

Use of ICT in Rural Nepal: National Conference on Technology Influences

**In Conjunction with the Results Dissemination Workshop of
the Use Models of Technology Project**

March 22-23, 2012, Kathmandu, Nepal

**Session: How to make the unsustainable sustainable? Sustainability
issues on ICT Deployment and Use.**

Tikajit Rai
CEO/Co-Founder
tika@magnus.com.np
www.magnus.com.np



Magnus Consulting Group Pvt. Ltd.
Quality Solutions and Services

Some Words in the Slides

- Social Enterprise
- Developmental Cooperatives
 - Small Farmers Cooperatives
 - Women Development Cooperatives
 - Dairy Cooperatives
- Partnership Model
 - Private Community Partnership (PCP)
- Simple Finance (सरल वित्त)
- Magnus Social Entrepreneurs (MSEs)
- Rural Internet Service Provider (RISP)
- Telecenters/ Community eCenters/ Market Information Centers/
Public ICT Access Service Centers
- Strategic Behavior Change (SBC)



Demystifying Sustainability

- Financial? Has been tested many a times through following initiatives/projects:
 - Telecenters
 - *USAID/WIN*: US Agency for International Development/ Winrock International Nepal
 - *NITC*: Nepal Information Technology Center
 - (Then*) *FIT Nepal*: Forum for Information Technology Nepal
 - *ENRD*: e-Net for Research and Development
 - (Then) *HLCIT*: High Level Commission for Information Technology
 - Department of Postal Services (Ministry of Information and Communications: MoIC)
 - STM Nepal
 - Read Nepal

*Website is no longer active for past two years.



Demystifying Sustainability

- Financial? Has been tested many a times through following:
 - Community eCenters
 - *ADB*: Asian Development Bank
 - *MoIC*
 - Market Information Centers
 - (Then RUPP and HLCIT): Rural Urban Partnership Project/ HLCIT
 - Public ICT Access Service Centers
 - The WB: World Bank
 - NTA: Nepal Telecommunication Authority
 - Community Multimedia Center
 - UNESCO



Demystifying Sustainability

- Is the financial sustainability achieved?
 - The numbers of operational centers is unknown today
 - When visited, these centers are not fully operational to **sustain financially
 - Services are typical:
 - Internet/e-mail
 - Photo copy
 - Typing
 - Office Application training
 - Mature centers with tele-med, distance learning has not been reported/published



Demystifying Sustainability

- The 3 Pillars: Technological, Social and Financial sustainability (The WB and UNESCO)
- The WB on Nepal:



Demystifying Sustainability

- Has anyone adopted and tested the three pillars model?
 - No written and printed document if it has been tested
- Any different approach?
 - ADB's Research and Training Network currently being undertaken has:
 - Kathmandu University as Research & Training Center for e-Application development
 - Bandwidth up to 3 Mbps to each CeC by MoIC
 - 30 CeC being established onto VDC and Postal Service offices



Magnus Approach (2005)

- To ICT intervene the beneficiaries are:
 - Community based organizations (CBOs)
 - Higher women participation
 - Higher farmers' representation
 - Preferably those providing financial services
 - Rural presence
 - Willing to co-invest: PCP to ensure ownership
 - Willing to pilot with our ICT SBC project



Magnus Approach (2005)

- Found Small Farmers Cooperatives (SFC) as appropriate candidates: Now ~ 300
- Average women participation: 65%
- Higher farmers' representation: 100%
- Provides micro-credit (Up to 2 Lakh Rs.) with up to 100% repayment rates (10% has 85%)
- Rural presence: Serves in VDCs
- Each serves average of 700 households



Magnus Approach (2006 - 2012)

- First Pilot began in 2005:
 - Piple, Chitwan
 - Prithvinagar, Jhapa
- SBC pilot component:
 - Simple Finance Software pilot for six months
 - Demonstration of daily credit/payment transactions and biannual account closing
- Pilot completed in 2006
 - Had to demonstrate two account closings (longer than expected for SBC)
- Now 170 SFCs use our software



Magnus Approach (2005)

- SFCs are served through 8 regional offices by MSEs
- Each SFC has average of 2.5 staffs trained on basic computing and software
 - 2.5 x 170 SFCs = 425 rural individual now can operate on computer, office applications and Simple Finance
 - Number is growing each year
- The pilot is being scaled with women development cooperatives in:
 - Phkkal, Ilam
 - Panchkhal, Kavre



Service Scaling (2009)

- Remittance:
 - Preferably on-line (Himal Remit/ Money Gram)
 - Otherwise, Fax/Phone (These are ICT too right!)
- Internet and RISP:
 - Internet use is promoted based on needs for remittance and anti-virus updates
 - Future proposition for on-line and real-time software updates of Simple Finance
 - RISP and Internet service/phone calls
- Information dissemination through Telecenters.org.np
 - Agriculture/ Livestock/ Agro price
 - SMS based agro price access (short code 3399)



Services and SBC

- Basic computing capacity (compared to internet) building is of highest priority for the SFCs
- Each service scale requires ample time for the SFC and staffs to complete the SBC cycle
- Without knowing SFC staffs' ICT competency is being developed through daily use of the computer and software
- Unlike short-term training sessions, use of the software and other scaled services continue to help develop ICT skills



Lessons

- SBC is scientific and to translate to rural setting and the beneficiaries requires strong project management skill
- To reach a critical threshold to scale/replicate ICT requires between 1 to 1.5 years
- Continual support is required:
 - 24x7 for the critical 1 to 1.5 years
 - Then periodic services through contracts
- The ICT intervention should complement beneficiaries' core services first, but diversifying it requires business process assistance as well



A Social Enterprise

- Magnus employs 30 staffs including 9 working in outside of KTM
- The dividends is invested back to company
- A social enterprise is: More-than-Profit model where profit is made to solely drive the company's social agenda
- To be a social entrepreneurs one needs to have resources and more: BIG HEART AND A VISION! And I know all in this room have it.
- Magnus has ~ 70 thousand households now to market-link their agro-based products!
- SFC staffs' skills-set and access to internet can be leveraged for nearby schools



Thank you!
Q&C?

