



**MINUTES OF THE DISCUSSION PANEL “FUNDING OF THE
DIGITAL INCLUSION” OF THE III GENERAL ASSEMBLY OF
IPAIT**

Tuesday, June 7, 2005

Chamber of Deputies, Brasilia, Brazil

Deputy Luiz Erundina, from Brazil, Chairperson of the panel, welcomed the Parliamentarians present, further to the other participants and observers, and declared the panel was open with the following composition:

Deputy Luiza Erundina (Brazil)	Chairperson
Parliamentarian Abdulrhman A Al Yami (Saudi Arabia)	Co-Chairperson
Mr. Mohamed Muhsin, Vice-President of World Bank (World Bank)	Key-note speaker
Mr. Maurício Neves, Manager of the Electronic Industry Department of the Industrial Area of the National Bank for Economic and Social Development ("BNDES") (Brazil), representing Mr. Armando Mariante Carvalho, Director of the Industrial and Foreign Trade Areas of BNDES.	Key-note speaker



Deputy Julio Semeghini (Brazil)	Panelist
Honorable Kim Nak Soon (Republic of Korea)	Panelist
Deputy Paulo Mateta (Angola)	Participant
Ms. Maria Jesus Alguero (Spain)	Participant
Mr. Oh Jin Young (Republic of Korea)	Participant
Councilor Minister Touchayoot Pakdi (Thailand)	Participant

Below are set out the main points addressed by each person integrating the panels.

1. Mr. Mohamed Muhsin (World Bank)

The expositor set out that there is a plurality of meanings and imports for the term “digital inclusion”. So, he exhorted the effort used by national states for preparing their own concepts, in accordance with each reality particularity. However, despite of that quite special nature, Mr. Muhsin pointed out the existence of some “basic laws” for digital inclusion, namely:

- every digital inclusion policy should have, as a primary purpose, the reduction of unevenness. And in all reality that there is no access to information there is a big unevenness;
- there are two pillars that guide the construction of digital inclusion programs. The first of them is the creation of an environment favorable to the private investment in the ICT area, so as to construct the infrastructure required for universalizing information. The second pillar is up to the government, which, subsidiarily to the market and only at the



niches not serviced thereby, should provide an infrastructure of access to knowledge and information, turned to low income populations;

- governments should, at all costs, reduce the legal and/or bureaucratic barriers interposing among those who intend to construct business turned to ICTs, and the actual realization of their projects. So, the deregulation of economies, to be initiated exactly at the communication and information sectors, should be a number one point in the agendas of countries intending to further digital inclusion.

All of such rules, pursuant to Muhsin, may be of significant importance not only for furthering digital inclusion, but also for reducing economic unevenness in the world. Data provided at the lecture show that more than 50% of world population lives with an income lower than US\$ 2.00 per day. In Brazil, despite of the big advances in social indicators for the last decade, 1/4 of population lives with low than US\$ 2.00 per day, and income distribution is the second worst of the planet: the 20% poorest population share an income slightly above 2% of the total. Thus, the greatest challenge of the digital inclusion programs is to act also as a catalyzer for reducing income distribution unevenness, both on a world and regional basis. And it is known that investments in technology development and digital inclusion have a considerable wealth generating power, naturally implying the reduction of economic unevenness. Finally, Mr. Mohamed Muhsin asseverated that the digital inclusion is a collective work, which should unite the government, the non-government organizations, the private sector and society, in order to construct a more equalitarian reality.

2. Mr. Maurício Neves - National Bank for Economic and Social Development (“BNDES”) (Brazil)



Mr. Maurício Neves divided his presentation in 4 primary topics, which are detailed below:

a) Information and Communication Technologies (“ICTs”) in the economic and social development

Pursuant to Neves, the encouragement to technologic innovation is essential, so that Brazil can hold the whole production and holding processes for technologies required to its development. In such a context, investments in the ICT area are strategic to the extent they encourage the technologic development in the whole production chain of the sector. He also pointed out the big changes the productive chain has suffered due to the new production technologies, with an emphasis to the new ways of corporate organization and new social relationships - which was covenanted as “Information Society”. At a government level, ITs have also caused deep alterations, generating a demand for greater transparency in government actions, as well as its actuation as a service provider in an electronic environment. The primordial result is the creation of a new management modality called “electronic government”, which should be much more dynamic and transparent than its traditional congener.

b) Recent evolution and current stage in Brazil:

With respect to such a theme, the representative of BNDES asseverated that the digital inclusion, as regards the access to Internet, is still to be constructed in the country. He emphasized the big advances as to voice services, primarily in mobile telephony, which caused more than 50% of Brazilian population to have access to telephone in 2002. Another example of success in the universalization of telecommunications is the big supply today existing of public use telephones - today Brazil is the



second in number of public telephones in the world, losing only for the United States. All those data, both as regards individual and public accesses, makes Brazil to be above the world average when the numbers of access are considered for each one hundred inhabitants. However, also pursuant to data of 2002, only 10.3% of the population had access to Internet. Both in number of computers and points of access to Internet, Brazil has a service average, in groups of one hundred inhabitants, lower than the world average, which shows the need of big investments, both from the private and public sectors, for universalizing the access to ICTs.

c) BNDES Funding and actuation:

BNDES, as per the funding of projects turned to digital inclusion, has acted in two distinct fronts. The first is the “leverage” of regulation - which implies the funding of implementation plans for telephone incumbents' universalization goals, as well as the capital contribution from BNDES in operators' projects having as purpose the enlargement of their coverage network. The second one is the inducement of public political decisions - pursuant to Neves, such an inducement occurs through the elaboration of differentiated credit lines with special conditions, destined to any and all economic agent intending to implement a project that is considered of interest for the governmental policy in force, such as the development of the Brazilian national technology in the ICT sector.

d) Future Agenda:

The big challenge should be the implementation of new universalization goals for telecommunication incumbents, which shall be effective from 2006. The new goals include a number of provisions for digital inclusion furtherance, and BNDES is ending the studies for offering special



facilities for reaching such new goals. He also set out the bank participation in new infoinclusion programs being implemented by the federal government, with an emphasis for the Connected PC. He also emphasized the urgency of using the allowances from the Fund for Universalization of Telecommunication Services (“FUST”), which were not employed up to now. As per the fund, BNDES shall act as an “ancillary agent”, including as to the contribution of capitals that shall be required for complementing allowances arising out of FUST in projects funded thereby.

3. Deputy Julio Semeghini (Brazil)

The Parliamentarian delivered a lecture designated “Sustainable funding of the digital inclusion in Brazil”. Data of the income of the ICT sector in Brazil were provided, which are to the order of 40 billion Dollars per year. However, Brazil, which occupies the 72nd position in the Human Development Index of United Nations has only 12% inhabitants with access to Internet. It was set out the impulsion given to ICTs by the Brazilian Informaties Law, increasing the participation of the sector in country’s Gross Domestic Product (“GDP”) from 1.7% to 3.5% in 2002, upon a tax waiver of approximately US\$ 1.7 billion in historic values.

Despite digital inclusion initiatives count on more than US\$ 180 millions per year for public and private services, Brazil’s enormous needs were set out, as it is a continental country with 180 million inhabitants and 150 million of infoexcluded people. The amount of funds required for eliminating the digital divide in the country is estimated in US\$ 2.8 billions. As Brazil has no such funds, the panelist set out the imperious need of developing a project consisting in the funding, supported by the technological development of the country, strongly grounded on the



research and development of new technologies turned to the local problems.

The Innovation Act was also set out as being extremely important for the sustainable development of the digital inclusion. The instrument assures researchers belonging to education and research institutions the profit share on inventions, and shall leverage the technological development applied in the country.

The parliamentary initiatives transiting in the Brazilian Chamber of Deputies were also mentioned, which address the following themes: i) digital certification, ii) financing funds and social benefits to the benefit of digital inclusion, iii) computing crimes, iv) access to Internet, v) extinguishment of the telephone monthly subscription fee, vi) free software, vii) spam regulation, viii) prohibition of OEM software commercialization.

4. Parliamentarian Kim Nak Soon (Republic of Korea)

The Korean Parliamentarian spoke on his government participation in the World Summit of the Information Society (“WSIS”) and in the establishment of a digital solidarity fund. The title of the lecture was “WSIS and Digital Solidarity Fund”. In accordance with the Parliamentarian, the Republic of Korea has worked on a worldwide basis for creating a bridge that can unite developed countries to underdeveloped nations, so as to eliminate the digital divide today existing. Therefore, the Korean government prepared an international cooperation project that has as main purpose the creation of an “ICT environment”, primarily based on the development of human resources in developing countries. Thus, Korean specialists are acting in a number of countries training professionals that shall reply the knowledge



acquired through such a partnership in their countries of origin. Besides that, Korean young students are taking part in voluntary interchange programs and spend from 1 to 3 months in developing countries working on children's education projects turned to the use of computers and access to Internet. Finally, the Korean government is destining funds for constructing centers of access to Internet in developing countries, for encouraging the infrastructure shared access at their places.

The meeting was adjourned at 5:20 .m.

PRESENCE LIST

COUNTRY	NAME	POSITION	SIGNATURE
Algeria	Sr Moussa Benhamadi	Deputado	
Algeria	Sr. Noureddine Zahaf	Deputado	
Angola	Adelino	Deputado	
Angola	Aniceto	Chefe de Divisão	
Angola	Cândida	Deputada	
Angola	João Francisco	Técnico de Informática	
Angola	Paulo Mateta	Deputado	S I G N E D
Belgium	Claude Marinower	Chefe da Delegação	
Bolivia	Apolinar Aguitar	Conselheiro da Embaixada da Bolívia	
China	Jiang Yuande	Embaixador	

COUNTRY
NAME
POSITION
SIGNATURE

China	Sra. Ouyang	Ouyang Xuemel	2ª Secretária	
Finland	Hanna-Leena Hemming	Hanna-Leena Hemming	Delegado	
Finland	Jyrki Kasvi	Jyrki J.J. Kasvi	Chefe da Delegação	
Guatemala	José Manuel	José Manuel Azurdia	Primeiro Secretário	
Guatemala	Manuel	Manuel Estuardo R. Barillas	Embaixador	
Honduras	Roberto Contreras	Roberto Antônio Contreras Rosa	Deputado - Chefe da Delegação	
Iran	Zanjani	Mehdi Agha Mohammad Zanjani	Primeiro Secretário	
Iran		Ramezanali Sadeghzadeh Shelkhan	Delegado	
Italy		Edouard Ballaman	Superintendente do Cons. de Adm. da Câmara	
Italy		Luigi Grillo	Senador	

COUNTRY
NAME
POSITION
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Jordan	Atef Al-Tarawneh	Atef Al-Tarawneh	Deputado/Delegado	
Jordan	Ghaleb Al-Zoubi	Ghaleb Al-Zoubi	Deputado	
Korea	Yum	Dong Gwan Yum	Conselheiro	
Korea	Sec. Kim	Hak You Kim	2º Secretário	
Korea	Honorable Kim Duk Kyu	Kim Duk Kyu	Vice-Speaker	
Korea	Honorable Kim Hyo Seuk	Kim Hyo Seuk	Delegado	
Korea		Kim Il Kwon	Diretor Assembleia Nacional (Sec. Da Delegação)	
Korea	Honorable Kim Nag Soon	Kim Nag Soon	Chefe da Delegação	
Korea	Honorable Kim Suk Joon	Kim Suk Joon	Delegado	S I G N E D
Korea	Mr. Lee Joon	Lee Joon	Secretário	

COUNTRY	NAME	POSITION	SIGNATURE
Korea	Lee Sang Jin	Staff	
Korea	Jin Young	Oh Jin Young	Staff
Mexico	Julio Cesar Córdoba Martínez	Deputado	S I G N E D
Morocco	Addab Zeghari Mohamed	Senador	
Morocco	El Naati Adil	Vice Presidente do Senado	
Morocco	Elkhalloufi Azeldine		
Morocco	Rahhou Ethiliaa		
Romania	Adriana Badea	Conselheira	
Romania	Angel Tilvar	Senador	
Romania	Gheorghe Virgil Serbu	Senador	
Romania	Liviu Dorin Nistoran	Deputado	

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Romania	Valeriu Alexandru Ungureanu	Deputado	
Saudi Arabia	Abdullah	Abdullah Alowaiifeer	
Saudi Arabia	Abdulrhman A Al Yamri	Chefe da Delegação	S I G N E D
Saudi Arabia	Adel A Al Ateeg	Secretário	
Saudi Arabia	Anas A Binsaeed	Staff	
Saudi Arabia	Fahad N Al Aboud	Delegado	
Saudi Arabia	Saeed Tarad Jrman	Delegado	
Saudi Arabia	Walleed	Embaixada da Arabia Saudita	
Spain	Garcia Algora	Eduardo Garcia Algora	Chefe Deptº Informática do Congresso

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Spain	Isaura Navarro	Deputada	
Spain	De Andrés Blasco	Chefe Deptº. Informática do Senado	
Spain	Jordi Casas I Bedos	Senador	
Spain	Jordi Vilajoana	Chefe da Delegação	
Spain	Barquero Vazquez	Senador	
Spain	Jose Manuel Barquero Vazquez	Senador	
Spain	Maria Jesus Alguero	Secretária da Delegação	S I G N E D
Spain	Sr. Javier Barrero	Membro do Parlamento	
Sudan	H.E. Rahamtalla Mohamed Osman	Embaixador	
Sudan	prof. Mahmoud	Prof. Membro da Assembleia Nacional	
Sudan	Zainab Yusuf	Secretária da Assembleia Nacional	

COUNTRY	NAME	POSITION	SIGNATURE
Thailand	Dr. Kudeb Salkrachang	Membro da Câmara(Chefe da Delegação)	
Thailand	Kitti Saereprayoon	Secretario da Delegação	
Thailand	Pridi Hirapruæk	Senador	
Thailand	Renu Chaisuwan	Embaixada da Thailand	
Thailand	Siree Bunnag	Ambassador of Thailand	
Thailand	Touchayoot Pakdi	Minister Counsellor	S I G N E D
Uruguay	Pedro Vaz	Embaixador do Uruguay no Brasil	
World Bank	Flávio	Consultora World Bank	
World Bank	Mohamed	Mohamed V. Muhsin	S I G N E D