GUYANA
INFORMATION AND COMMUNICATION TECHNOLOGY PROJECT (GY – 0066)
COMMUNITY OUTREACH PROGRAM

OPERATIONS MANUAL
Draft

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Community Outreach Program of Information and Communication Technology Project (GY 0066)

OPERATIONS MANUAL

I. INTRODUCTION

The goal of Guyana's Information and Communication Technology Project (GY 0066) is to increase competitiveness of Guyana's economy in order to accelerate economic and social development. The purpose of the Project is to increase the use of ICTs in the private and public sectors through well-targeted interventions. The Project consists of six components:

a) Support to the **ICTU** in the Office of the President to permit it to lead the effort to increase the use of the Internet in Guyana.

b) Support for increased use of ICT in the public sector (**E- Government**) in order to increase transparency, efficiency and effectiveness and to enhance the value of the network by increasing the amount of content relevant to the Guyanese that is available in the Internet.

c) Support for expanding Internet access in low-income communities outside Georgetown (**Community Outreach Program**) and enable low-income individuals to gain access to ICTs and benefit from their use;
.

d) Promote **ICT service Exports**.

e) Strengthen academic and non-academic ICT programs at the **University Guyana**.

f) Enhance **connectivity** for all project components.

This Operations Manual contains the rules and procedures for the execution of the Community Outreach Program of Guyana's ICT Project. It includes a description of Community Outreach Program and its links with the Connectivity component of the ICT Project, the responsibilities of the ICTU and the various contractors that will be hired and entrusted with assisting the ICTU in implementing various parts of the program, and the rules and procedures that will be followed in awarding contracts vouchers, subsidies and small grants provided by the program.

The Manual reflects the formal loan contract between the Government of Guyana and the Inter-American Development Bank. Nothing in this manual alters the rights and obligations of the parties specified in the loan contract.

The Operations Manual will be in effect for the duration of the ICT Project. If the Government of Guyana or the Bank consider it necessary to introduce specific changes to the manual, those must be agreed to in writing by both parties.

The Operations Manual must be made available to all ICTU and Executing Entity staff and, upon request, to communities and other program participants.

II.   OVERVIEW OF THE OUTREACH PROGRAM AND OF ITS LINKS WITH THE CONNECTIVITY COMPONENT

A.   Program Overview

There is presently very limited access to the Internet by citizens, particularly in areas outside Georgetown. The objective of the Community Outreach Component is to enable low-income people to gain access to the **opportunities** that the Internet opens up for communicating, learning, identifying employment and income generating activities and improving community welfare.

The following table summarizes the principal elements comprising the Outreach Program and their cost and source of funding.

Outreach Component Costs			
		TOTAL US$	
	Project	**IADB**	**GOG**
1 Expansion in telecenter network			
25 in Post Offices 200,000			
33 commercial 200,000			
58 total	400,000	400,000	-
2 Secondary School Teacher Training			
100 secondary school teachers	100,000	100,000	-
3 Secondary School Service subsidies	600,000	600,000	-
4 Grants to NGOs and Grass Roots Organizations	200,000	200,000	-
5 Technical Assistance and Admin. Support	300,000	300,000	-
Total Base Cost	**1,600,000**	**1,600,000**	-
Overheads	400,000	400,000	-
Total Outreach Cost	**2,000,000**	**2,000,000**	-

There are two kinds of limitations preventing Guyanese citizens from benefiting from the opportunities offered by the Internet. One refers to physical access to the technology – the hardware, software and connectivity; if there are no affordable facilities within his reach, the citizen cannot use the Internet. A second set of barriers relate to lack of education, training, cognitive abilities and even cultural predisposition to use the technology. The Outreach Program seeks to address both kinds of limitations. It will finance an expansion in Guyana's telecenter network as well as in the capacity of secondary students and the people in rural communities to profit from these telecenters.

The establishment of a connectivity backbone will stimulate a market driven expansion in commercial telecenters, mainly in high profit areas in Georgetown. The Outreach component will provide for an additional expansion in telecenter facilities in harder to reach – less commercially profitable rural areas. As shown in the table above, the first element of the program will provide US$ 400,000 investment funding to help the Post Office better serve the public in some 25 locations, and to help small businesses and NGOs establish telecenters at the service of the public at large. A minimum of 33 small (3-computer) telecenters will be established this way.

To address the second set of limitations, the remaining elements of the Community Outreach Program (i.e. items 2 through 5 in the cost table) will provide additional support to help expand telecenter service to secondary schools and neighboring communities.

C.   Connectivity, Outreach and Implementation Arrangements

In all, the connectivity backbone to be provided under the project is expected to comprise of a minimum of 150 connection sites, of which the 25 Post Office connections and 33 commercial telecenters are but a small part. Because of limited infrastructure availability in rural areas of Guyana, the establishment of telecenters and Post Office connections cannot be provided, at reasonable cost, in isolation from other elements comprising the connectivity backbone. Instead their location must be planned with a view to service other facilities located in the more populous rural communities (e.g. health posts, regional government headquarters, and training facilities such as the University of Guyana and Potter's College of Education).

The implementation arrangements proposed for the establishment of telecenters and connectivity to the Post Offices (first element in cost table), are very different from those related to the remaining elements of the Outreach Program. The former are closely linked to the implementation of the connectivity component, whereas the latter depend on a set of subsidies and grants to be granted to teachers, schools and community initiatives. The connectivity component is to be implemented under a single package or contract, to be awarded to a company or consortium of firms, subject to international competitive bidding. A description of the process to be followed is given in the chapter III of this Manual. The subsidies and grants are to be awarded on a more piecemeal basis, following the guidelines specified in Chapter VI.

III.   OUTREACH AND CONNECTIVITY

A.   Introduction

The implementation of the telecenters and Post Office connections is tied to that of the connectivity component. Through a competitive bidding process, the Project will grant a contract and corresponding license to the company or consortium that provides a well specified service to a minimum of 150 predetermined connect points, for a total period of 5 years (including an estimated 1 year of deployment), for the least amount of money.

The connectivity backbone program has been designed to help secondary school students gain access to ICTs. Within the set of eligible rural communities, those with secondary schools have been selected as target communities. This makes economic sense on two counts. First, the location of secondary schools, in general, coincides with relatively higher density rural settlements. Second, it is secondary students that stand the best chance of assimilating and making effective use of ICTs.

B.   Planned Configuration of Connectivity Backbone

The costs of the Connectivity component has been estimated based on a plan that envisages the establishment of a corporate network consisting of 33 **nodes** in the countryside (6 in the hinterlands) and 2 in Georgetown. The countryside nodes is generally associated with a town or rural community served, except for Corriverton which is spread out and would in principle be served by two nodes. One of the nodes in Georgetown would serve the public buildings mostly located in the center of town; and the other one would serve the University of Guyana.

In all a **minimum** of 150 connection points will be served. The provider may use the backbone to expand service to other users and make more money this way, provided service to this 150 connection points is not compromised. Out of the minimum requirement of 150 connection points, 33 must be telecenters servicing the public at large. Government will use up another 100 connect points, and is expected to pay the operating monthly costs for these 100 points. The 100 connect points sponsored by Government includes connectivity points for:

> the Post Offices (26 in principle, including its headquarters office in Georgetown, as well as its countryside branches);
>
> the University of Guyana;
>
> Potter College of Education facilities (some of which are in Georgetown; others in regional District areas also covered by our 33 selected communities),
>
> and the Institute of Distance and Continuing Education.

The table at the end of this Chapter shows a **tentative** location of the 33 countryside nodes, and indicates the kinds of facilities that could in principle be linked to the Internet through these nodes. The detailed design of the system and the bidding documents is expected to determine the precise number and location of the connectivity points to be sponsored by Government (preliminarily estimated at 100),

as well as the precise number of nodes and their location, in Georgetown as well as in the countryside.[1]

Note that **there is no specific provision for connectivity to schools**. Allowance has been made for Government to connect (out of its 100 connect point allocation) about 15 "Educational Institutions". This includes UG, Potter College of Education, Distance Learning Centers (of which there are about 10 in all of Guyana), and a few (unspecified number) of **selected high priority secondary schools** (the location of which needs to be determined by Government and specified in bidding documents). Incentives have also been provided – separately, as part of the subsidies and grants of the Outreach component described in Chapter IV - for some of the telecenters to service schools during the morning and envisaged that some will expand their capacity from 3 computers to 14 computers in order to do so. But, again, what will be **required** of the connectivity is that he establishes and maintains over a 4 year period subsequent to establishment, a minimum of 33 small 3-computer facilities serving the public at large.

Each of the nodes **in the countryside** is expected to serve 4 to 5 facilities; mainly buildings with perhaps 5 computers on average.

The Georgetown service node is expected to serve some 20 Ministries (up to 26 located in 20 buildings).

Other important features of the network design envisaged are the following:

i)   The design used to estimate costs (hereafter denominated the "design technology") is based on a particular VSAT technology, and that particular technology implies a specific amount of broadband delivered per each dish. The final design and bidding documents should be open to the possibility that bidders propose the use of a broad range of technologies or combination of technologies (e.g. satellite, wireless or landlines), some of which may allow expanding the amount of broadband delivered per dish. It should also be cognizant and accommodate the possible use of national resources and potential partners that could help lower the cost and increase the effectiveness of the connectivity and Outreach components. [2]

ii)   Under the design technology, the broadband delivered per VSAT dish is significant. Even though only 4 or 5 connect points are envisaged at each countryside node, the amount of bandwidth provided by each dish would enable service to additional connect points in these town nodes, without a significant loss in the quality of service. This is especially true, as long as the applications used do not absorb large quantities of broadband, as would be the case with, for example, Voice over IP or streaming video. Since a significant expansion in the demand for broadband is expected over the 5-

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[1] Some of the statements made in this document are highlighted through the use of a red font, to indicate parameters that need to be developed further by JCF Consultants.
[2] A particularly interesting possibility that needs to be considered is the participation of Guysuco. Their wireless network and web facilities presently serving the sugar industry along the coastal areas could, in combination with other providers, provide perhaps a very low-cost option. Moreover, Guysuco runs several community centers in rural areas that could perhaps be suited to accommodate some of the 33 commercial telecenters to be established. Because Guysuco is a State owned enterprise, it cannot compete directly as a sole bidder. It may nevertheless be a part of one of the bidding consortiums (or even more than one), provided it meets some very specific conditions to be regarded carefully by JCF consultants.

year project execution period, the larger nodes have been equipped with additional VSAT dishes: 4 to serve the University of Guyana, 6 to serve all Government Ministries in Georgetown, 2 in New Amsterdam and 2 in Linden. The final design and bidding documents should take these specifications as indicative of the desired level of service, not as a straightjacket from which no departure is possible.

C. The Bidding Process

The Project will award the connectivity[3] contract and corresponding license to the company or consortium that provides service to a minimum of 150 connect points as previously described, for a total period of 5 years (including an estimated 1 year of deployment).[4] It will select among bidders the one that offers to do the job for the least amount of money, to be received up front during the 1st year after the project contract has been signed, contingent upon the deployment of the connectivity infrastructure.

The contractor may also count on a receiving a regular compensation per month per site (US$ 170), to cover the operational costs of connectivity for the 100 Government sponsored sites. He will also be allowed to profit from using the backbone provided to connect other customers. No pricing restrictions on his use of the backbone for these other parallel services is to be imposed. Nevertheless, any such use of the backbone **should not be detrimental to the service he will be obliged to give the 100 Government sponsored sites nor the 33 public access telecenters.**

For this bidding process to work, it is necessary to not only specify the number of connect points, but also the quality of service expected from the contractor. Some pricing rules that apply to institutional users will also need to be instituted – i.e. Ministries, UG. These pricing rules may involve some cross subsidies, but they must be perceived to be fair. They should also encourage an economical use of the network and discourage an abusive use of the system's bandwidth.

The main variable that the companies bidding for this contract will have control over is their asking up-front price. This is the amount that they will receive within the first year of the program, as they deploy the infrastructure. Their recurrent revenue will come from the following sources:

- the amount Government will pay for the 100 connect points it will sponsor,
- the revenues collected from servicing the 33 telecenters,
- revenues collected from an additional 17 "business sites", and
- any additional revenues it can collect from using the infrastructure to serve other users (e.g. additional connect points attached to the various nodes, or additional nodes).

The bidder's asking price is expected to reflect somewhat the "investment cost". By paying US$ 170/month, Government will in essence be covering the "operating

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[3] The contractor would also need to provide for the establishment and management of a web facility encompassing a secure virtual private intranet serving government agencies.
[4] This is practically the same bidding process that was used by Colombia's COMPARTEL, except that their service period was 5 years after one year of deployment.

monthly costs" of the 100 sites under their sponsorship.[5] The bidding company will have to contend with many unknowns. To compensate for these unknowns, they will tend to ask for a premium over cost that covers these risks. In order to provide for this contingency, to the estimated cost of the design system, an additional 75% "overhead" has been added.

D.   Allocation of Cost and Pricing Structure

The monthly operational cost has been estimated at US$ 170 per connect site (150 in total, of which Government will pay for 100). How will users pay for these costs? The preliminary design technology suggest the following approach:

> The University, served by 4 dishes under the design technology, will be charged for the cost equivalent to 4 connect sites.

> Each of the 20 Ministry buildings (housing as many as 26 Ministries) being served by the Georgetown node, will be treated as individual sites and expected to pay the US$ 170/month

> Countryside VSATs, each serving 4 or 5 sites will also be expected to pay the standard site rate of US$ 170/month.

Consultants financed by JCF technical assistance will need to develop, as part of their final design, **clear pricing allocation rules** that:

i)   discourage overuse by participating institutions (which will then have to regulate their own users),
ii)   enable the recovery of operating costs, and
iii)   **in some sense** charges similar (not necessarily identical) rates for similar service.

E.   Service Specifications, Quality Audit and Reporting

Clear service specifications that are easily understood and measurable **are also needed (e.g. so many bits per second per computer or per some other measurable unit of service).** Without service specifications supervision is not possible. Without service specifications, the Guyanese Government could be abused by a rogue company outbidding other suitors.

The determination of service specifications, however, are difficult to establish for broadband, especially given the wide variety of users involved (Ministry officials, college students, telecenter users). Perhaps different service specifications need to be developed for at least the 4 main "types" of service environment: i) countryside service (the 33 outlying nodes), ii) Georgetown; and iii) University of Guyana, iv) Potter College of Education facilities.

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[5] Different technologies will of course have different cash flow structures – some requiring higher or lower "investment" up front or higher or lower recurrent costs than others. The level of payment per month may be fixed at any one figure. The chosen US$ 170/month per connect site, is the "operating cost" of the design technology.

Service specifications per user would be ideal, but is probably impractical. An alternative to explore may be the development of specifications for each type of node, measurable at the node (the dish or dishes delivering the service.)

The project also provides for a separate contract, also subject to competitive bidding, for the independent supervision and periodic audit of compliance by the connectivity contractor with the service requirements of the connectivity contract. The JCF consultants will need to write detailed terms of reference and bidding documents for this audit contract.

A suitable system of reporting, covering all aspects of the Outreach Component is also a critical element for both, i) supervision and monitoring, and ii) evaluation of the project's impact. The JCF consultants will need to design a comprehensive reporting system, that facilitates project execution (i.e. through supervision and monitoring), as well as subsequent mid-term and post project evaluations of impact. This reporting system should define clear responsibilities for all parts engaged in the implementation of the Community Outreach Program; including the connectivity contractor, the Audit contractor, the Outreach Program manager and various ICTU staff members. It should also describe in detail the various reports that should be submitted, their periodicity and their content and measurable variables. The reporting system should also be consistent with the Project's Logical Framework, and should enable an assessment of the effectiveness of various of the component's interventions on disadvantaged groups, especially women and Amerindians (including for example, frequency of telecenter use by clients, gender distribution of telecenter clients, sustainability of telecenters, distribution of small grants, etc).

Annex A. Communities to be Connected as part of the Project's Publicly Sponsored Connectivity Backbone, and Selected Facilities Located in these Communities

	# VSATs	Secondary Schools					Possible Government Sponsored Connectivity Sites									
		General Secondary	Comm. High with General Secondary	Com. School with Gen. Sec Com. High & Primary Depts.	Discrete	Community High	Post Offices	Univ. of Guyana	Learning Resource Centres (1)		Health Facilities		IPED	Regional Democratic Councils, Min. of Local Government	Airport	NARI
									State facilities	Private facilities	Hospitals	Health Post				
Region 1																
1 Mabaruma	1	X					X		X		X			X		
2 Santa Rosa	1	X														
3 Port Kaituma	1		X				X				X			X		
Region 2																
4 Charity - Dredge Creek	1	X					X		X							X
5 Anna Regina	1	X	X				X		X			X		X		
Region 3																
6 Wakenaam (Esequibo Is.)	1	X					X				X					
7 Leguan	1	X									X					
8 Leonora	1	X					X		X							
9 Parika-Salem/Greenwich Park	1		X				X				X	X				
10 Vergenoven	1				X						X					
11 Vreed-en-Hoop	1	X					X		X		X			X		
12 Wales	1					X	X									
Region 4																
13 Anns Grove	1					X	X				X					
14 Golden Grove	1	X									X					
15 Buxton	1					X	X				X					
16 Beterverwagting	1					X	X		X		X			X		
17 Plaisance	1					X	X				X					
18 Timehri - Hyde Park	1														X	X
Region 5																
19 Mohalcony	1	X					X				X					
20 Fort Wellington	1	X					X		X		X			X		
21 Rosignol	1	X					X					X	X			
Region 6																
22 Central Corentyne	1	X						X			X					
23 New Amsterdam	2	XXX		XX			X	X	X		X			X		
24 Corriverton (e.g. Skeldon High)	1	X					X				X					
25 Corriverton (e.g. Skeldon Line Path)	1	X														
Region 7																
26 Waramadon	1	X									X					
27 Bartica	1	X					X		X	X	X			X		X
Region 8																
28 Paramakatoi	1			X					X		X			X		
Region 9																
29 Annai Village	1	X									X					
30 Lethem	1						X		X		X			X		
31 Aisharton	1	X									X					
Region 10																
32 Linden (including Wismar)	2	XXX			X				X		X			X		
33 Kwakwani	1	X					X		X			X		X		
Special - Major Nodes																
34 **U. of guyana** (Region 4)	4															
35 **Georgetown** (Region 4)	6															

TOTAL VSATs	45	# NODES:	35	# Connect Sites:	150	# Gov. Sponsored Sites:	100

A.   Support to Secondary Schools

The support to be provided to secondary schools may be summarized as follows.

a) **Teacher training and practice vouchers** (item 2 in cost table) will enable an estimated 100 secondary school teachers to acquire and practice fundamental computer and Internet skills. In all there are an estimated 100 secondary schools in the country. This low-cost (US$ 100,000) intervention seeks to ensure that in every secondary school in the country, there is at least one teacher with the minimum qualifications to make effective use of the new technologies, and that this teacher has access to local telecenters to improve his skills using the technology.

b) **School Service Subsidies** (item 3 in cost table) will enable telecenters located in the vicinity of secondary schools to serve a dual purpose of helping schools carry out their academic program during the morning and early afternoon hours (e.g. 8 AM through 3 PM), and to serve the communities at large during the evenings. These subsidies will help foster telecenter sustainability by generating a demand for telecenter services during the morning hours, which are generally periods of low-demand. At the same time, they would liberate school administrators from the responsibility to operate and maintain the equipment.

The School Service Subsidies sub-program envisages two main possibilities.

First, all of the 33 small (3-computer) telecenters established under the connectivity component in the countryside, could benefit from subsidies covering the costs of morning service to a neighboring secondary school, provided the following conditions are met:

i)   the telecenter is located within one kilometer of the secondary school to be served,

ii)   the local school has at least one teacher that has received computer literacy training program and is benefiting from teacher practice vouchers;

iii)   the subsidy application is made by the local administrator of the secondary school and is endorsed by the local parent-teacher association;

iv)   the telecenter operator and local school administrator make a signed agreement to serve the school during morning hours (5) at a pre-established price per computer hour which gradually declines in value over a 3 year period of service (US$ 0.75/year 1, 0.5/year2; and 0.25/year3).

Second, an estimated 20 larger telecenters (each with about 14 computers), either established under the project or other commercial telecenters located in Georgetown or elsewhere, could apply for subsidies covering the cost of morning service to neighboring secondary schools. Any expansion in the facilities that might be required would be financed by the telecenter operator. In addition to the conditions that apply to smaller telecenters, schools applying for these larger subsidies will be required to

prepare a credible sustainability plan that explains how the school/community will increasingly assume the costs of the morning service. This may be done in a variety of ways, including, for the example, the endorsement of local businessmen, local fund raising fairs, or the provision by volunteer students and teachers of paid-for services (e.g. web page design) to neighboring businesses.

A more detailed analysis of the way in which these school service subsidies would work in practice is given in Annex 1 of this Manual.

B.   Small Grants to Communities

A supplementary **Small Grants Program** will help finance social, economic and ICT export development initiatives that improve the welfare of communities through the use of ICTs. Small matching grants (US$5,000 – 30,000 each) will be awarded to NGOs, grass roots organizations and community groups, to foster effective use of ICTs to alleviate poverty and support community development.

Possible projects include: training of youth in web page making/computer repair for well defined market, long distance learning, community radio, development of a local community project, tender or local information system. The scope of proposals is purposefully broad, but with an enhancing view to social and community welfare. Other possible projects that could be supported include: a local micro enterprise lending institution wanting to assist enterprises in participating in e-commerce activities; creation of a labor exchange may be supported; efforts to improve race relations, expand social Guyanese networks or resolve local conflicts.

Final vetting of proposals will be the responsibility of the ICTU. Grants will be awarded to not for profit private organizations, with proposals that meet the following criteria:

   a) benefit a broad segment of the community (as opposed to individuals or individual for profit enterprises),

   b) are sustainable and present a well defined plan for financing any updating that might be necessary,[6]

   c) are presented by an organization that has the demonstrated track record and capability to deliver the services proposed.

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[6] This applies, for example, in the case of web content development. On the other hand, it may not be needed if the proposal provides financing of one time training activities.

V.   INSTITUTIONAL RESPONSIBILITIES

The ICTU is the **executing agency** for the ICT Project and the Community Outreach Program.

The ICTU shall be responsible for: (a) maintaining adequate financial, accounting and internal control systems, (b) organizing an accounting system that permits tracking of program resources, provides the necessary documents to verify transactions and facilitates the timely preparation of financial statements and reports; (c) preparing and submitting disbursement requests to the Bank and the corresponding justification of expenses, consolidating information from other program participants; (d) disbursing grants and vouchers according to a schedule approved by the Oversight Board; (d) maintaining an adequate support documentation filing system; (e) preparing and submitting to the Bank the annual financial statements regarding program expenses and the semi-annual revolving fund status reports.

The ICTU will put out the connectivity contract out for tender and will be responsible for supervising its execution. The ICTU will also put out for tender and manage the audit contract, to hire the services of a firm that will help it monitor, supervise and audit compliance of its obligations by the connectivity contractor.

The ICTU will also manage and supervise the subsidies and grants awarded under the Community Outreach Program. The ICTU will transfer resources from the IDB loan and counterpart funds to beneficiaries awarded the corresponding subsidies and grants. The ICTU will be assisted by an Outreach Manager, hired under Contract 2.

The main responsibilities of the Outreach Manager will be the following:

> Help implement the Teacher Training and Vouchers sub-program, and the School Subsidies sub-program. This will involve providing information and explaining the sub-programs' scope and rules to Ministry of Education officials and to the country's estimated 100 secondary schools administrators and parent teacher associations. It will also involve assisting the ICTU in the administration of the implementation of these two sub-programs. A particular challenge is likely to be its application in far away secondary schools.

> Help implement the sub-program of small grants to communities. This will involve providing assistance to communities in preparing their proposals. The Program Manager will be expected to take a proactive stance in developing proposals that are executed by and benefit disadvantaged groups (e.g. Amerindians, women, persons with disabilities) and in achieving racial balance in the development of proposals presented to the ICTU for financing.

In discharging its responsibilities, the Program Manager will be expected to work together and consult frequently with a broad spectrum of Guyanese society and organizations representative of various community interests. A partial list of organizations to be consulted periodically include:

i)   Amerindian People's Association (www.sdnp.org.gy/apa/)
        (There are 3 Amerindian NGOs in the country and this is the largest.)

ii)   Deparment of Youth, Ministry of Youth, Culture and Sport

iii) NGO Forum (www.sdnp.org.gy/ngo/)
(Association of Guyanese NGOs.)

iv) Ministry of Education (www.sdnp.org.gy/minedu/)

v) Private Sector Commission (see description in US Embassy facilitation center site: http://us-guyanabusinessctr.com/psc.html)

vi) National Science and Technology Council (or its implementation arm, the Institute of Applied Science and Technology, www.sdnp.org.gy/iast)

vii) Guyana Council of Churches
(a major association of Christian churches)

viii) Central Islamic Organisation of Guyana (www.sdnp.org.gy/ciog)

ix) Guyana Hindu Dharmic Sabha

The ICTU will have a web site advertising the Outreach Program and specifying the technical criteria it will use in the awarding of training and practice vouchers, school subsidies and community grants. All proposals received will be published online; as well as the decisions made through the vetting process.

The JCF consultants will be responsible for reviewing this Draft Manual and further specifying its content and conditionalities, with a view to facilitating implementation, and ensuring transparency, fairness and effectiveness of the teacher training and practice vouchers, school subsidies and small grants subprograms.

Annex 1 to Operations Manual
Note on School Service Subsidies

Background

Sustainability is a challenge for telecenters established in rural areas. The challenge is most acute during the first years of operation. A second major challenge is to make telecenters not only sustainable, but also address the needs of the community at large, and especially of low-income people.

Perhaps the most logical way to address this dual challenge is to use the telecenter to serve schools during the morning and communities in the afternoon. Commercial telecenters everywhere get very little commercial business in the morning, which is when most schools operate. There are plenty of advocates (including the World Bank's World Links Program) of "school telecenters", but in practice these efforts have failed to make much headway. While the concept is "logical", there are major institutional and cultural barriers to its adaptation, at least in LAC. School systems are usually run under highly centralized authority. Telecenters, on the other hand, require local management and decision-making. National school administrators are weary of sharing their school's equipment and connectivity. They are also weary of "charging for services", less they be accused of using local public resources to make money from providing after-school services to the community. And, without service charges telecenter sustainability is compromised.

The Guyana project turns the concept around. Instead of school telecenters, it proposes to have "telecenters at the service of neighboring schools". It might seem as if there are too many subsidies involved. What we have introduced are critical interventions, based on best practices learned, that are necessary to address specific needs for the concept to work. Here we focus on Secondary sch[ool Service subsidies, which seem to be the more contentious.

Overview of the Outreach Component

The following table summarizes the principal elements comprising the Outreach Program and their cost and source of funding.

	TOTAL US$		
	Project	IADB	GOG
1 Small (3-computers) Community Service Telecenters			
25 in Post Offices	200,000	200,000	
33 commercial	200,000	200,000	
2 Secondary School Teacher Training	100,000	100,000	
3 Secondary School Service Subsidies			
33 small 3-computer telecenters	200,000	200,000	
20 larger 14-computer telecenters	400,000	400,000	
4 Small grants to communities	200,000	200,000	
5 Technical assistance and administrative support	300,000	300,000	
Overheads	400,000	400,000	
COMMUNITY OUTREACH TOTAL	2000000	2000000	

Item 1 is the investment cost of establishing the post office sites and 33 telecenters. It will be financed through the connectivity tender contract. Bidders may ask for a US$ 200,000 up front subsidy to cover the investment costs of establishing and running the 33 telecenters for 4 years (after a 1 year period of establishment). They may ask for more than that, if they expect that these telecenters will have to be run at a loss. On the other hand, if they expect to make money from other commercial sources of revenue (hotels, businesses, call centers) as a result of running the connectivity backbone, and if competition is keen, they will ask for a lower upfront subsidy amount.

The other interventions are outright subsidies, to: i) enhance the prospects of after-project sustainability; ii) foster a productive use of telecenters, in school training and by traditionally disenfranchised groups. In this note we focus on item 3, **school service subsidies**, which appears to be the more contentious of the subsidies.

How will it work?

The 33 small 3-computer telecenters should be up and running by the end of the first year (operators will not get all of their up front subsidies until they have set the telecenters up, so they will have a significant incentive to do so.) Once a small telecenter has been established, the telecenter **operator** will approach the school administrator and tell them. Hey I have a fantastic deal for you. The telecenter may be used by the school, for free, during the morning hours, provided that you do some paper work to get a rebate from the project managers. You get the service over a one-year period, and I get the equivalent of US$ 3,000 (roughly US$ 1/machine perhour) for providing this service to your school.

The school administrator then needs to: i) make sure one of his teachers is properly trained, ii) convince the local parent teacher association that this is a good thing, and, with the endorsement of the parent-teacher association, apply for the school subsidy from project authorities. Awards (and rejections) need to be announced by Project Management, in the project's official web site. The Outreach Program Manager (subcontracted through contract 2) will also make sure that things are running properly as agreed by the parties involved and Project Authorities.

The second year, the process is the same, except that now the subsidy will only be for US$2,000 (roughly US$ 0.50/machine per hour). By now the operator will be in a better position to run the telecenter, and the school administrator and the parents, will be able to properly assess its value in its teaching program. At this stage the operator can do one of two things. He can either go to the school and say that he will continue to give the same service for the lower price; or he can tell the school administrator that they need to come up with the difference (i.e. US$ 1,000). Now, and only now, will the school officials and parents be able to determine whether the deal offered by the telecenter operator is worthwhile or not, and whether they can meet the subsidy shortfall.

By the third year, the subsidy goes down to US$ 1,000. The operator may do it for that reduced amount, because it may still pays for him to do it (even as advertising and/or community service), or he may decide not to continue. On the other hand, the school-community will have found a way to meet the shortfall, or they may decide it is not worth it. In any event, the dual purpose of enhancing the sustainability prospects of

the telecenter, and of educating the community as to its value in teaching will have been advanced significantly by this time.

The workings of the School Subsidies for the 20 larger telecenters (about 14 computers each) are very much the same as for the 33 small telecenters, with some important differences. **First,** it is not restricted to rural schools located in the 33 connectivity nodes. The possible pool of schools that may apply is larger, including includes all of the commercial telecenters (some in urban areas), provided they are located within one kilometer of the 100 country's secondary schools (of which about 26 are in Georgetown). **Second,** subsidy amounts are larger: US$ 10,000 per school in first year; US$ 7,000 per school in second year; US$ 3,000 in third year. **Third,** given the higher funding commitment involved, those schools that apply will need to start thinking how they are going to finance the entire 3 year cycle, as the subsidies go down. This is why we require that they present a "credible financing plan". This plan may, of course, involve a commitment from the operator, or, alternatively, it may involve a commitment on the part of local business leaders or civil service organizations (e.g. Rotarians, etc.), or even by now the public school system may decide to take up the shortfall for a selected number of schools.

What is important to note is that it is impossible to predict from afar or with anticipation how this will be done. We know that if it is a worthwhile cause appreciated by the community, it will happen through community initiative.

Is it a subsidy on top of another subsidy?

Not really. Companies bidding for the connectivity contract will be aware of the existence of this "school service subsidy". They will discount that revenue cash flow in making their own projections of profitability and will reduce the amount of subsidy they will require to do the job accordingly.

A Pilot Initiative

This should be seen as a pilot initiative, to address a regionally important issue of how to make telecenters serve both, schools and the community at large. Because it is a pilot initiative, the amounts of funding and schools involved are small, even by Guyana's standards. It is nevertheless an EXTREMELY IMPORTANT INITIATIVE. If it works in Guyana, it may set a most important example to be emulated by other programs throughout the region: **commercial telecenters at the service of schools**.