



THE WORLD BANK



EMBARGOED: Not for news wire transmission, posting on websites, or any other media use, until 10:00 GMT/UTC (5:00 AM EST Washington, DC time) on March 9, 2006. See [Embargo Policy](#) for penalties for breaking embargoes.

Press Release

Washington, DC:

Henny Rahardja

Phone: +1-202-473-4857

E-mail: hrahardja@worldbank.org

Ludi Joseph

Phone: +1-202-473-7700

E-mail: ljoseph@ifc.org

Doha, Qatar (7-10 March 2006)

Samia Melhem

E-mail: smelhem@worldbank.org

Christine Qiang

E-mail: cqiang@worldbank.org

Public-Private Partnerships, Effective Competition, Vital to Extend Reach and Use of ICT: World Bank

Improving ICT access and quality will make economies more efficient and globally competitive, notes the 2006 Information and Communications for Development Report

WASHINGTON, D.C., March 9, 2006 — Although there has been global progress in improving access to Information and Communication Technologies (ICT), poor countries still lag behind in making ICT applications commonplace in governments, schools and business, says the World Bank in a new report that urges developing country governments to work across ministries and in partnership with the private sector to extend the reach and use of ICT.

The World Bank's *Information and Communications for Development 2006: Global Trends and Policies* takes stock of the progress that has been achieved worldwide in rolling out access to affordable ICT and provides evidence on what makes for success in adopting ICT to meet development challenges.

The report, which includes a series of ICT indicators for almost 150 countries, builds on experience drawn from the Bank's own significant involvement in the sector. The Bank is the largest international donor in the field of ICT for development and has ICT projects in over 80 countries with a portfolio amounting to more than US\$3 billion.

*"The report shows that private sector competition remains the driving force in extending telecommunications access to billions of people around the World," says **World Bank's Vice President of Infrastructure Kathy Sierra**. "But cooperation is also key to ensuring further progress – cooperation between government and private sector to connect the next billions, within governments to extend e-services to citizens, and across countries to ensure regional access and connectivity."*

Foundation of ICT Access

Over the past 25 years, developing countries have considerably increased ICT access, especially for telephone services. Between 1980 and 2005, the number of telephone subscribers in developing countries rose by over 30 times. In 1980, developing countries accounted for only 20 percent of the world's telephone lines. In 2005, 60 percent of the world's phones were in developing countries.

According to the report, such expansion has been driven by the technological revolution of mobile telephony as well as private competition. By 2003, 130 countries had at least three competing providers of mobile services. Opening up to private competition has also led to huge inflows of investment from overseas. Between 1990 and 2003, for example, 122 of 154 developing countries received foreign investment in telecommunications, and annual FDI in telecommunications in developing countries have increased from US\$2 billion in 1990 to a high of approximately US\$35 billion. In coming years, the level of annual investment going into the ICT sector in emerging market could reach US\$100 billion.

“This report shows that completing the transition to well-regulated and competitive service provision remains the foundation of exploiting ICT for development. But there is still some way to go considering, for example, that nearly half of the World’s countries retain monopolies on fixed local and international service provision, making the costs of Internet connectivity exceedingly high and unaffordable” says **Mohsen Khalil, Director of the World Bank Group’s Global ICT Department.** *“If ICT is to fulfill its potential as a significant catalyst of income growth and progress towards the Millennium Development Goals, there is much more to do.”*

There is, for example, a continued need for government support to “access” initiatives, **Khalil** explains. Going beyond fair and effective private sector competition, the report also outlines innovative public-private partnerships to extend access to rural and remote areas.

Lessons Learned

The report notes that use of ICT, including the Internet, is increasingly important to productivity and employment in developing countries. A survey of firms carried out in 56 developing countries finds that firms that use ICT grow faster, invest more, and are more productive and profitable than those that do not.

The *Information and Communications for Development 2006* report also provides some lessons for developing countries in terms of improving the use of ICT. The report notes that many developing countries have adopted e-strategies that call for more access and use. A review of 40 e-strategies from developing countries conducted for the report finds that more than 85 percent aim to expand ICT use in governments and schools, develop telecommunications infrastructure, and provide an adequate legal and regulatory framework, for example.

Many of the evaluated e-strategies, however, fall short in terms of implementation arrangements. In particular, monitoring and evaluation mechanisms are weak or non-existent. For example, many governments cite school connectivity as an important ICT goal. Yet, data on ICT prevalence in schools are lacking in many countries, making it difficult to measure progress or evaluate ICT's contribution to education.

The report also calls for e-strategies to develop clear cross-sectoral objectives and specific interventions to reach them with clarity in terms of budget and responsibility for implementation, and it proposes monitorable indicators for tracking progress towards the targets, while noting significant gaps in terms of available data.

At-a-Glance Tables

The report also presents At-a-Glance tables that covers 144 countries and provides a snapshot of the sector progress made by countries. These tables include nearly 30 ICT indicators, which offer data on *access, quality, affordability, efficiency and sustainability, and applications*. The data enable assessment and comparison both over time (2000-2004) as well as across economies to assess ICT capacity, performance, progress and opportunities.

Among developing regions, the telephone access rate was highest in Eastern Europe and Central Asia, where between 2000 and 2004 it more than doubled to 730 per 1,000 people. But growth was highest in Sub-Saharan Africa, with the rate tripling, albeit to a still-low 103 subscribers per 1,000 people. During the same period, the fastest growth of Internet users, 370 percent, occurred in the Middle East and North Africa.

World Bank Economist Christine Zhen-Wei Qiang, an editor of the report, notes that *“While the Developing World has seen huge progress in rollout of basic ICT infrastructure, the picture is more mixed for broadband connectivity and advanced use of ICT.”*

“Worldwide, Internet use more than quadrupled between 2000 and 2005, but differences in the number of secure Internet servers, a proxy for the availability of e-commerce, remain stark. While developed nations have more than 300 such servers per 1 million people, developing nations have fewer than 2. Canada has more secure servers than all developing countries combined. The digital divide is very much a reality and we must all continue to work to bridge the gap.” says **Qiang**.

Online Media Briefing Center:

Journalists can access the material before the expiration of the embargo through the World Bank Online Media Briefing Center at: <http://media.worldbank.org/secure/>

Accredited journalists who do not already have a password, may request one by completing the registration form at: <http://media.worldbank.org/>

Additional information regarding the World Bank Group’s work in the ICT sector is available from: <http://www.worldbank.org/ict/>

For more information on the Bank’s work in infrastructure, please visit: <http://www.worldbank.org/infrastructure>

For more information on the work of the International Finance Corporation, please visit: <http://www.ifc.org>

Journalists are encouraged to use these URLs in their reports.