Brazilian contribution to the debate on Financial Mechanisms for ICTs

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Brazil strongly believes that the dissemination of ICT’s is one of the most important tools for improving social-economic standards, specially in developing countries. Universal access to technological resources is a way to diminish the gap of opportunities between people from different economic, social and ethnic backgrounds. Allied with formal education, digital inclusion is mandatory for social and economic development of any society nowadays. Four years after the World Summit on Information Society, however, the challenge of developing financial mechanisms so as to foster ICT’s dissemination in developing countries remains. Many solutions were proposed, some were implemented, but overall results are limited so far.

The “Fund for Digital Solidarity” (FDS) is one of the most important initiatives in this sense. Brazil supports this initiative and is in favor of developing channels for financing digital inclusion in developing countries. Internal limitations, however, prevent us from taking an active part on the FDS. Brazilian legal structure does not allow for the implementation of a financial mechanism such as the Fund’s. For that, Brazilian Constitution, tax and procurement legislations would have to be altered.

Although not being able to adhere to FDS for the time being, Brazil believes that other experiences implemented nationally to finance digital inclusion and ICT research may help other developing countries in alternative ways. Brazil is currently developing several programs with such objectives and results show that digital inclusion as well as endogenous capacities in the ICT field can be achieved through a combination of different solutions. The Brazilian Government is ready to cooperate with other developing nations in projects of digital inclusion and ICT research.

There are five main areas in which Brazil is working for increasing digital inclusion and ICT use: capacity building and education; e-government; dissemination of ICTs in the private sector; internet governance at national level; and research.
Teaching the population on how to use information and communication technologies is as important as having those technologies available. That’s the objective of programs such as “Um Computador por Aluno” (One Computer per Student) and “Computador do Professor” (Teacher’s Computer). The former intends to provide one computer for every student during computing classes at public schools, and will be responsible for the implementation of 86,000 computer laboratories in Brazilian public schools until 2010. The latter offers differentiated finance conditions for teachers to buy his/her own laptop and seeks to improve ICTs abilities in professionals born long before the digital revolution. Moreover, a program is in course to connect all urban schools (which make for 85% of the total number of schools nationwide) with broadband by the end of 2010. That was made through an agreement with the telecom operators in Brazil in connection with the negotiation of slot distributions for them to operate in the country. Mechanisms and methods of these initiatives could be shared with other countries.

The second area of possible cooperation is the Brazilian experience in using ICTs as a tool for improving the efficiency of the Government. Some examples are: investment and stimulus on the creation and usage of Brazilian-made free software, with a considerable economy for the public sector in terms of licensing; governmental purchases through low-cost electronic auctions; income tax payment through the internet and the usage of electronic ballots. All these initiatives tend to reduce operational costs, improve transparency and enhance the quality of the services offered. Electronic auctions, for instance, reduce prices of governmental purchases by 20% in average with very low operational costs.

Brazil also believes that the private sector is key for spreading ICT’s through all layers of the society. Based on that, the government decided to cut taxes on ICT products and stimulate market competition, with special benefits for cheap computers. Not only did the incentive boost the number of active computers in the country from 16 to 33 million in five years but it also diminished gray market from 75% to 34% in the same period. Ever since, rapid annual growth lead specialists to believe that Brazil’s flourishing internal market is bound to become the third largest in the world by 2011, behind the US and China.
The fourth focus area is the governance of the internet. Brazil created in 1995 the Internet Management Committee (CGI, in Portuguese), composed by representatives of the government, private sector, universities and NGOs. CGI constitutes a practical implementation at national level of the multistakeholder model advanced by WSIS, done in a democratic fashion with no governmental predominance. CGI operates with its own personnel and developed a home-made internet governance software, which it offers free of charge with training in cooperation projects. Currently, CGI has cooperation programs with Latin-American and African countries. Once again, the economy made in licensing software and in renting personnel, allied with the substantial gains of the .br registry, allows CGI to finance activities in research, database creation and statistics to measure the use of ICTs in Brazil.

Last but not least, it should be mentioned the efforts done to foster research and innovation in the ICT field. Not only has the Government put in place mechanisms to support R&D in SMEs, such as the Innovation Law (enacted in 2004) and the enhancement of the existing financing agencies, but also it has invested in the building of the first semi-conductor factory of Latin America, CEITEC, located in Porto Alegre, which became operational last April. Another remarkable achievement so far was the development of innovations over the Japanese digital TV system, ISDB-T. The new Japanese-Brazilian system has already been adopted by Argentina, Chile, Peru and Venezuela, making it almost a South-American digital TV system. The ISDB-T combines the following technical characteristics that make it the most complete digital TV system available in the world: robustness, mobility, multiprogramming, flexibility, spectral efficiency and interactivity. Interactivity is the keyword of the project of digital inclusion of the Brazilian Government. The opening of new public television channels with the extraordinary spectral economy provided by the ISDB-T system with Brazilian innovations, will allow for each city in Brazil to have several open channels of public services of tele-education and tele-medicine, among others. Furthermore, different business sectors have demonstrated a strong interest in making full use of the possibilities created with the new tool.

Despite not being able to participate on the FDS, Brazil strongly believes in South-South cooperation and is ready to
transfer some of its best practices in the field of digital inclusion and ICT research to other developing countries.