

## POVERTY REDUCTION: THE ROLE OF NATIONAL DEVELOPMENT PLANS FOR ICT

### Introduction

The World Summit on the Information Society (WSIS) should mobilise financial resources - domestic/external and/or public/private - to meet the opportunities for more effective co-operation among all those seeking to harness the power of ICT to combat poverty.

The OECD has been active in international efforts to expand the role of ICT as tools of economic growth and poverty reduction. Through two Global Forums – in March 2001 on "Digital Opportunities for Poverty Reduction" ([www.oecd.org/dac/digitalforum](http://www.oecd.org/dac/digitalforum)) and March 2003 on "Integrating ICT in Development Programmes" ([www.oecd.org/dac/ict](http://www.oecd.org/dac/ict)), the Organisation has focused on the challenge of "marrying" ICT with development programmes in a fully effective way.<sup>1</sup>

### The challenge of integrating ICT into development programmes

Much progress has been made in the past few years in understanding the contribution that ICT can make to fostering economic growth, combating poverty, and addressing the specific needs of the poor. The Millennium Development Goals (MDGs) provide a framework and benchmarks for poverty reduction efforts, and improvements in education, health and the environment. As each goal has a significant information and communications dimension, ICT can help their attainment through its power to create and transfer knowledge, improve the efficiency and transparency of institutions and markets, and facilitate the participation and empowerment of the poor.

**Co-ordinated effort to integrate ICT is needed at three levels:**

1. Topical development solutions in sectors
2. Development programmes more generally
3. Broader thinking about development.

A variety of experiments and pilot projects have demonstrated ICT's impact in specific development sectors such as health, education, environment, and public sector reform, and their value in achieving specific development goals. Yet progress even at this first level has been uneven. Most ICT-for-development applications are still heavily dependent on the initiative of the "already converted" and are often not mainstreamed beyond their area of initiative or responsibility. These applications, furthermore, often underperform and prove unsustainable if they are not part of a broader national ICT strategy. And most mainstream development practitioners and analysts are still not aware of the full potential of ICT.

Even less progress has been made on the other two levels—integrating ICT into development programmes more broadly and our understanding of the development process. It is important to "stay the course" in fostering ICT as tools of development in the wake of sceptics who see ICT as an expensive distraction, rather than a powerful tool for empowerment of the poor. Nor should the international community be deterred by the recent slump in the global ICT economy. The need to strengthen ICT strategies is sharpened by the fact that, economically and geopolitically, the

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<sup>1</sup> For a summary of donors' positions on integrating ICT into their development strategies see "Donor ICT Strategies—Summary Matrix" at [www.oecd.org/dataoecd/53/55/2499900.pdf](http://www.oecd.org/dataoecd/53/55/2499900.pdf).

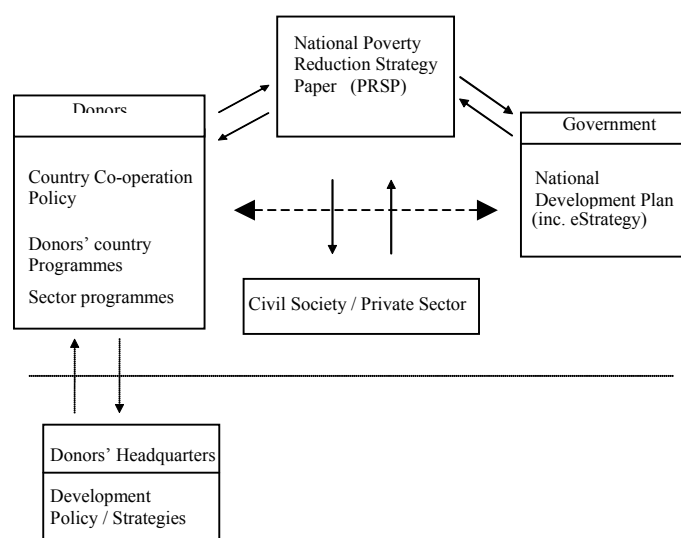
world faces difficult times. Globalisation is proceeding at an uneven pace, and many feel left behind and disenfranchised – excluded both from the economic benefits of globalisation and from the political processes that help shape it. The vital role of information and knowledge—and the ways that ICT can help the poor create, access, share and deploy information and knowledge to improve their lives – intellectually accepted and yet poorly understood by many development professionals.

Responding to these challenges requires a new approach based on commonalities of interest, clear focus, and tangible results. International collaborative efforts such as the DOT Force and the UN ICT Task Force have helped to focus co-operative efforts on tangible objectives for realising the full potential of ICT as tools for addressing the broader challenges represented by the MDGs. Poverty reduction strategies are a major vehicle for addressing these challenges in each country.

### POVERTY REDUCTION STRATEGY PAPERS: PROGRESS REPORT

Given the vital role that ICT can play in combating poverty and building economic and social opportunity, they should be seen as an important instrument of national poverty reduction strategies. Mainstreaming ICT into national development plans and Poverty Reduction Strategy Papers (PRSPs<sup>2</sup>) should be a priority for developing countries and for their partners in the international community. This would ensure that national poverty reduction strategies serve as the focal point and frame of reference for developing countries and donors in designing their ICT interventions and assistance, so as to maximise the poverty-reducing impact of ICT.

PRSP as a Focal Point (illustrated)



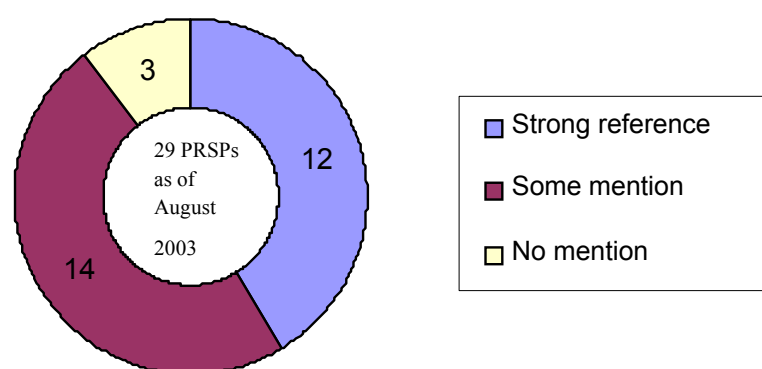
How is the international community doing? A recent joint OECD/JICA<sup>3</sup> analysis<sup>4</sup> of 29 national Poverty Reduction Strategy Papers (PRSPs) completed by developing countries as of August 2003 reveals that much work still needs to be done in integrating ICT into national development and poverty-reduction strategies.

<sup>2</sup> At the Annual Meetings of the World Bank Group and the IMF in September 1999, it was agreed that nationally-owned participatory poverty reduction strategies should provide the basis of all World Bank and IMF concessional lending and for debt relief under the enhanced Heavily Indebted Poor Countries (HIPC) Initiative. This approach is being reflected in the development of Poverty Reduction Strategy Papers (PRSPs) by country authorities. PRSPs should be country-driven, comprehensive in scope, partnership-oriented, and participatory. (See [www.worldbank.org/poverty/strategies/](http://www.worldbank.org/poverty/strategies/))

<sup>3</sup> Japan International Cooperation Agency

- In the 29 PRSPs analysed, 12 countries define or position ICT as a strategic component for poverty reduction and discuss it as an independent item in their PRSP.
- The rest of the countries do not include ICT as an independent strategic component. They mention telecommunications sector development as an "important factor for rural agricultural development" or as "one of the components of the infrastructure for economic growth".
- The term "telecommunications" is used in most cases and the terms "ICT" or "information technology" are rarely used. However, those terms are more frequently used in recently developed PRSPs.
- Three countries do not mention ICT in their PRSPs.

### How ICTs are treated in PRSP?



So, as yet, not many countries have integrated ICT into their national PRSPs. At the same time, donors are only slowly moving beyond approaching ICT as a development sector to harnessing them as a broad-based response to widespread and intractable poverty. The two efforts should be complementary and mutually reinforcing. As donors mainstream ICT in their own assistance strategies, they can help developing country governments to understand the critical role of ICT in poverty reduction; design and implement policies that foster the spread and effective use of ICT; and experiment with ways to adapt global experience with ICT to their specific needs and circumstances.

There is abundant recent experience to draw from in integrating ICT into a coherent and comprehensive national development and poverty reduction strategy. The experience of developing countries such as Mozambique and Jordan in implementing a national ICT strategy provides evidence of both the opportunities and the challenges involved (see boxes).

#### **Integrating ICT in Development Programmes: Experience from Mozambique and Jordan**

**Mozambique** has been a beneficiary of a number of ICT-for-development projects in the past several years, due to a combination of donor interest and local initiative. Yet many in government and elsewhere in Mozambique were concerned that there was insufficient synergy between the growing ICT initiatives in the country and the government's national development plans. A high-level National Commission began its work in 1998 and culminated in the approval of an implementation strategy in 2002. It devised, through broad consultation, a

<sup>4</sup> The base-line research of this analysis was conducted by Mr. Keiichi Yonezawa, Senior Research Analyst, NLI Research Institute and JICA's in-house consultant on PRSP, in collaboration with OECD/DAC Secretariat. For more information please visit [www.oecd.org/dac/ict](http://www.oecd.org/dac/ict).

comprehensive approach to using ICT as a key tool in the war against poverty in Mozambique by building a knowledge society. Implementation of the strategy -- with an integrated approach covering human resources, infrastructure, business, governance, legal framework and content -- will take until 2005. It will require an integrated approach with co-operation among all stakeholders, country-wide implementation, effective mobilisation of local and international resources, and close dialogue with donors and other international partners.

**Jordan** has identified ICT as an important tool of its development. The key to Jordan's approach is to focus on ICT both as an instrument for adapting to change and as a vehicle for making Jordan a hub of ICT-related economic development in the Middle East. This implies a number of related tasks, including: modernising the ICT infrastructure in the country; developing and adapting the educational and vocational training systems (which have, traditionally, not fostered initiative and creativity); developing regional and international links; encouraging entrepreneurship; and at the same time retaining and enhancing Jordan's position as a developer of skilled human resources.

Through the INT@J Program, Jordanian private sector ICT firms are co-operating to foster ICT development, facilitate international partnerships and foreign direct investment, develop human resources, and serve as a key interlocutor to the public sector in building Jordan's ICT economy. At the same time, the public sector economic and social transformation programme is working to rationalise public investment in ICT and other areas, foster increased private investment, and create appropriate legal and regulatory frameworks to encourage ICT growth. The NetCorps Jordan programme uses the experience and energies of young leaders to ensure that all Jordanians have the necessary skills to be part of the information society. And by 2005, Jordan hopes to have in place a full array of e-government services; extensive use of e-learning in schools, universities and vocational training; and a full set of legal and regulatory frameworks for the ICT economy.

Several bilateral and multilateral donor organisations have sought in the past few years to move beyond an *ad hoc*, experimental approach and to focus instead on mainstreaming ICT across all sectors of their development work and to poverty reduction more broadly.

One example of these efforts is the strategy paper published by the UK Department for International Development (DFID) in January 2002. The paper, "The Significance of Information and Communication Technologies for Reducing Poverty" ([www.dfid.gov.uk/Pubs/files/ict\\_poverty.pdf](http://www.dfid.gov.uk/Pubs/files/ict_poverty.pdf)) proposed an approach to "mainstreaming" ICT in development programmes in a distinctive manner.

The OECD Forums have been part of wider international initiatives to raise awareness in a broader policy community of the importance of ICT to accelerate poverty reduction. We look to the World Summit on the Information Society for guidance and firm commitments to attain our shared ultimate goal – achieving the MDGs.

*The views expressed are those of the authors and do not necessarily represent those of Members of the Organisation for Economic Co-operation and Development.*

1. For a summary of donors' positions on integrating ICT into their development strategies see "Donor ICT Strategies—Summary Matrix" at [www.oecd.org/dataoecd/53/55/2499900.pdf](http://www.oecd.org/dataoecd/53/55/2499900.pdf).

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