



## This is Connectivity: "ICTs and MSMEs"

Most of the micro-, small-, and medium-sized enterprises (MSMEs)\* in Latin America and the Caribbean originated in the 1980s. As a result of economic policies then implemented in the region, hundreds of thousands of people lost their jobs. MSMEs became their main employment opportunity.

Today, MSMEs represent more than 95 per cent of business and employ more than 85 per cent of workers in the private sector, mainly in the areas of trade, industry, and services. In countries like Ecuador and Peru, 99 per cent of all private companies have fewer than 50 workers. In Peru, Mexico, and Colombia, these businesses contribute 42, 42, and 35 per cent to the GDP respectively. MSMEs employ 78 per cent of the workforce in Colombia and 64 per cent in Mexico.

Between 60 and 70 per cent of MSMEs disappear within one year due to lack of knowledge about national and international markets, deficient managerial capabilities, and inadequate use of managerial and technological tools. The efficiency and competitiveness of MSMEs could be improved by the use of Information and Communication Technologies (ICTs). For example, enterprises could expand their client base and enhance accounts and stock manageability by offering products, handling accounts, and coordinating delivery online. Knowledge could also be improved by the exchange of information between partners, suppliers, and consultants through the Web.

Improved connectivity and technology adoption by MSMEs is necessary for economic growth, employment creation, and poverty reduction.

*\*According to the World Bank, micro enterprises have up to 10 employees, total up to \$10,000 in assets, and make up to \$100,000 USD in annual sales; small enterprises have up to 50 employees, have assets of and make up to \$3 million USD in annual revenues; and medium enterprises have up to 300 employees, have assets of and make up to \$15 million USD in annual sales.*

## ICA is now streaming its videos online!

These videos, viewable at both high and low bandwidth, are a great way to learn about the Institute and its projects. Additional videos will be added on an ongoing basis. Stay tuned!



## New Video!

### Connectivity and Development of Indigenous Communities in the Americas

This video showcases the innovative uses of ICTs in realizing the human capacities of indigenous peoples. Shot in Latin America and in northern Ontario, it highlights the use of ICTs not only for the development of indigenous peoples, but also in the preservation of their cultures.

The short (4 minute) version of the video is available at [www.ICAmericas.net](http://www.ICAmericas.net). For the longer (17 minute) version, please e-mail us [ICA@ICAmericas.net](mailto:ICA@ICAmericas.net).

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## ICA NETWORK

### ICA - Hemispheric Advisory Board

The ICA Hemispheric Advisory Board (HAB) met from April 26th to 28th in Ottawa, Canada.

The Advisory Board is made up of 18 ICT pioneers and practitioners from throughout the Americas, representing government, private sector, civil society, and academia. They are responsible for developing the strategic vision for ICA, providing guidance to program development, as well as seeking collaborative partnerships, funding, and contributions with other constituencies.

Previous HAB meetings were held in Washington, in Ottawa, and in Rio de Janeiro.



The members of the board participated in the Solutions Connectivity Tour, coordinated by Industry Canada's Office of International Partnerships. The tour showcased the use of ICTs and their impact on individuals in Canada. The first stop was the headquarters of Telesat Canada for a virtual visit to Labrador. The users and stakeholders of SmartLabrador used a videoconference presentation to discuss the impact of ICTs in the areas of knowledge, skills, and opportunities. The SmartLabrador initiative is Newfoundland and Labrador's Smart Community Demonstration Project under Industry Canada's Smart Communities Program.

Next, visitors were welcomed at the Debra Dynes Family House, a learning centre that provides community access to ICTs in support of social inclusion. The last leg of the tour, hosted at the Ottawa Center for Research and Innovation (OCRI), began with a presentation of the Rural and Remote Broadband Access program carried out by the Communications Research Centre (CRC). This program aims to facilitate delivery of broadband services to remote areas via satellite and terrestrial wireless technologies. Following that, a video conferencing presentation displayed K-Net, a regional broadband network linking First Nations and their service organizations.

The connectivity tour ended with a presentation on e-Government solutions, highlighting examples of municipal ICT applications used by the City of Ottawa.

### ICA Supports FRIDA

The Institute supports FRIDA (Fondo Regional de Innovación Digital en América Latina y el Caribe), a regional fund for the promotion of digital innovation in the Americas. FRIDA was created to support small Information and Communications Technology (ICT) research projects originating from universities and non-profit organizations.

This project aims to promote digital inclusion in the region by supporting projects that strengthen the information society within participant countries. Projects should use existing technologies -or develop new ones- to promote social development and modernize public policies. This initiative was launched by PAN Americas/IDRC, the Latin American and Caribbean Internet Address Registry (LACNIC), and ICA, in collaboration with the Internet Society (ISOC) and the Global Knowledge Partnership (GKP).

For more information, see [www.programafrida.net](http://www.programafrida.net) or write to [proyectos@programafrida.net](mailto:proyectos@programafrida.net).



## Improving MSMEs Competitiveness in Central America Through ICTs

ICA funds this initiative to help micro, small, and medium size enterprises (MSMEs) become more competitive by improving their use of digital technologies for business skills development.

The first phase of this project will assess the training needs, available resources, and e-readiness of MSMEs in Guatemala, El Salvador, Nicaragua, and Honduras. The second phase will be to design and implement a training program for each country, as well as linking MSMEs to existing telecentre networks.

The Institute for Connectivity in the Americas supports this project in collaboration with the Inter-American Development Bank (Korean Trust Fund) and the Central American Bank for Economic Integration (CABEI). Key stakeholders include the Central American Secretariat for Economic Integration (SIECA) and Center for Development of Micro and Small Business in Central America (CENPROMYPE).



## ICA Sponsors Computers for Schools Regional Workshop in Argentina



ICA supported the Computers for Schools (CFS) workshop held in Buenos Aires, from March 1st to 4th. The workshop attracted 60 ICTs decision makers and practitioners from the Southern Cone and Andean region countries, as well as from the Dominican Republic.

This workshop was based on Computers for Schools, the successful Canadian program that provides refurbished computers to schools in underserved communities. Main topics discussed included business plan development and management, logistics for refurbishing centres, environmental impact of IT waste, and the development of a regional CFS initiatives network.

A CFS workshop for other countries in the Caribbean will be offered later this year.



## ICA NETWORK

**ICA at the IDB 2004 Meeting in Peru**

ICA was present at the 45th annual meeting of the Board of Governors of the Inter-American Development Bank (IDB). Held in Lima from March 29th to 31st, the meeting examined regional economic and social challenges, including ways to promote economic and social integration through increased support to the private sector.

Prior to the plenary sessions, a series of seminars was held. Among the topics covered were state reform, infrastructure financing, bank supervision and regulation, social inclusion and urban development, rural competitiveness, and remittances. Other activities, including lectures and forums, were also held concurrently with the official agenda.

Because remittances (cash transfers from migrant workers back home) are an important source of capital in many countries in the hemisphere, ICA plans to fund projects that explore the use of ICTs to improve remittance-related services and reduce transfer costs. The importance of remittances was also recognized at the Special Summit of the Americas (Mexico 2004) and included in the Declaration of Nuevo León.



**ICA showcases connectivity projects at  
the I International Forum E-Panama**



ICA was invited to participate at the First International Forum E-Panamá, held in Panama City on April 6th and 7th, to present on the challenges for the connectivity agenda in Latin America.

At the forum, ICT researchers, government officials, entrepreneurs, and academics attended presentations on the opportunities for ICTs in the Americas, Europe, and Asia. Main subjects discussed included: ICTs for Development, e-Government programs, the information society and the knowledge economy, the connectivity agenda, and the economic development and the digital divide.

The forum participants also explored the government agenda required for advancement towards the information society and increased participation in the knowledge economy.

The forum was organized by the Comisión e-Panamá. For more information, see [www.e-panama.gob.pa](http://www.e-panama.gob.pa).

**ICA sponsors OAS/IDB e-Government workshop**

ICA, in partnership with the Organization of America States and the Inter-American Development Bank, sponsored the OAS/IDB e-Government workshop.

Over 30 participants from Latin America and the Caribbean attended this two-day workshop held in Washington D.C. on April 20<sup>th</sup> and 21<sup>st</sup>. They discussed regional e-Government challenges and opportunities, as well as the creation of a regional network to define training requirements for employees using electronic tools.

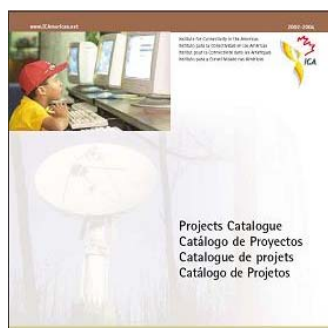


## Andean Region Consultation - ICTs for Development

The Andean Region Consultation was held in Lima, Peru on March 17<sup>th</sup> to 19<sup>th</sup>. This ICT4D workshop aimed at facilitating discussions towards an integrated ICT strategy for development in the Andean Region was supported by ICA.

The workshop attracted more than 80 ICT practitioners from the private, government, academia, and civil society sectors. Over three days, participants discussed best practices and innovative approaches for the use, sustainability, and development of ICTs in the region.

The workshop was a collaborative effort of ICA, the Inter-American Agency for Cooperation and Development (an agency of the Organization of America States), the Development Gateway, the Academy for Educational Development (AED), and the Andean Community of Nations (CAN).



## New Publication: Projects Catalogue 2002-2004

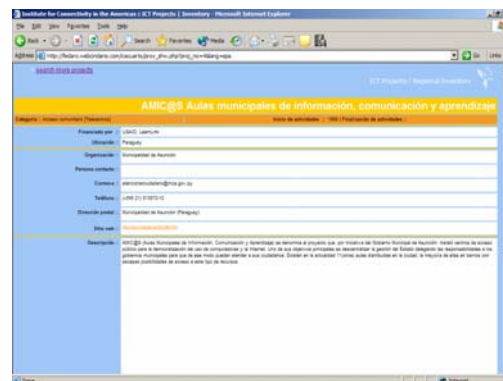
ICA has recently published "Projects Catalogue 2002-2004", describing the projects supported by the Institute since its creation in 2001 to the present date. You can view the online version at [www.ICAmericas.net](http://www.ICAmericas.net).

## ICA Launches an Inventory for ICT Projects in Latin America and the Caribbean

The Information and Communications Technologies Projects Inventory, a catalogue of ICT projects in Latin America and the Caribbean, is unique in its kind and scope. It includes 300 projects from 1996 to date. We expect to add an additional 700 projects covering the same period by the end of the year.

Created using open source software (PHP and MySQL), the ICT inventory provides an easy-to-use search engine. It delivers content in Spanish, English, Portuguese, and French, setting it apart from other regional databases in the field. The information provided includes: project name, category, start and completion dates, location, implementing and funding organizations, project abstract, and contact information.

The ICT Inventory can be accessed at [www.ICAmericas.net](http://www.ICAmericas.net)





## ICA NETWORK

**Events** (held/sponsored or attended by ICA)

Title	Date	Location
e-Government Conference	May 10-13	Brasilia, Brazil
Global Knowledge Partnership Annual Meeting	May 12-14	San Jose, Costa Rica
OAS General Assembly	June 6-8	Quito, Ecuador
Digital Cities Meeting	June 8-10	Bogota, Colombia
UNCTAD - Eleventh Session of the United Nations Conference on Trade and Development	June 13-18	São Paulo, Brazil

**About ICA**

The Institute for Connectivity in the Americas (ICA) was created in 2001 to help countries throughout Latin America and the Caribbean create prosperity, strengthen democracy, and realize human potential through the use of Information and Communication Technologies (ICTs).

Our goal is to provide the information needed to foster partnerships between governments, civil society, industry, and educational institutions that share an interest in connectivity issues and the application of ICTs for development in the Americas.

A full list of projects, case studies, and events can be found on our website. If you would like to submit a proposal to ICA, please follow the guidelines on the website, under projects.

[www.ICAmericas.net](http://www.ICAmericas.net)  
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**Connecting People.  
Connecting Ideas.  
Connecting the Americas.**

IDRC \* CRDI

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