

# Chennai Statement

## on Up-scaling Pro-Poor ICT Policies and Practices

### Summary

*ICTs can make a difference in poverty reduction. The lessons learned around the globe demonstrate the great potential of ICTs enhancing empowerment, opportunity and security. This potential contrasts with the overall modest impact of ICTs on the MDGs. Untapped opportunities exist for scaling up poverty reduction using ICTs.*

*At the grassroots level, the capacity of community structures should be built upon and enhanced. The basic requirements for successful up-scaling of poverty reduction through ICTs are (1) an enabling ICT policy environment; (2) conducive conditions for poverty reduction; (3) appropriate technology choices; (4) mobilisation of additional public and private resources.*

*An enabling ICT policy environment includes respect for freedom of expression, diversity and the free flow of information, competition in ICT infrastructure provision, also in the last mile, investment in service development including local content, and the adoption of open source solutions.*

*Mainstreaming ICTs in poverty reduction strategies (PRS) is a key issue. ICTs can be used to facilitate the PRS process, and should be mainstreamed into the implementation of sectoral components, complementing the poverty-reducing priorities of the national ICT strategy. Targeted pro-poor regulations and policies are key.*

*Technological progress reduces costs dramatically and lowers access barriers. Choosing simple, context-related solutions that may not require high connectivity or high-level human capacity is key. Combinations of complementary technologies, such as radio and Internet, have often proved particularly appropriate.*

*Up-scaling to reach the MDGs requires additional investment. National ICT licensing obligations should include funding mechanisms to mobilise finance for community initiatives, and to address the financing gap for small and medium ICT start-up businesses. The deployment of ICTs increases the effectiveness and efficiency to reach the MDGs whatever the resources available - mainstreaming ICTs pays off even when budgets are stagnating or shrinking.*



School children using the infrastructure of a knowledge centre in their breaks (Southern India)

*Those countries mainstreaming ICTs effectively into their productive sectors strengthen their competitiveness. It is a matter of economic survival to make appropriate use of ICTs. Therefore, the application or non-application of ICTs in an economy affects people living in poverty both directly and indirectly.*

*Recognising the complementary roles of governments, the private sector and civil society, building multi-stakeholder partnerships (MSP) becomes a priority in implementing an inclusive information society based on the WSIS's vision and inspired by the Millennium Declaration.*

## Introduction

1. Upon invitation of the MS Swaminathan Research Foundation (MSSRF) and the Swiss Agency for Development and Cooperation (SDC), development practitioners and policy makers met in Chennai, India, from 17-19 November 2004, for a workshop to review experiences in Asia and Africa in the use of information and communication technologies (ICTs) for poverty reduction. The event was organised in coordination with and supported by the Global Knowledge Partnership (GKP), OneWorld South Asia and the United Nations Development Programme (UNDP). This meeting of experts provided valuable inputs into a more detailed draft Working Paper that will be published by SDC/MSSRF in 2005. In order to provide a more compact input into the processes of the World Summit of the Information Society (WSIS), Poverty Reduction Strategies and the Millennium+5 Summit, the participants decided to compile some key conclusions and recommendations in a statement. The purpose of the Chennai Statement is to stimulate the debate from a clearly poverty-focused perspective.



Antennae bringing TV signals to small villages (Southern India)

2. The Chennai Statement reflects the shared concerns of the undersigned participants from ten countries mainly in Asia and a number from Africa, Australia, North America and Europe. Among the participants were representatives from multilateral organisations, bilateral development agencies, civil society organisations and

the private sector. The Chennai Statement is intended to serve as an input into the on-going global debate on the role of ICTs for development, particularly in view of the poverty reduction oriented agenda for the implementation of the WSIS Principles and Action Plan in the context of the Millennium Development Goals (MDGs).

3. The participants share the declared WSIS's vision of a people-centred, inclusive and development-oriented Information Society, where everyone can create, access, utilise and share information and knowledge, enabling individuals, communities and peoples to achieve their full potential in promoting their sustainable development and improving their quality of life; the main challenge is now to implement the WSIS's Declaration of Principles and the Plan of Action. The need to translate the people-centred vision of ICTs for poverty reduction into action is intrinsically linked to the challenge of reaching the MDGs.

4. ICTs can make a difference in poverty reduction. The practical experience as well as the lessons learned around the globe demonstrate the great potential of ICTs to support poverty reduction efforts by enhancing empowerment, opportunity and security. This potential contrasts, however, with the overall modest impact of ICTs on the MDGs remaining well behind expectations.

5. In view of the massive up-scaling and replication of the use of ICTs for poverty reduction that is needed, the participants of the Chennai workshop on 'Up-scaling Poverty Reduction through ICTs' hereby endorse the design, adoption, and implementation of ICT policies and practices at all levels. ICTs are a tool and should be understood in a broader perspective that includes the following elements:

## Relevance

6. Building on the lessons learned, untapped opportunities exist for scaling up poverty reduction using ICTs, by harnessing their potential for dynamic knowledge sharing and networking, building on economies of scale and drawing on a broad range of approaches that can be used as a catalyst for local adaptation. The positive experience of using ICTs for poverty reduction is often linked to use of the new options by organised self-help groups and collective organisations. Up-scaling poverty reduction with ICTs means increasing outreach and deepening impact.

7. ICTs can be used as a strategic tool for development. They also merit and receive growing attention for their instrumental value in implementing pro-poor policies. The deployment of ICTs increases the effectiveness and efficiency of all endeavours to reach the MDGs whatever the resources available. Mainstreaming ICTs pays off even when budgets are stagnating or shrinking.

8. Those countries mainstreaming ICTs effectively into their productive sectors gain dramatically in competitiveness, often to the disadvantage of others. It is a matter of

economic survival to make appropriate use of ICTs. Therefore, the application or non-application of ICTs in an economy affects people living in poverty both directly and indirectly.

9. The basic requirements for successful up-scaling of poverty reduction through ICTs are (1) an enabling policy environment; (2) prioritising and creating conducive conditions for poverty reduction; (3) appropriate technology choices; (4) mobilisation of additional public and private resources. The Chennai Statement reflects these requirements.



Radio moderators play a key role in adapting content to local needs (South Africa)

## Enabling Environment

10. A clear and enforced legal framework should include respect for freedom of expression, diversity and the free flow of information. A conducive environment for up-scaling includes supporting infrastructure such as electricity, internet connectivity, and a reasonable level of basic education. To meet pro-poor outcomes, such measures have to be combined with targeted pro-poor policies.

11. The acceleration of the introduction of competition in ICT infrastructure provision, including in the last mile, is key. It should be associated with investment in service

development including local content to drive the demand for infrastructure.

12. Enhancing the adoption of open source solutions and strengthening user groups are key. Application of open source software/products in the public sector and encouraging its/their application in the private sector and by civil society is cost efficient, does not restrict adaptation to local needs - such as translation into local languages - reduces dependence on foreign firms, and does not create new barriers for local ICT experts, but instead strengthens their training and keeps the jobs in-country.

## Poverty Reduction

13. Mainstreaming ICTs in poverty reduction strategies (PRS) is a key issue. The implementation of PRS can play an important role in achieving the MDGs and empowering people living in poverty. ICTs can be used to facilitate the PRS process. ICTs should be mainstreamed into the implementation of sectoral components, complementing the poverty-reducing priorities of the national ICT strategy.



Satellite like for a local area network and solar cells providing uninterrupted power for the network (Southern India)

14. In a conducive environment favouring poverty reduction, targeted pro-poor regulations and policies are key elements. They may include:

- Building up strong independent regulators through capacity-building measures and the provision of resources to finance any resultant legal cases; supporting research and awareness-raising throughout civil society.

## Technology Choices

16. Technological progress reduces costs dramatically and lowers access barriers, which is of particular importance to people in poverty. When making a technology choice, information about the latest technological developments is useful in order to choose simple, context-related solutions that may not require high connectivity or high-level human capacity. Flexible platforms combining the strengths of complementary technologies, such as radio and internet, have often proved particularly appropriate.

- Transforming the policy environment through more deregulation in favour of local communities: (a) Licensing of air waves to grass-roots level institutions; (b) Representation of grass-roots level institutions on regulatory bodies.
- Fast-track licensing for innovative solutions such as Voice over Internet Protocol (VoIP), Wireless Fidelity (WiFi) and Very Small Aperture Terminal (VSAT), and licensing of community-based electronic media, in particular broadcast radio.

15. Meaningful poverty reduction must be based on a participatory needs assessment related to empowerment, opportunity and security of people living in poverty. ICT-applications embedded in poverty reduction strategies should support demand-driven, solution-focused initiatives for, and with, disadvantaged people, characterised by applications and content that are highly contextualized. A pro-poor emphasis in infrastructure provision and content development applications is a priority. This should include the introduction of lowest-cost and transparent demand- and supply-side subsidies to ensure that access costs are affordable. The use of voucher systems could be an appropriate option for promoting private partnerships in subsidised public access provision to address the needs of those in poverty.

17. Financial, ecological and social sustainability is the triple bottom line for successful ICT-supported projects. Sustainability is contextual and dynamic. In a poverty-stricken rural context, appropriate technology choices favouring social sustainability are as important as financial sustainability and require a focus on local content creation. The question of profitability should be embedded right from the start when designing and planning poverty reducing projects with ICT-use. The drive for up-scaling and sustainability can itself become a challenge as it may cause a drift away from a focus on the poorest.



## Resource Mobilisation

18. Up-scaling to reach the MDGs requires additional investment. Public resources are severely limited at the national as well as the international level. Despite the Monterrey Consensus, it is unlikely that official development assistance (ODA) will be increased substantially. The search for new sources of development financing (NSDF) is still in its initial stages. The options discussed include a byte tax and other ICT-related sources, which are not likely to materialise in the foreseeable future.

19. In order to ensure the best use of scarce public resources, maximum mobilisation of private investment is vital. Depending on the enabling regulatory framework, the existing infrastructure and the development potential, private investment can be mobilised, to a certain extent even in remote regions. The micro finance movement demonstrates that banking for people in poverty is feasible. Similarly, there is an untapped market for the private sector in general and for social entrepreneurs in particular, to bring connectivity, services and content to those in poverty.

20. Resulting in a hybrid form of private-public sources, national ICT licensing obligations should include funding mechanisms to mobilise finance for appropriate community initiatives, and to address the financing gap for small and medium enterprises (SMEs) interested in starting ICT businesses. Regulators must have the political backing and capacity to enforce compliance with universal service obligations (USOs) and to evaluate the effectiveness of the use of funds.



Increasing national revenues: value added tax office in Maputo (Mozambique)

## The Way Forward

21. There are significant challenges in the transition to scaling up poverty reduction through the use of ICTs in national strategies, in terms of retaining local ownership, capacity building in local communities, developing sustainable business models and defining the level of institutional and public sector support.

22. National level advocacy is key for up-scaling poverty reduction through ICTs. The added value of global declarations, including this Chennai Statement, depends on the extent to which they are heard by governments, civil society and the private sector regionally, nationally and locally. In particular, the younger generation should be reached.

23. Global coalitions advancing empowerment, opportunity and security of people in poverty, including gender equality, edu-

cation, health and democracy, are an effective and efficient channel for taking up-scaling concerns forward. In particular, intensifying South-South networking and dialogue should be pursued systematically.



Woman selling phone calls (Botswana)

24. Recognising the complementary roles of governments, the private sector and civil

society, building multi-stakeholder partnerships (MSP) becomes a priority in implementing an inclusive information society based on the WSIS's vision and inspired by the Millennium Declaration. At the grass-

roots level, the capacity of community structures, such as self-help groups and other intermediaries, should be tapped and enhanced.

### Follow-up

25. This statement is timed to inform the preparations for the second phase of WSIS 2005 in Tunis. The declaration will be backed by a joint MSSRF/SDC discussion paper to be published early in 2005. The participants will use their networks to influence the WSIS process accordingly. MSSRF, SDC and GKP will host a side event during the PrepCom II in Geneva in February 2005.

26. In light of the outcomes of the WSIS, MSSRF/SDC intend to convene a follow-up meeting on opportunities and challenges for up-scaling MDG implementation through ICTs, involving stakeholders from the public and private sectors as well as civil society, not later than 2007. The objectives will be to:

- Review the added value of the WSIS outcomes for ICT for poverty reduction (ICT4PR) and MDG implementation;

- Present the main ongoing and planned ICT4PR up-scaling programmes;
- Discuss the key challenges met in ICT4PR up-scaling efforts;
- Exchange information on lessons learned and good practices in ICT4PR.



The community watching TV (India)

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