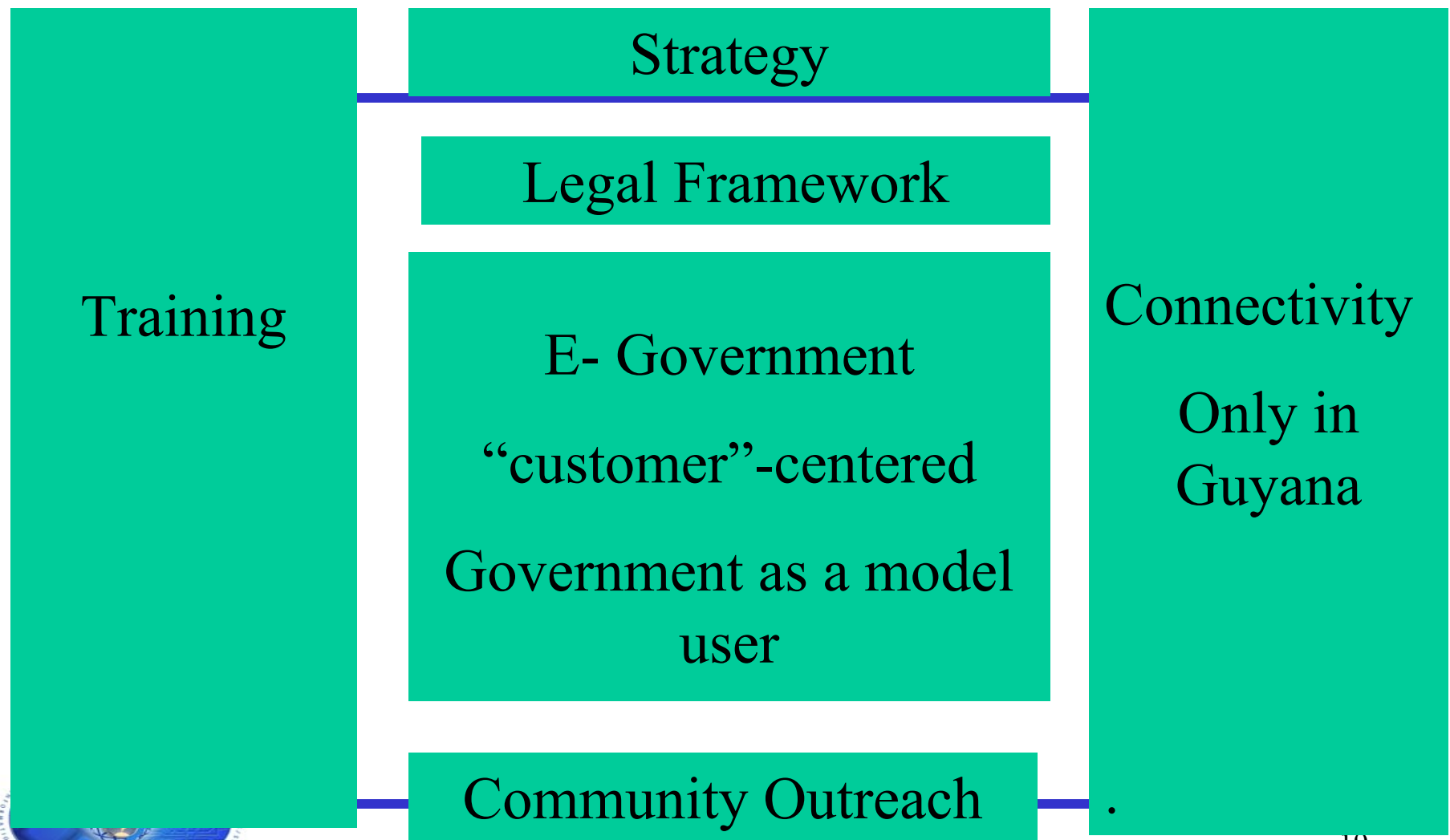
Ongoing Telecomm. Projects

- Trinidad and Tobago:
 - IDB provided funding for negotiations with C&W (completed)
 - Support for the establishment of the Telecommunications Authority (ongoing)
 - Financing ICT strategy; five working groups were formed; strategy launched December 2003
- Guyana:
 - Funding for negotiations and for drafting new legislation: up to now, no progress, but may be revived soon
 - Future funding to strengthen regulator





IDB ICT Projects in Jamaica and Guyana





Key Problem of Design and Implementation: Silos



Agriculture and Environment



Health and Education



Modernization of the State



Finance and Infrastructure

ICT PROGRAMS SHOULD BE HORIZONTAL:
GOVERNMENTS generally ARE NOT ORGANIZED
TO HANDLE THIS... **How about Regional?**





WSIS





Bank's actions towards Regional Integration and coordination for the Latin American and Caribbean Region towards the World Summit on the Information Society - TUNEZ 2005

- **Implementation of a non reimbursable Technical Cooperation to help the countries to create their own roadmap**
- **Cooperation with more than 10 organizations, among others: UNDESA, ICA, Italian Government, ITU, IDB, WSIS Secretariat, OAS, IC, CITEL**
- **For the IDB: It is a golden opportunity to cooperate with National Governments to prepare the whole Region to achieve the Millennium Development Goals set for 2015. **Key dates for the IDB: 2005-Tunez 2008-Regional projects and products, 2015-MDGs****



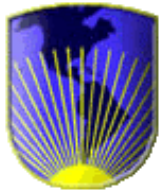


Activities related to the WSIS-TC

- **Organize a series of sub-regional dialogues towards the generation of consensus and the development of a regional priority investments as well as prepare a financing mechanism to support the Region to accomplish such consensus specially in the Information Society issues.**
- **Provide the mechanisms to allow the countries to elaborate their political and technical declarations regarding the Region and ICT and E-government**
- **Provide strategic partnership with the private industry to create win-win partnerships in the ICT sector as the main engine for economic development and tech. innovation**



COMMITMENT FOR THE CARIBBEAN REGION



Some final numbers...

2003

- **Disbursements = US\$8,900 millions**
- **Approved loans = US\$6,810 millions**
 - **US\$3,541.2 millions (52.0%) in the social sector and poverty reduction**
 - **US\$772 millions (11.3%) en modernization of the state**
- **(CT/Funds) = US\$63.6 millions**
- **MIF = US\$71 millions**





**BANCO INTERAMERICANO DE DESARROLLO
DIVISION DE TECNOLOGIA DE INFORMACION PARA EL DESARROLLO**

Gracias



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