

FACT SHEET

The Digital Freedom Initiative

Action

Today at the White House, Secretary Evans, USAID Administrator Natsios, USA Freedom Corps Director Bridgeland and Peace Corps Director Vasquez launched the Digital Freedom Initiative (DFI). The goal of the DFI is to promote economic growth by transferring the benefits of information and communication technology (ICT) to entrepreneurs and small businesses in the developing world. The approach is bold and innovative, leveraging the leadership of the US government, the creativity and resources of America's leading companies, and the vision and energy of entrepreneurs throughout the developing world. The DFI will be piloted in Senegal, a democratic secular country in which 94% of the population is Muslim, and, if successful, could be rolled out to 20 countries in the next five years.

Key Elements

- Placing volunteers in small businesses to share business knowledge and technology expertise;
- Promoting pro-growth regulatory and legal structures to enhance business competitiveness; and
- Leveraging existing technology and communications infrastructure in new ways to help entrepreneurs and small businesses better compete in both the regional and global market place.

Supporting the Developing World

One third of the world could be left behind if more is not done to provide developing countries with the skills, knowledge, and access to markets necessary to compete.

- In globalizing developing countries, per capita income increased 5 percent a year in the 1990s.
- In other developing countries, per capita income decreased by 1 percent over the past decade.

Appropriately designed ICT in developing countries can provide inexpensive and critical access to domestic and global markets, allowing the invisible hand of the market to be a helping hand to the poor.

Objectives

Enable Innovation through Volunteer-led Business and Entrepreneur Assistance

The DFI will place volunteers from the private sector and NGOs with small businesses and entrepreneurs to assist in growing their businesses through the application of technology and the transfer of business expertise.

Drive Pro-Growth Legal and Regulatory Reform

The State Department, Commerce, USAID, FCC, and other public and private sector organizations will assist DFI countries in developing pro-growth regulatory and legal structures to enhance business competitiveness

Leverage Existing Information and Communications Infrastructure to Promote Economic Growth

The DFI will identify opportunities to leverage existing infrastructure (e.g., in-country cybercafes and telecenters) to generate information and services (e.g. financial services, commodity price information, etc.) to help entrepreneurs and small businesses better compete in both the regional and global market place.

Measuring Results

At regular intervals, DFI projects will be evaluated based on performance benchmarks that measure small business growth, market efficiency gains, business integration with international partners and markets, and job growth.

The Senegal Pilot

The Senegal Pilot will:

- Place over 100 volunteers to assist small businesses and entrepreneurs in growing their businesses through ICT, and the government of Senegal with regulatory reform;
- Leverage nearly 200 cybercafes and 10,000 telecenters to generate information and services that provide business opportunities for small businesses and entrepreneurs;
- Benefit over 360,000 small businesses and more than half a million Senegalese; and
- Train and equip the 130 Peace Corps Volunteers in Senegal who require laptops and other technology to perform their service duties.

Public-Private Sector Partnership

The DFI is designed to be high impact, but low cost. Leveraging off of volunteers and partners in the private sector, the budget for the Senegal pilot is estimated at \$6.5 million over the next three years. If the Senegal pilot proves successful, the program could be rolled out to 20 countries over the next 5 years.