



Information Society, Technology and Innovation in Finnish Development Cooperation

INFORMATION AND COMMUNICATIONS TECHNOLOGY is one of the most dynamic sub-sectors of the global economy. Technological innovations are transforming societies and contributing to economic growth and social well-being. Today various ICT solutions, such as mobile phones and the Internet, are available to people in both developed and developing countries. As one of the leading ICT countries in the world, Finland considers ICT as an important theme in its development policy, which helps to create and introduce solutions conducive to higher living standards. This leaflet contains information about how Finland promotes the use of ICT in the development cooperation.



Today both developed and developing countries are equally dependent of the use of information technology. ICT is a cross-cutting enabling technology and has a role to play in every sector of modern society. As the awareness and availability of ICT applications and devices is increasing, it can improve the service delivery also to the remotest regions and poorest part of the population. Different ICT solutions in the public sector can ease access to such basic social services as health and education. Distance learning applications can open up opportunities for home-based studies, and health care professionals can monitor their patients remotely. Technological innovations also foster democracy. Real-time interactive communication through the social media can increase transparency and equality by allowing a free flow of information across borders in a scale never seen before.

The geography of global innovation networks and knowledge transfer is also changing. Some applications are taking-up first in emerging economies and can be later introduced in developed countries. Some African countries are already pioneering in mobile banking and electronic financial transaction services. Mobile phone -based services allow farmers to negotiate a price for their livestock before

taking it to market. Small companies and poor individuals can make payments without a bank account through introduction of new business models such as paying with Pre-paid cards.

Information society development benefits also the business community. Fast and reliable telecommunications networks are a necessary precondition for developing and creating domestic and cross-border markets. Increased and affordable telecommunication networks foster knowledge transfer amongst enterprises, provide information about new markets and enhance opportunities of delivering services adjusted to local markets. Investments in telecommunications networks and development of local sustainable service applications demand cooperation between the public and private sectors as well as other stakeholders such as academia and civil society. Broad-based partnerships, well-thought policies and strategies for implementation promote developing country economies' integration into the international digital economy and knowledge networks. Smart policies and reliable operating environment for science, technology and innovation attracts interest and encourages foreign investments in growing markets.

LOCAL SOLUTIONS FOR LOCAL NEEDS

Developing countries face a number of challenges when harnessing ICT's potential for development. Network infrastructure may have a limited reach, technology may be too expensive and beyond the reach of the poor, or services may be inappropriately designed to support the needs of local users. It is therefore important that the regulatory environment is optimal for the large-scale take-up of technology service applications and that the incentives targeted to business and enterprises encourage the development of home-grown services. The public and private sectors as well as universities and civil society should have established cooperation mechanisms facilitating understanding of what is needed in the development and roll-out of ICT applications addressing local needs. The development of sustainable information society has the double challenge of increasing users and growing need of awareness of the potential risks and security challenges while operating in cyber space.

Many of the problems are related to lack of a holistic view on information society development and uncoordinated implementation of policies and strategies concerning the use of ICT for development. All countries, even the poorest, need to implement policies that encourage access to global information networks and development of domestic knowledge essential for the innovation and implementation of solutions serving local needs. Finnish development cooperation seeks to strengthen operating environments that pave the way for information society development in the developing countries. The aim is to:

- **train local stakeholders in raising awareness of the potential** of the various uses of ICT in efforts to attain development goals in different sectors of society;
- **train local developers and businesses in planning and implementing ICT-projects** with a view to develop technologies and manage the introduction of services in the local markets;
- **train local policymakers in preparing strategies, methods and instruments** supporting the coordinated development of ICT-based services and their implementation;
- **strengthen the mechanisms for institutional cooperation** between policymakers and other stakeholders responsible for drafting and managing policies designed to support information society development.

Finland's activities are always aligned to support the partner countries' own poverty reduction strategies (PRs) and programmes as well as policies related to Information Society Development. Cooperation is based on mutual learning while important element is to also make use of Finnish know-how and special expertise on innovation systems and information society development. Partnerships between different stakeholders are encouraged.

PROGRAMMES SUPPORTED BY FINLAND

The overall budget of ICT and Innovation projects and programmes channeled through MFA for the years 2010-2013 is envisaged to be approximately MEUR 75. Finland supports implementation of projects and programmes on local, national and multinational levels. Finland prioritizes cooperation between its long-term partnercountries, of which most are in Africa.

CREATING SUSTAINABLE BUSINESSES IN THE KNOWLEDGE ECONOMY, MEUR 12,9 (2010-2013)

Creating sustainable businesses in the knowledge economy is a programme to foster entrepreneurship using mobile technology solutions and business incubators, launched in cooperation between MFA, the InfoDEV/World Bank and Nokia plc in the spring 2010. The programme will focus on Africa, Asia and the countries of the Wider Europe Initiative in Eastern Europe, South Caucasus and Central Asia. The overarching goal of the programme is to increase the productive capacity of target countries' SMEs to compete effectively in the global knowledge economy and to contribute to sustainable development. The programme is implemented in cooperation with the private sector: Nokia will contribute its experience in mobile technology solutions and their application in the developing countries.

STIFIMO, Mozambique MEUR 22 (2010-2014)

Programme of Co-operation in Science, Technology and Innovation between Finland and Mozambique – STIFIMO aims at helping the Mozambicans recognize and resolve their developmental problems and make use of scientific and technological information in accordance with their national Poverty Reduction Strategy. It contributes to the planning of Mozambique's science, technology and innovation policy and strengthens its management by means of training and cooperation between Finnish and Mozambican institutions. At the local level, the programme includes activities that support entrepreneurship, business incubators, and the creation of technologies suitable for the poor, as well as small-scale support for businesses.

SAFIPA South Africa – Finland Knowledge Partnership on ICT Programme, MEUR 3-4 (2008-2011)

SAFIPA aims at reducing the digital divide and citizens' economic and social inequality by means of information technology in South Africa. The programme is carried out in cooperation with the private sector. SAFIPA helps the South African partners to develop innovative information society solutions for, for example, elderly citizens and persons with disabilities. The objective is also to disseminate best

practices among research institutes and companies in South Africa and its neighbouring areas. At the same time, SAFIPA supports South African science and technology institutions' activities in the ICT sector, for example, by providing training. The programme is financed by the Ministry for Foreign Affairs of Finland and the South African Department of Science and Technology.

BIOFISA, 12 Southern African Development Communities, MEUR 3 (2009-2012)

BIOFISA is a programme that supports the creation of a network in the field of biosciences among 12 countries that belong to the Southern African Community. It will be carried out in 2009-2012 in cooperation between Finland and the Republic of South Africa. The goal is to establish a cooperation network between Southern African universities, research institutes, and civil society organizations specializing in biosciences. The objective is to develop the Southern African capacities in the area of commercialization of biosciences and to bring new innovative biosciences related products onto the market in order to help eradicate poverty and to achieve sustainable development.

Trade At Hand – business opportunities on your cell phone, Liberia, EUR 156 400 (2007-2008)

“Trade At Hand – business opportunities on your cell phone” is enhancing the market access of female entrepreneurs through the use of mobile phones. The main Liberian food supplier, market women, and smallholder farmers - mostly women also - are connected through mobile phone services so that supply and demand coincide. A service is created that allows producers to advertise their products via GPRS capabilities of their mobile phones. Sales offers regarding staple crops of rice, cassava, plantain and palm nut etc. are made via SMS. The project has improved income and inspired farmers and market women to investigate possibilities to utilize innovative work methods. The stakeholders of this internationally acclaimed project are the MFA (financing), International Trade Centre (ITC) and Liberian Ministry of Commerce & Industry.

Regulatory Training Programme, South Caucasus and Eastern Europe, MEUR 3 (2010-2012)

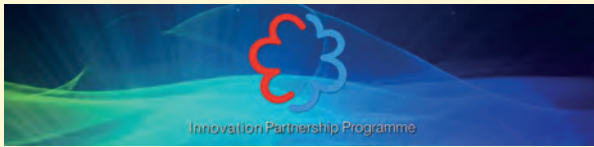
The regional communications regulatory training programme is targeted at officials and key stakeholders employed by the national telecommunication sector in the South Caucasus and Eastern Europe. It consists of tailor-made training programmes of approximately two-months for each of the countries. The programme is implemented in partnership with the European Bank of Reconstruction and Development, EBRD. The focus is in development, implementation and follow-up of modern telecommunications regulatory framework.



Finnish policy & instruments in a nutshell

The principles and Plans of Action of the World Summit on the Information Society (WSIS), Finland's Development Policy Programme (2007), Finnish Development Policy Guidelines for ICT and the Information Society (2005) as well as Aid-for Trade Action Plan (2008) give guidance when Finland introduces the ICT theme to her practical development cooperation. Activities financed by Finland are carried out mainly in the form of joint programmes and projects with strong emphasis on capacity building both on bilateral and regional level. Cooperation is always based on requests expressed by Finland's partner countries in Africa, Asia, Latin America as well as in Eastern Europe, South Caucasus and Central Asia. Building a sustainable information society requires broadbased partnerships and commitment from different stakeholders (public and private sector, universities and academia, civil society) at all levels of a society. Finland seeks to complement bilateral and regional programmes with other development financing instruments such as funds for local cooperation, inter-institutional development cooperation (ICI), long-term risk capital (Finnfund), business partnership programmes (Finnpartnership), cooperation amongst higher education institutions (North-South-South Programme) and municipal/local authorities (North-South Local Cooperation Programme) .

Finland also channels support through European Union and various multilateral trade and development organizations, international financing institutions and UN agencies such as World Bank, UNCTAD, UNECA, Asian Development Bank, IDB and ITC. Objective is to contribute Finnish added value and expertise to political discussion in multilateral information society forums such as the Internet Governance Forum (IGF) and the UN Global Alliance for ICT and Development (GAID). Finland also supports awareness raising through global information channels such as UNCTAD's Annual Information Economy Report. As a Member State of the EU, Finland also promotes cooperation between European and developing countries in the information society and science, technology & innovation sectors.



IPP (Innovation Partnership Programme) – innovation partnership between Vietnam and Finland, MEUR 3 + MEUR 2 (replenishment) (2009-2013)

The programme supports Vietnam in upgrading its legislation in the fields of science and technology and developing and training innovation-oriented leaders in the public and private sectors. Another goal is to prepare the science and technology policy and strategy and legislation, with the main emphasis on the implementation of Vietnam's innovation strategy. The establishment of partnerships between Finnish and Vietnamese companies will benefit from the project, when Finnish technology that is useful in Vietnam is adapted to the developing country market and suitable solutions are prepared in cooperation with Vietnamese companies. The project helps in transferring Finnish expertise to Vietnam with a view to carrying out the Vietnamese development

ICT works for gender empowerment

The speed of technological transformation has created a digital divide between those with ICT capacity and access and those without. Thus it is clear that ICT is not gender, income, status or age neutral. ICT impacts men and women differently. The UN ranks access to ICT as the third most important challenge facing women globally, after poverty and violence. Development projects may change the established balance of power and empower underprivileged people. Finland aims at using ICT and innovation as means to better mobilizing all members of society for inclusive development.

plans. Finnish companies also learn to compete with international counterparts on the emerging developing country markets. ■

Which ICT issues are important in development cooperation from your organization's perspective?



"Plan seeks to make use of ICT in order to prevent catastrophes, to provide training and education, to protect children and to strengthen the civil society. For example, the Global Positioning System and the Geographical Information System (GPS/GIS) used in development cooperation programmes provide valuable information to those in charge of planning and monitoring."

**Mika Väitalo, Project Coordinator/
Business cooperation and ICT for
development, Plan**

"New information and technology based on research is crucial when big social problems are solved. The emerging markets are the most important source of growth in the world economy in future and will play a strong role in the global innovation activities. Our clients and financiers are increasingly keen on capacity to operate and innovate, for example, in Africa."

**Hannes Toivanen, Project Manager, VTT
Technical Research Centre of Finland**



"Finland represents an interesting example of successful economic transition and systematic knowledge creation, particularly when it comes to innovation policies, information society and ICT/mobile communication. Sharing our experiences with those that are currently facing challenges is valuable, highly appreciated and rewarding."

**Kimmo Halme, Managing Director,
Advansis Oy**

"The programmes between Finland and South Africa on innovation and the information society, such as COFISA and SAFIPA provide good case studies of successful development cooperation that is leading to outcomes that will outlast the programmes' lifetime. They are done based on a partnership where development country institutions are empowered and active participants in the process."

**Laurens Cloete, Innovation Programme
Manager, Meraka Institute, South Africa**

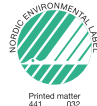




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