Contribution to Chapter 2 (Financing Mechanisms) of the Operational Part for the Consideration of the Group of Friends of the Chair Fourth Meeting, 10-11 January 2005, Geneva, Switzerland

Important note to this document: This official contribution was prepared by the Policy Coordinator of the WSIS Youth Caucus (www.wsisyouth.org). Due to lack of time, the contents of this document were not critiqued by the members of the WSIS Youth Caucus. Contributions, either in the form of inserted phrases or new paragraphs, are italicized and in bold texts. For feedback and inquiries, please send correspondence to facilitators@wsisyouth.org.

Improvements and innovations of existing financing mechanisms	19. Although there are many different funding mechanisms for ICTs for Development, and no apparent shortage of finance, we note that there is sometimes a mismatch between needs and available funding. 20. We recognize that there are a number of areas where the current approaches to ICT for Development financing have devoted insufficient attention to date. These include: • ICT capacity-building programmes, materials, tools, educational funding and specialized training initiatives; ***particularly for developing country government ICT officials, civil society organizations and marginalized sectors such as youth, women and indigenous peoples;*** • ***Access to start-up funds for ICT micro-enterprises*** • Communications access and connectivity for ICT services in remote rural areas, small island developing states and other locations presenting unique technological and market challenges; • Regional backbone infrastructure to link networks across borders in economically-disadvantaged regions; • ***Community radio and telecommunication centers;*** • Broadband capacity to Internet access at affordable prices; • Coordinated assistance for small countries; • ICT applications and content aimed at customers, communities and local institutions in the developing world. 21. Although central responsibility for coordination rests with national governments, we recommend that greater cross	TFFM

national governments, we recommend that greater cross-sectoral and cross-institutional coordination on financing programmes should be undertaken, both on the part of donors and recipients. This should include also coordination between donor governments and business entities, especially multinational corporations, investing in the framework of their corporate social responsibility programmes. ***Financing mechanisms must not contribute to the monopolization of ICT industries and services by the private sector and governments.***

22. Accordingly, we recommend improvements and innovations in existing financing mechanisms, including:

- Enhancing regional cooperation and creating multi-stakeholder partnerships; especially for trans-national infrastructure backbones;
- Coordinating programmes among governments and major financial players to mitigate investment risks and transaction costs for operators entering less attractive rural and low income market segments;
- ***Active involvement of civil society organizations in ICT for Development programmes;***
- Creating policy and regulatory incentives and more open access policies;
- Identification and acknowledgement of the key role of ICTs in national poverty reduction strategies, and the elaboration of e-strategies in conjunction with poverty reduction strategies;
- Developing institutional and implementation capacity to support the use of national universal service/access funds, and further study of these mechanisms;
- Ensuring the relevance to developing countries of the information applications, services and content delivered by ICTs;
- Supporting the “scaling-up” of ICT-based pilot programmes;
- Using ICTs in government as a catalyst for implementation of successful e-strategies;
- Enabling tax, tariff, import, and business regulation policies designed to reduce risks and financial burdens for, and provide incentives to, ICT investors, start-up firms, and domestic financial resources;
- Helping to accelerate the development of domestic financial instruments including by supporting local microfinance instruments, ICT small business incubators, public credit instruments and other innovations;
- Building human resource capacity (knowledge) at every level for achieving Information Society objectives, especially in the public sector ***and at the community level***;
- Encouraging business sector entities to help jump-start wider demand for ICT services by supporting local producers, ***young entrepreneurs,*** programmers, artists and small businesses in the applications and content fields.