



Strategy for IT in Development Cooperation

Vision:

Sida supports the rapid integration of IT in the partner countries in order to improve communications and the exchange of knowledge, both within the countries and globally

Sida is a partner in cooperation, with high quality IT expertise, whose services in the subject area are in demand

This document is available at the Sida intranet as g:\public\it-naet\strategi\itbstr_eng_mb.doc

The Ekenberg and Asker Report (see appendix 2) is available in pdf format under Sida's home page [Areas of Work – Information Technology]

The IT strategy was drafted as part of the work of the committee on Sida's IT strategy during 1999. It was approved by the Director General in December 1999.

For comments and questions, contact bengt.oberger@sida.se



Department for Research Cooperation
S-105 25 STOCKHOLM
Telephone; +46 8 698 5000
Fax: +46 8 698 56 56
www.sida.se



THE STRATEGY IN BRIEF

- IT is important for the development of developing countries
- Development cooperation is of importance to speed up the use of IT by developing countries in all areas
- Development cooperation has a special responsibility for contributing to ensuring that IT benefits the poor
- Sweden has the necessary capacity to support IT activities

Policy for IT in development cooperation

- Sida shall integrate IT as a natural and important part of development cooperation
- Sida has the following vision for IT for development

Sida supports the rapid integration of IT in the recipient countries in order to improve communications and the exchange of information, both within the countries and globally

Sida is a partner in cooperation, with high quality IT expertise, whose services in the subject area are in demand

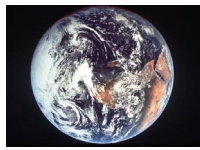
- Sida shall develop IT for development as a strategic area for Swedish development cooperation
- Sida shall participate actively in international cooperation and seek to work in partnership with other donors and with institutions/companies in Sweden and partner countries.

Plan of action

- Knowledge of IT for development shall be mainstreamed at Sida through training programmes and organisational measures
- Special funds shall be allocated to stimulate IT for development
- Sector strategies/analyses shall be made in certain sectors, commencing with an IT strategy for research cooperation, and an analysis of the possibility of using IT in Sida's support for democracy and human rights
- A study shall be made of the possibility of establishing a centre of competence in Sweden
- A study shall be made of organisational forms for channelling support for the development of Multi-Purpose Community Tele-Centres (MCTs)

TABLE OF CONTENT

THE PRESENT SITUATION.....	5
WHAT IS IT?	5
IT IN DEVELOPMENT COOPERATION TODAY	5
FOCUS OF IT IN DEVELOPMENT COOPERATION	6
VISION.....	6
RELEVANCE FOR POVERTY REDUCTION	8
THE RELEVANCE OF IT TO THE SIX OBJECTIVES OF DEVELOPMENT COOPERATION.....	10
INCORPORATING IT INTO SWEDISH DEVELOPMENT COOPERATION	11
A flexible objective	11
Need for IT expertise at Sida	12
Breadth of approach and core skills	13
PRIORITIES FOR SIDA.....	14
CONNECTIVITY	16
Different levels of connectivity	17
Support for the development of Multi-Purpose Community Tele-Centres	19
POLICY LEVEL	21
APP 1: THE REPORT "IT IN SWEDISH DEVELOPMENT COOPERATION"	24
APP 2: INTERNATIONAL COOPERATION.....	26



THE PRESENT SITUATION



WHAT IS IT?

The content of the IT concept has changed. The integration of digital technologies for computers and for telecommunications has had the effect that IT now refers primarily to working with computers in networks.

IT can be defined as the methodology and technology for communication between individuals, and between organisations, with the aid of computer systems.

IT can be seen from two perspectives: applications and technology. Since IT is new and the technology is changing rapidly, attention is often drawn to aspects of technology. Where Sida is concerned, it is important that interest in IT refers primarily to its applications, more precisely to the use of IT which contributes to achieving the objectives of development cooperation.



IT IN DEVELOPMENT COOPERATION TODAY

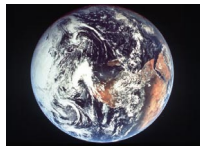
Computer applications have been included in activities supported by Sida for many years. In some cases computerisation has been an essential component in the activity, for example in respect of statistics, public administration and mapping.

Similarly Sida has been working for a long time with the other component of IT: telecommunications. However, like many other donors, Sida has reduced its commitments in the telecommunications sector in recent years. A review of support to the telecommunications sector was made in 1997.

Sida's support for IT development is still modest, if the definition above is used. In the last two years it has amounted to some SEK 10-20 million and refers to the following:

- funding operations in international organisations (InfoDev, Bellanet),
- a focus on IT infrastructure for the partners in cooperation of the Department for Research Cooperation (SAREC),
- international training programmes, cultural support and certain other isolated contributions.

Research cooperation accounts for the largest part of the support. This support has mainly been provided for connectivity (Internet connections) for partners in cooperation. An agreement was concluded in 1998 on support for institutions in Sri Lanka (two years, SEK 30 million). In 1999 Sida's Research Council approved the assessment of, and agreements on, similar programmes of support to institutions in other countries, amounting to SEK 15 million in the year 2000. The countries involved are Ethiopia, Tanzania, Mozambique and Zimbabwe.



FOCUS OF IT IN DEVELOPMENT COOPERATION



VISION

Today IT is the driving force behind economic growth and social progress in the rich world. The linking of the power of computers to digital communication networks has proved to have almost revolutionary effects, not least on the ways people and organisations interact with each other. IT is also gradually being integrated in poor countries. Donor agencies can play an important role by speeding up the exploitation of the potential of IT by the poor countries. In particular development cooperation can contribute to ensuring that IT benefits the poor.

The fact that the development of IT brings about far-reaching and rapid changes can be regarded as both an opportunity and a threat where poor countries are concerned. At the present time opinions differ on whether IT will change the situation of these countries in the direction of equality or inequality in the long-term¹. However it is clearly evident that, in the short-term, IT creates inequalities. The countries and the groups which initially have the capacity to utilise IT will, for that very reason, obtain access to a powerful tool. Countries and groups which lack this capacity will fall behind economically, relatively speaking.

In the international debate on IT and development cooperation, the pictures of the opportunities and threats have both been given prominence. It is also clearly evident that a revolutionary technology such as IT includes both opportunities and threats. In the Swedish debate, prominence is often given to the importance of rapidly integrating IT into society. For developing countries it is also important to ensure, without delay, that as many people as possible are in the position to use IT. This will diminish the risk that a widening information gap will materialise and will improve the prospects of realising the potential of IT for poor countries and poor groups.

The vision for Sida's work with IT in development cooperation is the following:

- ***Sida supports the rapid integration of IT in the partner countries in order to improve communications and the exchange of knowledge, both within the countries and globally***

¹ This is expressed in the following way in an InfoDev document: "The networking revolution ... offers a number of alternative visions of the future for the developing world. In one vision, this revolution can enable a massive acceleration of economic and social development, narrowing the poverty gap and eliminating many of the geographic obstacles to prosperity and equality. In the alternative vision, this revolution can widen the poverty gap, concentrating economic activity and power more narrowly, further alienating large areas of the world from participating in the global economy."

- *Sida is a partner in cooperation, with high quality IT expertise, whose services in the subject area are in demand*

The vision emphasises essential aspects of working with IT for development:

- IT is a generally useful instrument which shall be regarded as a natural and important part of development cooperation
- IT is an matter of establishing better and less expensive communications and the effective development of knowledge
- the focus of Sida's interest shall be on poor groups
- action is needed now: the earlier countries integrate IT, the more they have to gain
- knowledge development is needed at Sida to enable Sida to participate in IT for development.

The vision for Sida's work with IT for development:

Sida supports the rapid integration of IT in the partner countries in order to improve communications and the exchange of knowledge, both within the countries and globally

Sida is a partner in cooperation, with high quality IT expertise, whose services in the subject area are in demand



RELEVANCE FOR POVERTY REDUCTION

Poverty reduction is the central objective of all Sida's operations. IT is a powerful instrument for all Sida's operations. Therefore poverty reduction is also the central objective of IT in development cooperation.

As mentioned above, the developing countries must be able to absorb IT in order to maintain their economic growth. There is a risk that the effects of a focus on IT in a developing country environment will merely benefit the rich and that internal divisions will increase. The application of IT starts in environments in the modern sector which have a reasonably high technical standard. This is clear from the Swedish programmes of IT support which have been started hitherto. Therefore, where development cooperation is concerned, deliberate measures must be taken to ensure that the introduction of IT also benefits the poor.

The challenge to Sida in its work with IT for development is to achieve positive effects which narrow the knowledge and communications gap, both within and between countries.

Poverty can be reduced with the aid of direct or indirect measures. Where the *indirect* measures are concerned, the use of IT means, above all, that donor contributions can be made more effective with the aid of IT as an instrument which increases productivity. The task for the parties involved in development cooperation is to acquire knowledge of IT and the possibility of using IT effectively in all working areas. It is a case of integrating IT in society on a broad front, as rapidly as economic, technical, cultural and other circumstances permit.

The possibilities offered by IT to make a contribution to the *direct* reduction of poverty lie in its potential to give poor groups access to information and communications (empowerment). IT makes it possible to collect, process and spread information at a low cost. IT's relevance for the direct reduction of poverty lies in the fact that a lack of information and communications is a serious obstacle to the achievement of economic growth and political influence by poor groups. However, with the aid of IT, it is possible to eliminate the financial obstacles for access to information and communications. In this context IT has the decisive advantage that the *marginal cost* of obtaining certain information, or of communicating a message, is almost negligible. It is expensive to build up a critical mass of physical and highly technical IT infrastructure in a country and to get it to work, but once this is done its use can be extended at a low marginal cost. The cost of using an IT service (an e-mail, a minute's telephone conversation, a hour's surfing on the net) has been reduced dramatically during the last decade and will continue to fall for a long time to come. In the developing countries the costs are high today, but they can approach the levels in the industrialised countries if a critical mass in the use of the networks can be achieved.

Technological progress has the effect that building IT infrastructure gradually becomes less expensive and simpler. With the aid of mobile networks and satellite technology it has become easier to reach remote places. Electronics need less and

less energy and, at the same time, the technology for solar cells and storing energy is being improved. With existing technology it is simple and relatively cheap to establish collective Multi-Purpose Community Tele-Centres (MCTs) in rural areas or in city slums. It is therefore possible to give broad groups of people a powerful tool with which they can obtain access to both information² and communications³ at a low cost.

Access to information and communications can be regarded as a human right. It is also probably an essential factor for development through its economic and political dynamism.

Reducing poverty is the central objective of all Sida's work, including IT for development.

The integration of IT in society has the effect that indirect measures to reduce poverty are made efficient.

Deliberate and powerful measures must also be taken to ensure that the introduction of IT also benefits poor groups. This is the great challenge for developing countries and for Sida. Where direct measures to reduce poverty are concerned, it is of utmost importance today to give a greater proportion of poor people access to information and communications (empowerment).

² A classic need of information is, for example, the isolated farmer's need of knowing current prices of fresh products in the nearest town. Is it worth harvesting now and walking 20 miles to the market?

³ As opposed to a telephone call an e-mail is an asynchronous communication, which is of decisive importance for communications. A message can be sent to the other person's telecentre where it is stored until the addressee empties his electronic mail box. As opposed to the telephone system, a non-subscriber can be reached, and as opposed to a letter the handling cost is negligible.



THE RELEVANCE OF IT TO THE SIX OBJECTIVES OF DEVELOPMENT COOPERATION

As mentioned above, the network revolution probably leads, in the short term, to negative effects where economic and social equality are concerned.

The effects of investments in IT on **economic growth** have been the subject of much discussion in the 1990s. Today there is general agreement that the effects were fairly insignificant during a long introductory period, but that now IT is a main positive economic growth factor, at least in those industrialised countries in which there is widespread use of IT. It is reasonable to believe that the positive effects will appear earlier in "new" IT countries but that, in all countries, it is necessary to make investments over a number of years before it can be a question of a harvest.

It is difficult to form a perception of how the network revolution will affect **economic and political independence**. In general terms it speeds up the ongoing process towards increased globalisation.

IT's relationship with **democratic development** has been touched upon above. This relationship is very strong: the rapid integration of IT in developing countries creates good prospects for strengthening the position of poor people (empowerment).

Where the **environmental objective** is concerned, i.e. that development cooperation shall contribute towards the sustainable use of natural resources and protection of the environment, the principal effect of IT is a reduction in the use of resources. In this respect IT is a continuation of the trend towards miniaturisation, the use of electronics, and the use of better management and control techniques which has been taking place for a long time and which has had a positive effect on the consumption of energy and materials in industrial production and the production of transport services etc.

Finally, where **equality** between men and women is concerned, it is difficult to see what effects IT will have in the long term. In the introductory stage IT has a clear focus on technology and this has contributed to the fact that there are still more men than women working with IT in various ways in the industrialised countries.

It can thus be said that support for the introduction of IT can be used to contribute to democratic development and, to some extent, to support the environmental objective, and that consideration should be given to the short-term negative effects that the introduction of IT may have on economic and social equality and equality between women and men.



INCORPORATING IT INTO SWEDISH DEVELOPMENT COOPERATION

IT is, more or less in the same way as electricity or telephony, to be regarded as an aid which is useful in all, or almost all, activities supported by Sida. In the rich countries IT is on the way today to become something which is natural to use in all sectors of society and something which is most often indispensable where satisfying demands in respect of performance or competitiveness is concerned. Similarly, in the future it will be necessary for IT to be a well-integrated component in all areas in which Sida runs programmes of development cooperation. The introduction of IT in the rich countries in the 1990s has proceeded much more rapidly than was considered possible by most analysts. It is therefore essential that development cooperation is adapted as rapidly as possible to this new situation.

A moving target

One important point of departure for Sida's work with IT for development is that it is necessary to adapt continuously to a rapidly changing situation. Information technology is being developed. The capacity of the world to use the potential of IT is being developed. The world itself is being changed as a result of IT. The knowledge of the donor community on how IT should be used for the benefit of developing countries is being changed. All this has the effect that working with IT for development is rather like trying to hit a moving target. The objective of supporting the rapid integration of IT in partner countries in order to counteract the existing knowledge and information gaps between and within countries makes it necessary, not only in the present situation but also for a long time to come, to experiment in order to find useful methods.

Sida's work with IT for development should be seen in this perspective. It makes demands in respect of continuous organisational learning and an open attitude.

IT for development requires extensive experimental activities. It also necessitates cooperation between the various parties involved in order to take rapid advantage of experience gained and thereby translate the results of the experimental activities into large-scale, routine operations.

The discussion on hitting a moving target also has the effect that a strategy on IT for development will need to be revised at relatively short intervals during the next few years.

Working with IT in development cooperation is like trying to hit a moving target. It requires experimental activities and cooperation between the different parties involved in development cooperation. It is also necessary that Sida reviews the focus, organisation and resources at short intervals.

Need for IT expertise at Sida

Today Sweden and Sida are in a good position to work with IT in development cooperation. However, developments in the IT area take place rapidly and it is also desirable from the IT for development perspective that efforts are made to continuously improve Sida's expertise in IT. The more Sida uses IT for its own purposes, the better Sida can support the integration of IT in partner countries.

Sida's capacity to successfully support integration of IT in partner countries is dependent in several ways on how well the organisation and its staff can learn to use IT in the daily work:

- Sida's credibility as a partner in IT support will increase if the organisation can show that it is able to integrate IT into its own work
- Sida's ability to be a partner in a dialogue with partner countries on the use of IT for development purposes increases with the direct knowledge and experience of use of IT possessed by members of staff
- Sida's ability to find resources in Swedish society increases with the staff's familiarity with IT applications.

The use of IT to increase the frequency and improve the quality of operative cooperation with partners in the partner countries is also of interest from the development perspective. IT-supported forms of cooperation have a development effect in that they contribute to integrating IT at partners in cooperation in partner countries. An IT method to increase Sida's own productivity can thus have a side-effect on the development of knowledge of the recipient. A comparison can be made with the demands made by donors in respect of reports and financial transparency, demands which also involve support for the development of the recipients' administrative capacity.

The better Sida uses IT for its own purposes, the better Sida can support the integration of IT in the partner countries.

Breadth of approach and core skills

The fact that IT will be a natural part of development cooperation has been emphasised above. IT should be regarded as a tool which will be used naturally in the near future in (almost) all activities in which Sida is involved. This leads to the conclusion that development of knowledge of the use of IT in development cooperation should be started on a broad front in the organisation at an early stage.

Even if it is realistic to achieve extensive use of IT in development cooperation, it is difficult to achieve this rapidly. Action must be taken to ensure that all parts of the organisation working directly with development cooperation are familiar with IT. Resources are needed - above all in a short-term perspective - to organise a strong core of expertise, such as a "central IT for development resource" for the entire Sida organisation.

A central IT for development resource shall:

- collect a critical mass of IT knowledge in one place in order to develop general knowledge on the use of IT in a development environment and ensure that this knowledge is disseminated throughout the entire organisation
- be an active counterpart in Sida to international cooperation on issues relating to IT for development which has its focus on broad issues on IT for development, rather than sector issues
- assume responsibility for any work on IT for development that is not the direct responsibility of any one department, or which extends over several departments
- be the driving force behind networks for IT for development in Sida and between Sida and other interested parties in IT for development, above all in Sweden.

It is essential to make a start on IT for development on a broad front in Sida.

It is necessary, above all in a short-term perspective, to organise a strong core of expertise such as a central IT for development resource for the entire Sida organisation.

**PRIORITIES FOR SIDA**

As mentioned above, IT is a generally useful tool and the use of IT can be expected to provide positive development effects in all subject areas. Sida therefore supports the integration of IT in the partner countries in its entire working field.

Despite this, it is essential to discuss the need of making priorities in respect of the content of Sida's work on IT for development, now that the organisation intends to build up its expertise in the area. A critical mass of knowledge of IT for development in a few selected areas would make it easier for an organisational learning process to gain momentum. There are also advantages to be gained if donor organisations in different countries divide responsibilities in the area.

Where research support is concerned, Sida has increased its funding of IT activities. Connectivity is a natural prerequisite for success in research and Sida decided in 1999 that research would be a priority subject area for IT for development.

Other areas are similar to research on account of their dependence on international communications. Possibly the most urgent need for developing countries will arise in foreign trade. It is expected that, in the next few years, business activities in the rich countries will undergo a rapid transition to internet-based forms of trade and cooperation. Countries and companies which do not adjust to this radical change will either end up outside trade flows or be forced to reduce their prices in order to compete.

However, in the national context it is not a matter of course that IT will have its main impact - or provide the greatest positive social effects - in developing countries in the same areas as in the rich countries. Conditions vary in respect of individual access to computers and network, levels of literacy, the technical environment, and experience of using and maintaining complex systems. In the rich countries it is possible, for example, to distinguish areas such as trade, education, entertainment and public services as areas which will be the subject of far-reaching IT applications during the next few years. In developing countries many years may pass before it is possible, for example, to introduce tele-medicine or web-based education on a large scale. At the same time it is possible to develop IT applications in these areas with essential, productivity-increasing effects, even in environments which are technically undeveloped.

Pilot activities are needed in many areas to find suitable applications. Since IT is a universal tool, the natural starting points are the needs which are experienced as the most urgent from the developing country perspective, rather than the supply-side solutions which have been tested to meet needs in the rich countries.

The field of democracy and human rights is an interesting area for IT. Democratic development of various types is an activity which is affected in many ways by IT applications (access to information and communications through good connectivity for NGOs, systematic publication of public documents, electronic libraries etc).

As a generally useful tool IT can be expected to provide positive effects in all subject areas. Sida therefore supports the integration of IT in its entire field of operations.

At the same time it is essential to focus on certain subject areas now that Sida intends to build up its expertise in the use of IT.

Research support has already been established as a priority subject area for IT for development. Democracy and human rights is also an area of special interest.

**CONNECTIVITY**

IT is a question of linking together computers in a network (Internet). In the poor countries connectivity is a crucial problem. The report: "IT in Swedish Development Cooperation" (E&A report), which was written for the Ministry for Foreign Affairs and Sida⁴, underlines the fundamental importance of physical and organisational IT infrastructure if poor countries are to benefit from IT.

In rich countries connectivity is a somewhat subordinate technical issue, despite the discussions on band width. The total coverage of electricity and telephone networks in the rich countries provides an infrastructure which gives every institution, company and household a cheap Internet connection, even if, in many cases, capacity is limited. Good opportunities of earning money and deregulated markets have also had the effect that private companies have extended the physical network at a tremendous pace. In a few years the cost of using Internet will be regarded in the same way as using water or electricity: the marginal cost will be negligible and access will be natural in all places and at all times.

In the poor countries the situation is radically different. Access to electricity is a luxury in rural areas and only a minority of the world's population have made a telephone call. It is financially unrealistic to imagine connectivity based on individual household connections as in the Western world - which was the basic premise for the development of telephone networks in developing countries.

However, individual connections to the Internet are neither necessary nor desirable in a technically undeveloped environment. Access to IT for everyone on a collective basis is feasible in view of present technical trends in mobile telephony and computer technology. It is a case of shifting the perspective, for example from the individual ownership of cars to access to motorised transport in the form of buses.

The question of the right of everyone to IT, i.e. the right to information and communications via the computer network, should be considered as the central issue of IT for development if there is a serious intention to include the poverty perspective.

Access to IT for everyone on a collective basis is feasible in view of current trends in the technical development of mobile telephony and computer technology.

The question of the right of access of everyone to IT, i.e. connectivity, should be considered as the central issue of IT for development, if there is a serious intention to include the poverty perspective.

Different levels of connectivity

In operative terms connectivity is a question of ensuring that everyone has access to the Internet, at a low cost. From the development perspective connectivity can be divided into three components:

Macro level

Access to a physical infrastructure, i.e. initially a well developed telecommunications network. This requires a favourable political, legal and economic environment within which telecommunications and Internet connections can be developed at a low cost.

Meso level

Connections for government agencies, institutions and companies, and access to computers, internal networks, software systems and technical maintenance.

Micro level

The possibility for individuals to have access, in one form or another, to a computer which is connected to the Internet.

At the **macro-level** questions of interest mainly concern energy and telecommunications and lie within the operational responsibility of the Department for Infrastructure and Economic Cooperation (INEC), (Infrastructure Division and Finance Division). In recent years Sida and other donors have cut back their activities in the telecommunications field. Sida finances contributions but does not work pro-actively with telecommunications.

At the **meso level** Sida works actively with research cooperation by supporting connections to the Internet for its partners in cooperation. It is natural that Sida also pays systematic attention, in other subject areas, to the value of Internet connections for partners in cooperation and provides support for this purpose. Internet connections provide good opportunities to link together the central and local units of agencies, companies and organisations in sparsely populated countries through relatively inexpensive, so-called virtual networks. Contributions at the meso-level are also interesting in the sense that they enable support to be made more efficient. By ensuring that cooperating organisations are given Internet connections, it will gradually be possible to increasingly integrate the work of interested parties with the aid of a web-based communications and information technology.

It is at the **micro level** that Sida has the greatest interest in further developing its operations for IT for development from a poverty perspective. The E&A report also takes up the development of multi-purpose community tele-centres as an important area. This is developed in more detail below.

⁴ "IT in Swedish Development Cooperation - Suggestions for Ways of Including the Low-income Countries", Ekenberg & Asker HB, October 1999.

The greatest immediate interest for Sida to further develop its operations for IT for development on the basis of a poverty perspective refers to connectivity at the micro-level, i.e. in practice collective connections via multi-purpose community tele-centres.

Support for the development of Multi-Purpose Community Tele-Centres

Collective Multi-Purpose Community Tele-Centres (MTCs) can be organised in different ways. They can be started as profit-making companies, either as chains of large companies or as individual establishments of small businessmen. They can be organised on a non-profit-making basis by non-governmental organisations or by cooperatives. They can be started by public authorities as development projects. Sometimes they can also be organised on the basis of existing investments in schools, municipal offices or other public institutions.

In large places with good purchasing power, MTCs will normally be established without special support from society or foreign support. It is in the interest of the telecommunications companies to extend their sources of income, and diminishing investment costs will attract the interest of small businessmen. Sida's interest is in providing support (financial and know-how) for the establishment of MTCs in rural areas and slum areas where commercial interests are weak and it is unlikely that operations will be established within a reasonable period of time.

MTCs are activities which can be supported within the framework of the operations of many divisions, for example:

Embassies	local NGOs
DESO/UND	based on schools
DESO/DESA	based on municipal offices, human rights projects
DESO/KULTUR	NGOs working with culture and the media
INEC/INFRA	telecommunications support
INEC/NÄRING	support for small businessmen
INEC/URBAN	area programmes/local government administrations
SEKA	support via Swedish NGOs
RELA	democracy and human rights

The development of MTCs can both be included as components in other contributions or designed as programmes of their own. In the latter case it is important to obtain high volumes in the programmes. This can be done through the provision of support to locally administered funds, whose work mainly consists of providing risk capital for MTC projects.

MTCs are activities which are highly suitable for the support of those Swedish NGOs which have a strong local organisation in the partner countries. They naturally possess much of the infrastructure on which MTCs can be based.

However, this possibility for many divisions to support MTCs also has a weakness: there is no department or division in Sida which can be singled out as having a natural responsibility for developing support to MTCs.

Another problem is that MTC support is a pro-active activity. It cannot be expected to be in great demand before the idea has obtained wide support, and experience

from established MTCs has been spread. The largest and best known development cooperation project in this field, the Acacia Initiative (www.idrc.ca/acacia) financed by Canada in four African countries, is accordingly based on a proactive organisation. In general Sida is not organised to work pro-actively with operations of this type. However support to democracy and human rights is one exception, and to a certain extent, support to the private sector.

As mentioned above, MTCs can sometimes be supported as a side-line activity within the framework of an ongoing programme. Every MTC is a small-scale project. If a Sida programme of support which focuses specifically on MTCs is to be feasible, it is necessary that Sida can work with an implementing organisation which can manage a large number of individual MTC projects.

NGOs generally work pro-actively and many NGOs could be conceivable partners in a Sida initiative to support the establishment of MTCs.

In principle, if not everywhere and not immediately, MTCs are financially self-supporting and should constitute a commercially profitable sector in the future. This makes it a possible area for partnership between development cooperation agencies and private companies. This is the case in developing countries. It can also be possible in respect of cooperation between Sida and private companies working in the IT and telecommunications sector in Sweden, which the E&A report considers desirable and possible in IT support. Possible partners in cooperation in this respect are systems suppliers such as Ericsson and telecommunications operators such as Telia.

One possibility is to support the establishment of a special organisation outside Sida which would run pro-active operations to finance MTCs. The objective would then be to work in a partnership with interested Swedish NGOs and with Swedish companies. This type of organisation should naturally have a fairly independent position in relation to the client.

The E&A report points out that experience is now starting to emerge from MTC projects initiated by many different organisations. The E&A report points out the need to support a network in order to utilise experience gained for new projects.

An in-depth study should be made of how Sida could support the development of MTCs, based on the need to obtain high volumes in operations and to work pro-actively and in partnership with others.

An in-depth study should be made of how Sida could support the development of MTCs, based on the need to obtain high volumes in operations and to work pro-actively and in partnership with others.



ACTION PLAN



POLICY LEVEL

- **Formulation of an approach**

Sida shall integrate IT as a natural and important part of development cooperation.

- **Formulation of a vision**

Sida supports the rapid integration of IT in the partner countries in order to improve communications and the exchange of knowledge, both within the countries and globally

Sida is a partner in cooperation, with high quality IT expertise, whose services in the subject area are in demand

- **IT for development - a strategic area for Swedish development cooperation**

Sida shall seek to develop IT for development as a strategic area for Swedish development cooperation.

- **Cooperation**

Sida shall participate actively in international cooperation on IT for development and seek to work in partnership with other donors and with institutions and companies in Sweden and in partner countries.



LEVELS OF IMPLEMENTATION

- **Increase knowledge of IT for development in Sida**

Knowledge of IT and developing countries shall be improved. This shall be done for example through a network for IT for development at Sida, and between Sida and external parties.

A formalised network for IT for development shall be established at Sida not merely to strengthen the exchange of knowledge between individuals interested in IT, but also to link departments closer together in this respect. This network shall be allocated resources in the form of working time and funds. It will include administrative staff from the divisions most concerned. This network can possibly best be established in project form.

Resources shall also be allocated for an informal network on IT for development. The foremost aim of this network will be to organise mutual contacts in a wide range of parties interested in IT for development. In this context it is of primary importance to involve administrators at embassies and at Swedish NGOs.

- **Special funds**

Special funds will be allocated for IT for development

In accordance with the approach that IT in development cooperation is a question of IT aspects in development cooperation and not an issue of IT support, it must be assumed that most IT for development operations will be financed as regular support under budget item A.1.2 Bilateral development cooperation. This shall be the case, at least after a transition period of some years during which donors and recipients have learnt how IT can best be used and forms have been developed to integrate IT in the partner countries.

Special funds to stimulate innovative activities are needed for several years to come in order to speed up the integration of IT. In addition special funds are also required to develop Sida's capacity to handle IT for development, to develop general aspects on the use of IT in development cooperation and to develop IT as a strategic area for Swedish development cooperation.

Sida shall work for an indicative budget for special contributions for IT for development under budget item 5: Special development programmes from the year 2001.

- **Development of MTCs**

An in-depth study shall be made of how Sida can support the development of MTCs, from the perspectives of the need to work pro-actively and in partnership with others.

Giving poor people access to communications and information through the Internet is technically and financially possible with the aid of collective solutions. There are many ways of supporting MTCs, but during the next few years it will probably be necessary to adopt a proactive attitude to achieve good results. It is also desirable to work in partnership with other interested parties (NGOs and companies).

- **Centre of competence for IT for development**

Alternatives shall be studied of how Sida can best meet the need of access to expertise in respect of IT for the programmes of development cooperation run by Sida and for organisational learning.

The E&A report recommends that a centre of competence for development-related IT issues should be established in Sweden. This would be done in cooperation between the Ministry for Foreign Affairs, Sida and a university. A centre of this type would guarantee access to technical IT knowledge, train personnel working with development in IT matters, establish contacts with the private sector and maintain contact with and contribute to advancing knowledge in respect of IT for development. A centre of competence for IT for development (outside Sida) is of interest in view of the difficulties in the organisation to keep itself up-to-date in an area which is subject to continuous change. If it is decided that IT for development shall be a strategic area for Swedish development cooperation, it is necessary to develop expertise in the area.

In 1999 discussions also took place with the Bellanet secretariat. Bellanet's mission is to support donor organisations and recipients in the use of IT for mutual cooperation. The Canadian agency for research cooperation, IDRC, is the host organisation for Bellanet's secretariat - in approximately the same way as Sida is the host of the GWP's secretariat. Bellanet is currently making preparations for the establishment of a branch office in Europe. Sida is one alternative in this context.

- **Strategies/analyses on the use of IT in development cooperation in certain subject areas**

Strategies and analyses shall be made for different subject areas, starting with a strategy for IT in research cooperation and an analysis of the possibilities of utilising IT in the support for democracy and human rights.

APPENDIX 1

THE REPORT "IT IN SWEDISH DEVELOPMENT COOPERATION"

The report "IT in Swedish Development Cooperation - Suggestions for Ways of Including the Low-income Countries" (E&A Report) was written in 1999 on behalf of the Ministry for Foreign Affairs and Sida and has formed the background of Sida's own strategy document. It recommends that Sweden defines IT as a strategically important area for development cooperation. In the long-term IT should be integrated in all important activities supported by Sweden and special areas shall be defined in which IT is of special interest for poverty reduction. Among other things the study takes up the following;

Connectivity and capacity

Connectivity is of fundamental importance for the possibility of developing countries to integrate IT. Support for the extension of physical infrastructure, particularly in the form of telecommunications and computer networks, is therefore important.

Capacity and organisational infrastructure are also of great importance. Interest should therefore focus on supporting the development of knowledge and the operation of IT systems.

Subject areas/content

According to the study, on the basis of present levels of knowledge there are no subject areas which can be isolated as particularly important. IT is of importance for all areas. Key areas in which IT can provide particularly significant development effects are still to be identified.

Partnership

IT permits a dramatic reduction in costs for communications and the common use of information. IT facilitates forms of cooperation for more intensive cooperation between partners in development cooperation and between these and other interested parties.

Sida should make good use of these opportunities by working in partnership. Partners in cooperation can be other donor agencies, NGOs, local industries in partner countries and the Swedish telecommunications and computer industry.

Knowledge bases

IT is a new area in developing countries. It is therefore important to make good use, systematically and financially, of experience gained in the ongoing initial phase. It

is therefore important that donors participate actively in building up knowledge bases which are easily accessible for interested parties in the recipient countries and for themselves.

Industrial partnerships

Since Swedish trade and industry has a strong position in many parts of the IT sector, for example the manufacture of telecommunications equipment, operation of communications networks and development of software, it is imperative that Sida takes advantage of this situation by working in partnership with key companies in selected sectors.

Centre of competence

A Swedish centre of competence should be established in order to obtain knowledge on how IT shall best be used in the development context, not least in respect of scientific and technical aspects. It is proposed that a knowledge centre of this type is established as a cooperation project between the Ministry for Foreign Affairs/Sida and a suitable university.

MTCs

Sweden should take an active interest in supporting the development of MTCs (Multi-purpose Community Tele-centres). This recommendation includes the establishment of a mechanism which can support, in various ways, the work of organisations with MTCs, through methods to collect experience, to evaluate and to disseminate knowledge on ongoing activities.

The E&A report recommends that Sweden shall define IT as a strategically important area for development cooperation. In the long-term IT should be integrated in all important activities supported by Sweden and special areas shall be defined in which IT is of special interest for poverty reduction.

The study does not specify subject areas of this type. On the other hand connectivity is underlined as being of fundamental importance and MTCs are specified as a way to using IT to reach broad groups. The report also emphasises the need of building up knowledge on the best uses of IT and of working in partnership with other interested parties.

APPENDIX 2

INTERNATIONAL COOPERATION

InfoDev

Consortium of donors and private companies, with its secretariat in the World Bank. Sweden has been a member from the very start. Is a centre of knowledge for IT for development and a financier of experimental projects.

Sida shall continue to work actively in InfoDev (participation and financing).

Bellanet

Relatively permanently organised partnership of donors which work with the use of IT to achieve better cooperation between donors, between NGOs and between donors and recipients. Its secretariat is in Ottawa. Sweden has participated since the partnership was formed.

Sida shall continue to work actively in Bellanet (participation and financing).

Global Knowledge Partnership

A relatively loose partnership of donors, NGOs and private companies, organised around the task of making interested parties in development cooperation aware of IT and knowledge development. Its main task is to organise conferences (the second will be held in Malaysia in the year 2000). Its secretariat is in the World Bank. Sweden has participated in GWK since it was formed.

Sida shall continue to work actively in GKP's work (participation and financing).

International Institute for Development

A Dutch organisation, established in 1886, with government development cooperation funds to support IT development in developing countries, not least by mediating links to private companies. IICD has certain possibilities to develop into an international organisation.

Sida shall follow IICD's work Seek to cooperate with IICD in concrete projects, and consider establishing closer organisational cooperation if the conditions for this arise.

European cooperation

In 1999 EU took the initiative to develop IT for development in EU's development cooperation and, in this context, has shown interest in working with IT in development cooperation and to develop cooperation at the European level.

Sida shall seek to speed up integration of IT in EU's development cooperation and participate in achieving European cooperation on IT for development.

Nordic cooperation

Discussions on closer cooperation have been held in meetings of the Nordic Ministers of Development Cooperation.

Sida shall participate to develop this type of cooperation.