

## **SECOND PHASE OF WSIS, 16-18 NOVEMBER, TUNIS**

### **STATEMENT BY KATHERINE SIERRA, WORLD BANK INFRASTRUCTURE VICE PRESIDENT AND HEAD OF DELEGATION**

#### **REACHING ACROSS SECTORS**

Dear Heads of state, ministers, members of delegations from the private and public sectors, partners and representatives of civil society:

As we gather here in Tunis, millions of people across the world are using ICTs to generate income for their families and deliver better services to their communities and clients.

Young people in Kenya are selling shoes worldwide over the Internet, fishermen and wholesalers on Lake Victoria are communicating through mobile phones, and midwives in India are using PDAs to store and retrieve information as they deliver immunizations to pregnant mothers.

For all of us here at the UN World Summit on the Information Society, our role is to keep supporting these developments and step up our efforts in expanding access and use of ICTs to maximize their impact on poverty reduction and economic growth for all, but particularly for the poor in low-income urban and rural areas.

The information revolution is a reality. It is essential for governments to see the potential of these technologies and turn them into enabling tools for promoting social and economic development. Exploiting the potential of information technologies will unleash the potential of human capital, foster entrepreneurship and innovation, and create employment opportunities for the youth.

#### **Huge progress**

We know that huge progress in access to ICTs has already been made in the past 20 years, but many more challenges remain ahead of us.

In 1980, developing countries accounted for only 20 percent of the world's telephone lines. But today, 60 percent of mobile and fixed phones are in the developing world.

Over that same period, the number of telephone subscribers in developing countries rose by over 30 times, from 1.4 to 40 subscribers per 100 people. Telephone services now reach many small cities and towns, and by 2005 half of the world's households had a telephone.

Infrastructure costs per subscriber were slashed with the advent of mobile services and increased competition. Investment cost per subscriber has declined from over US\$1,000 to about US\$100 in less than 10 years, and over 130 countries have at least three competing cellular service providers.

There is no question that this expansion and access revolution has been driven by technology advances, private investments and competition, which fueled demand growth and network expansion. But for ICT to fulfill its full potential as a significant catalyst for stimulating economic growth and poverty alleviation in support of the Millennium Development Goals, we all know that there still are great challenges to overcome.

### **Main challenges**

To build on the successes of the past decade in increasing voice connectivity in developing countries, we must now work to extend access to the next billions of low-income populations and bring down costs to affordable levels.

To achieve this requires the participation of all stakeholders: suppliers to develop innovative solutions that would bring down the cost of infrastructure and terminal equipment; financiers to provide cost-effective capital in support of ICT infrastructure and applications; development institutions to back governments in providing incentives and “catalytic” subsidies through such schemes as output based aid to encourage the private sector to invest in areas that are less commercially attractive; and governments to ensure a level play field competitive environments and eliminate any unnecessary barriers for access, such as excessive taxation of hand sets and computers.

However, access is not only about voice; Internet and broadband services are equally important. New technologies are quite promising and offer alternative solutions, particularly wireless which will build on the growing cellular platform in developing countries. However, major regulatory impediments to broadband remain. For instance, nearly fifty percent of the world’s countries still retain monopolies on backbone and international services, and the average cost of international connectivity in developing countries is about 2 to 3 times higher than in more advanced economies. It is then imperative that more investments be directed towards increasing broadband connectivity accompanied with further liberalization of international services to put an end to remaining monopolies, similar to what was the case for local voice services.

Last but not least, and once access is secured at affordable prices, the challenge will be to establish the right modalities for the effective use of ICTs as cross-cutting enablers and development tools; to have the political will and drive to implement the policies and institutional reforms necessary for mainstreaming ICTs in the delivery of public and private services; and to upgrade and modernize the educational programs to create the needed local human capacity.

We are all motivated by the excitement and promise of the e-Development agenda, but we are also learning that success in this area is hard-earned. The emerging lessons found in our E-Development report presented at this summit show us that ICT-enabled programs are successful when they are suitable to the level of a country’s development and relevant to the needs of the users. They succeed when the programs are integrated with infrastructure, applications and skills development. They need to be designed and integrated within a broader process of institutional and business change, and coordinated as part of an overall development strategy. Needless to say, continuous monitoring and evaluation is also critical for success.

### **World Bank Group Support**

The World Bank Group today is supporting efforts to tackle some of these challenges with ICT projects in more than 80 countries and an overall portfolio amounting to more than US\$3 billion over the past five years. The Bank is engaged in helping governments improve their investment climates for private sector participation, particularly through policy reform and most recently

through specific e-government initiatives. The private sector arm of the Bank Group, the IFC, is the largest multilateral financier of ICTs in developing countries, and has since 1992 provided private companies with about six billion dollars in financing with a mobilization rate of 1 to 9. We are also pleased to chair the infoDev partnership which brings together valuable partners in the generation of innovative thinking and creative initiatives in the field of ICTs.

The World Bank Group is keen to maintain its partnership with all stakeholders in harnessing the ICT revolution for growth, poverty reduction and progress towards the MDGs. We are committed to improving access through IFC investments in the private sector and World Bank financing for public-private partnerships that extend the reach of the latest technologies and serve the needs of the urban and rural poor. We will also be glad to share infoDev's analytical work, knowledge and toolkits with the development community.

We are already moving ahead with clients to mainstream ICT in the country and sector programs that we support. And wherever ICT becomes a priority area in the poverty reduction and development strategies of our clients, the World Bank will continue to be both ready and eager to respond.

Let me conclude by stressing that we view this Summit not only as a forum to discuss ICT technology, but also as an opportunity to build an Information Society in ways that exploit today's modern and powerful enabling tools for promoting openness and participation of people, the free flow of information and personal expression, while providing a platform for transparency and accountability in the behavior of governments and private businesses, all of which are critical for economic growth and poverty alleviation.

Thank you.