Regional Program

Mobile Citizen
Empowering people through
mobile services

CALL FOR PARTNERS
FOR REGIONAL TECHNICAL COOPERATION
"Mobile Citizen: Empowering people through mobile services"

I. BACKGROUND AND JUSTIFICATION

A. Mobile services: the potential to provide value added services to 360 million people

2.1. There is no recent technological innovation that provides more distinct opportunities for development than mobile telephony. This technology has traditionally offered voice and data services to connect people, but with improving capabilities and cheaper rates, it is a domain that provides a powerful space for such innovation[1]. As mobile networks reach increasingly remote populations, mobile is beginning to have a big impact outside its traditional service arena. Accordingly, the opportunities offered by bundles of mobile telephony-based services (mobile services) are evidenced in every continent, and transcend economic sectors and strata of society – in particular in media, leisure, banking, health, government, commerce and most recently in education.

2.2. A recent publication by the GSM Association (GSMA), ***Top 20 Research on the Economic and Social Impact of Mobile Communications in Developing Countries***,[2] demonstrates how the mobile phone empowers citizens in several developing countries where, through citizen centric services the mobile platform delivers tangible and broad direct and indirect social and economic benefit. Further, this research infers that implications on daily life in developing countries are more far-reaching than in developed countries, creating social capital, improved market efficiency and firm level productivity, as well as increases in GDP.

2.3. Increasingly rich research suggests that applications in mobile services such as m-Banking, m-Commerce, m-Health and m-Government are beginning to have transformational impacts, reaching more people, reaching the traditionally excluded groups and reaching them with better and citizen centered custom services. Regarding wide dispersed and domino social effects, evidence also indicates that the mobile phone creates social capital and feelings of empowerment amongst users.

B. Latin America and the Caribbean are ready to capture the benefits of mobile services

2.4. Latin America and the Caribbean region is ready to capture the benefits of mobile services aiming at economic development and social inclusion. In 2007, mobile telephony subscribers reached 66% of the region's population[3] and today this penetration is estimated in 70%. Further, of the 360 million who live on less than US$300/month, called the "majority"[4], it is estimated that 160 million are mobile phone subscribers. This means that

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[1] RAND Corp. lists wireless technologies as #2 of its top 10 technology applications for the future. Anny Wong 2008.
[2] GSMA, January 2008. GSMA is a global trade association that promotes, protects and enhances the interests of GSM mobile operators throughout the world. It consists of more than 700 second and third generation mobile operators and more than 200 associate members.
[3] International Telecommunications Union (ITU), 2007.
[4] Inter-American Development Bank (IDB), 2007.

the region has direct interactive communication capabilities to connect with these groups for the first time.

2.5. Few Latin American and Caribbean countries have initiated discussion on how to translate the potential of mobile telephony into real support for development. There are examples of pilot initiatives in mobile government and in mobile health, and increasingly cooperative research between universities and international institutions. However, none have moved beyond the pilot stage to sustainable systematic implementation and roll-out.

2.6. Now it is time to leverage this initial interest, take a strategic approach to using mobile as a tool in critical social and economic development challenges and demonstrate the economic and social benefits of mobile services, taking fullest advantage of the technology available to the region through innovation. This requires collaborative efforts of public and private sector to address bottlenecks in the growth of citizen centric services, notably of awareness, institutional and technological capacity and coordination (see Table 1). In line with key objectives of the Science and Technology division to encourage development of the innovation climate for social inclusion, competitiveness and private sector development, targeted intervention in capacity building and applied knowledge to develop and implement critical mobile services can contribute to key structural areas. The following table outlines responses to the major bottlenecks in the growth of citizen centric services - the IDB can intervene to provide critical support through a combination of demonstration and capacity building activities.

Table 1. Main challenges: how to demonstrate the impact and moving beyond the pilot

Gap	Why?	How?
Demonstration	There is still little evidence for policy makers. It's important to support entrepreneurial activities aimed at advancing the knowledge base on how mobile technologies can assist the poor. Donors can take the initial risks to help scale up some of this good work in start up initiatives.	IDB can provide specific capacity building, technical support and funding to pilots creating awareness of real benefits and understanding of how to implement such innovative applications, and also contributing to build up the market.
Linking the Value Chain	Though the mobile services industry is in high innovation, it is characterized by uncertainty about future direction and is just now discussing strategic its focus. The timing is now to broker a dialogue. Further, there is a need for development partners to stop duplicative efforts but rather come together to provide a clear strategic approach.	Donor partners are beginning to see this, and there are a few global alliances in the making e.g. Mobile Health Alliance as established by UNF/Vodafone Group foundation. Lastly, there is a network structure to the learning processes that increasingly includes multiple countries. IDB can make efforts to leverage their regionalism to contribute to this learning process. Targeted capacity building intervention can help improve technical capacity in local markets to feed the industry.

Source: Science and Technology division, IDB.

2.7. Given the IDB's advantages in creating a platform for regional dialogue, knowledge transfer and network in private and public sector regarding mobile services, more specifically on M-Banking, M-Health and M-Government, the IDB is uniquely positioned to support these efforts to address some of the persistent and increasingly challenging social and economic development issues. Further, timely efforts can leverage current activities of the pioneering initiative under way, ***Innovations and Opportunities in the development of mobile services for Health and Government***, which serve to create and disseminate knowledge, strengthen the value chain, and to identify priority needs of Latin American and Caribbean countries that may be solved through mobile health and government services[5].

2.8. The IDB has prioritized the following four key sectors, selected for their alignment with country and regional priorities in key social and economic areas and demonstrated impact elsewhere to have most impact on the quality of life of the majority across the region: **health, government, commerce** and **education**, with special attention to solve gender and diversity issues. It will be critical to work with global pioneers in mobile services. Much of the innovative work has been led by High-Tech, Software, and Telecommunication companies, and therefore this program aims to benefit from knowledge and expertise of some of the most innovative Mobile Network Operators (MNO), handset manufacturers, software factories and system integrators.

II. OBJECTIVES AND PROJECT DESCRIPTION

3.1 The objective of the Mobile Citizen program is to accelerate the implementation of mobile services for development. The project activities are designed to target four specific objectives: (i) to provide support to strengthen technical capacity for the design and development of mobile services and further; (ii) to develop mobile services with sustainable business models to allow scale-able implementation; (iii) to increase awareness and knowledge of the potential of mobile services in development critical for sustainable broad success, through rigorous results and impact evaluation, and comprehensive communication strategy throughout the duration of the project.

3.2 **Component 1. Capacity building**. The objective of this component is to address the technical weaknesses of the value chain, and contribute to m-services market development in Latin America and the Caribbean. The component will provide resources to finance the following activities: (i) design of capacity building curricula based on good practice technology and operational needs, (ii) implementation of training to key private companies, mostly from the ICT industry, public institutions and academy across the region. This component will benefit from preparatory work under the RG-T1474 program.

3.3 **Component 2. Mobile services implementation.** The objective of this component is to support the implementation of selected mobile services for demonstration and impact evaluation. The component will provide resources to finance the following activities: (i)

[5] Significant results from the RG-T1474 program are the following: the Innovation Note "***Mobile Health: The potential of mobile telephony to bring healthcare to the majority***", a video on M-Health – both are knowledge products already available at the IDB Web site and already disseminated through different channels, one seminar on M-Health within the INFOLAC 2008 International Congress (October 31st, Buenos Aires), and one seminar on M-Government within the CLAD International Congress (November 5th, Buenos Aires), in which a Korean expert presented the state of the art of M-Government in Korea.

design of a competitive mechanism for pilot projects selection, (ii) implementation and supervision of pilot mobile services, (iii) expand on existing research in economic feasibility of business models, and (iv) evaluation of pilot performance and impact analyses. This involves the design and implementation of an impact evaluation framework, which should include baseline and term performance indicators, as well as feasibility analysis on differing business models.

3.4 **Component 3. Communication and impact dissemination.** The objective of this component is to communicate the action of this program and disseminate the pilot project evaluation and lessons learned to policy makers and decision makers in order to create wide and clear understanding of the impact of mobile services for economic development and social inclusion. The component will provide resources to finance the following activities: (i) design of a comprehensive multimedia communication strategy, (ii) development of communication contents, and (iii) implementation of the communication strategy's actions.

III. WHY PARTNER WITH THE IDB?

3.5 Developing successful mobile services with sustainable business models requires global pioneers to work together. Much of the innovative work has been led by the private sector. Regional partnerships with private and public sectors are critical to enable strategic support and increased measures towards sustainability of the initiatives.

3.6 As the largest and oldest regional multilateral development bank, we provide the most multilateral financing and expertise for sustainable economic, social, and institutional development in Latin America and the Caribbean. We add value to partnerships by supporting collaborative efforts with value chain members to address some of the persistent issues in accelerating the development of mobile services in the region. Our partners benefit from:

- Official and technical presence in 26 countries in the region with a dedicated team in Science, Technology and Innovation.
- In-depth knowledge of the development priorities in the region and a mature dialogue with client Government, NGO and private sector across the development agenda.
- Technical and sectoral knowledge and expertise in establishing a regional dialogue, and knowledge creation in Science, Technology and Innovation, and in ICT issues.
- Visibility and a strong convening power.
- ***Innovations and Opportunities in the development of mobile services for Health and Government*** outputs include:

- Innovation notes and workshops which serve to lay fundamental knowledge across the region, strengthen the value chain, and help the region to identify relevant, priority needs of that may be solved through mobile services[6].

- A burgeoning network mapping and partnership dialogue with private and public mobile services actors and other development partners.

3.7 Partnering with the mobile services team at the IDB can therefore offer distinct benefits to private sector initiatives:

- **Increased regional visibility** of the company in ICT for development
- **Access to all knowledge and networks established under the program**, which can inform research and development, business development and other streams.
- **Opportunities for developing or scaling new products** that are both affordable and accessible to the poor.
- **Opportunities to strengthen relations with the region's public sector**, through IDB's strong dialogue with public sector

3.8 **Partners sought:** IDB is seeking to partner with companies interested in supporting this project: "Mobile Citizen" and are invited to contact Matias Bendersky (mbendersky@iadb.org) and Maria Fernanda Garcia (mfgarcia@iadb.org). Possible contributions include human resources, equipment, or logistical support.

[6] Significant results from the RG-T1474 program are the following: the Innovation Note ***"Mobile Health: The potential of mobile telephony to bring healthcare to the majority"***, a video on M-Health – both are knowledge products already available at the IDB Web site and already disseminated through different channels, one seminar on M-Health within the INFOLAC 2008 International Congress (October 31st, Buenos Aires), and one seminar on M-Government within the CLAD International Congress (November 5th, Buenos Aires), in which a Korean expert presented the state of the art of M-Government in Korea.