Support to rural ICT centres gives a boost to small businesses in Bangladesh and Egypt

Islamic Development Bank

Together we build a better future

Micro/small and medium enterprises (M/SMEs) employ the vast majority of workers in developing countries, and are widely considered an engine of economic and social growth. Not only do they help lessen poverty through employment, but the competition between them helps build stronger and more flexible economies.

But with globalisation, and the growing role of computers and the internet in the way business is done, many of these smaller enterprises are being left behind. Those without basic information communication technology (ICT) skills and equipment are finding themselves at a huge disadvantage, unable to access the same market information, finances and tools that their larger, more tech-literate counterparts can.

In order to help level the playing field, the Islamic Development Bank (IsDB) decided in 2009 to fund two "quick-win" pilot programmes – one in Bangladesh and one in Egypt. By supporting rural ICT support services in these countries, the Knowledge and ICT for Development (KICT4D) programmes have helped over 2000 entrepreneurs get to grips with ICT, and start using it to strengthen and prosper their businesses.

Mr Rabiul Islam, a farmer from the Bogra region of Bangladesh, used the skills he picked up at his local telecentre to plan the expansion of his poultry farm. He is now able to use financial modelling software to calculate the "nitty gritty" operational costs of growing each batch of chickens from chick to adult.

Disconnected and side-lined

Without access to ICT or the know-how to use it, M/SMEs in remote areas of Bangladesh and Egypt were at a big disadvantage against their larger, computer-literate competitors. Their access to market information (for example, updated records about which suppliers are selling what, where, and for what price) was much more limited, so many business opportunities just passed them by. They also faced financial hurdles such as difficulties in applying for formal bank loans and keeping their accounts in good, functional order.

Plugging in to win

ICT can enable disenfranchised businesses like these to empower themselves through learning and communication. This potential is understood by the IsDB, and it outlined "Knowledge and ICT for Development" as a key funding priority in the IsDB 1440H Vision document, where it prioritises the need to develop "strategies to widen access to ICT and to make it more affordable". So, in response to its objective, IsDB set about planning a "quick-win" intervention in the sector, and in 2009 provided

Cover captions: left, After attending the KICT4D training programme, 22-year old Sajal Chandra was inspired to open a mini telecentre of his own; right, Entrepreneurs undergo training in Egypt

funding for two pilot programmes to help boost the ICT capabilities of marginalised M/SMEs in Bangladesh and Egypt.

Using existing infrastructure

As one of the banks "quick-win" projects (which are intended to bring about developmental benefits as rapidly and cost-effectively as possible) the KICT4D programme was designed to take advantage of the ICT infrastructure that already existed in the recipient countries – community telecentres.

A telecentre is any public place where people can learn to use and benefit from ICT. Often housed in schools or NGO buildings, as well as in their own dedicated buildings, telecentres generally offer their visitors access to computers, the internet, and other useful ancillary services such as faxing, photocopying and telephone calling.

Before the programme, many of the telecentres were not being used to their full potential by M/SMEs. This was often because they lacked the software and training capacity needed to assist those sectors of society that are less familiar with computers, and public awareness of their services was low. By tackling these programmes, the KICT4D programme strengthened the ability of the telecentres to help the small businesses in their local areas get to grips with ICT.

Teaming up

In each country, an experienced, well-connected and relevant executing agency was chosen to carry out the project.

In Bangladesh, the executing agency was the Bangladesh Telecentre Network (BTN), a coalition of organisations supporting the growth of Telecentres all around the country. In Egypt it was the Egypt ICT Trust Fund (ICTTF) – a partnership between the Egyptian Ministry of Communications & Information Technology (MCIT) and the United Nations Development Programme (UNDP). The ICTTF works support Egypt's socio-economic development by encouraging greater use of ICT.

The IsDB awarded each of the agencies US$300,000 in grant in order to carry out the programme. This covered 82% and 71.5% of the project costs in Bangladesh and Egypt, respectively, with the executing agencies making up the rest.

A wide reach

Thanks to their extensive networks, the agencies were able to form partnerships with telecentres all around their respective countries. BTN engaged 30 telecentres

across 6 districts of Bangladesh (Bagerhat, Jessore, Bogra, Joypurhat, Chittagong and Noakhali); and ICTTF engaged 20 telecentres across 8 governorates of Egypt (Aswan, Qena, Cairo, Damietta, Alexandria, Asyut, Dakahlia and North Sinai).

The executing agencies helped the telecentres support their local M/SMEs in four ways. First, they provided specially-developed and easy-to-use computer software that telecentre customers could use to advance their businesses. Second, they ran "training of trainers" (ToT) workshops to show the operators of the telecentres how to master the new software, and train their customers better. Third, they helped raise awareness of the telecentres by holding public information fairs and distributing leaflets, posters and signboards. Lastly, they helped the centres run public training workshops (30 in Bangladesh and 62 in Egypt), in order to pass their ICT skills on to their local M/SMEs.

E-modules and online marketplaces

To help small entrepreneurs make the most of their local ICT services, a range of computer software was specially developed and dispatched to the telecentres. Accessible over the internet and on multimedia CDs, the software was designed to be very simple-to-use, with clear instructions – written in relevant languages – to help users get to grips with it. A different set of software packages was developed in each country according to their specific needs.

Bangladesh

The package developed for the Bangladeshi telecentres included a variety of suitable applications; for example, simple accounting software (written in the Bangla language) which M/SMEs could use to keep track of their expenditures and profits, and even a bilingual online marketplace at www.msme.com.bd. Here, entrepreneurs can buy and sell their products, connect with other suppliers, and search for business opportunities – even across large distances.

Two "e-modules" (learning software designed to give practical business advice to their users) were also developed. One, an "access to finance" e-module, advised users on how to successfully source funding from banks and other formal financial institutions. The other dealt with business start-ups, offering up-to-date guidance on how to get ahead in a wide range of micro-industries: poultry-rearing, vegetable growing, shrimp cultivation, and handicraft production to name a few.

Egypt

The ICT needs were slightly different in Egypt. The ICTTF already had in place an online knowledge-sharing

portal specifically for M/SMEs called "Ayadina" (http://ayadina.kenanaonline.com/), so part of the funding went towards strengthening this site by developing and uploading a valuable new e-module on online marketing. This e-marketing module included simple tools which M/SMEs could use to build their own websites, create photo galleries, post classified advertisements, write newsletters and manage their customer relationships. It even included a mobile application which allowed users to update their websites and receive customer requests via their mobile phones.

On top of this, a complete knowledge toolkit was written to help coach Egyptian M/SMEs in "soft skills" like effective business planning, marketing and human resources management, while another e-module provided assistance with cost calculations, stock control, and accounts.

Training the trainers

With these new tools ready and waiting, the next step was to show the operators of the participating telecentres how to use them. Four regional ToT workshops took place in each country. These taught 143 operators – 90 in Bangladesh and 53 in Egypt – how to master the new e-modules and web-portals, and how to pass their knowledge on to the businesspeople in their communities.

Spreading the word

Returning to their telecentres, these qualified operators have since been able to run ICT training sessions for the M/SMEs in their local areas. Demand for their services has increased dramatically, partly as a result of advertising at public information fairs (which were held at 30 and 38 locations in Bangladesh and Egypt, respectively) and partly through word-of-mouth, as trainee SMEs have gone on to tell their friends and family about their experiences.

"I am now able to create my business plans and to manage my enterprise more effectively. The training helped me create my own website which has attracted more than 30,000 visitors since 2009" Eng. Atef Ahmad, Owner of Venous Paper Manufacturer, Alsalam Complex, Cairo

At the time that the programme assessment was carried out, 621 entrepreneurs had already been trained in Bangladesh, and in Egypt the number had reached 1400. Coming from all business backgrounds – handicrafts, retail, agriculture and more – the trainees

Success factors

Solid planning and management
The efficiency, creativity and technical expertise of both executing agencies was a huge factor in the KICT4D programme's success. Both ICTTF and BTN were able to not only meet the project objectives, but exceed them – on time.

Adding value to existing infrastructure
By training an already-existing and permanent network of telecentres to carry out the M/SME support, the benefits of the quick-win project will outlive the short time span of the IsDB funding.

Payoffs

The project has helped 2000 entrepreneurs (and counting) to take up ICT in their businesses. These newly learned skills are helping many to streamline their work and ultimately further their socio-economic well-being. 143 operators at 50 rural telecentres in Egypt and Bangladesh have been given the inspiration, training and software needed to continue assisting the M/SMEs in their local communities.

gave glowing feedback on the quality of training they had received.

"The new ICT experience has completely transformed my business. Now I have customers from all over the region instead of depending on my local market. This is a new level of development and a game-changer altogether" Ustaz Ashraf Al-Shazli, Manufacturer of Furniture and Antiques, Almansoora, Egypt

Top results
Thanks to the KICT4D programme, the telecentres are empowering local businesses in all sorts of ways.

Now that entrepreneurs have learned to surf the web, important online information about how to get ahead in their businesses is within their grasp.

So far, this has led to many commendable achievements: poultry farmers have discovered how to prevent the diseases that were previously killing their birds; seamstresses have given their clothes a fashion update by sourcing the latest styles and cutting patterns; and fish cultivators have found out online how to apply for start-up loans to buy ponds and equipment. Their internet skills have also allowed them to extend their market reach, by connecting with customers and suppliers from much farther afield.

On top of this, the e-learning modules and accounting software provided by telecentres has helped them really raise the bar in terms of the way they manage their businesses.

Of all the M/SMEs trained in both countries, only half had previously used ICT in their business operations. After the training, however, the proportion had increased to 93%. The number of M/SMEs marketing their products through the Internet also increased from 18% to 75%, with many reporting an upturn in clients and profit as a result.