Panel discussion on

Energy finance and rural entrepreneurship for rural ICT centres

TERI organized a panel discussion, on 23 January 2007 in New Delhi, to brainstorm on issues of 'energy, finances, and entrepreneurship for rural ICT centres".

An eminent panel deliberated over possible mechanisms for energy solutions and offered a few significant policy and action recommendations. The discussants also drew out linkages between entrepreneurship and various finance options available, and suggested ways to ensure viable and effective ICT centres in rural areas.

Moderator: Dr Basheerahmed Sadrach, Sr Programme Officer - Asia, Telecenter.org, IDRC

Special Guest: Shri R Chandrashekar, Additional Secretary, Department of Information Technology, Government of India

Panel

- TERI – Dr Leena Srivastava, Executive Director
- TERI – Ms Akanksha Chaurey, Associate Director, Renewable Energy Technology Applications Division
- TERI – Mr I H Rehman, Director, Action Programmes Division
- Drishtee – Mr Satyan Mishra, Managing Director
- TulipIT – Lt Col. H S Bedi, VSM, CMD
- IL&FS – Dr Uday Nirgudkar, Business Head, Education and Technology Services Division
- SDC – Dr Veena Joshi, Team Leader, Rural Energy and Housing

Participants

There were 45 participants representing the Ministry of Power and Ministry of New and Renewable Energy, Government of India; multi-lateral and bi-lateral organizations; the financial services sector; and the IT (information technology) industry. Prof. James Baker, former President and CEO, Academy of Natural

Sciences, and Senior Fellow, H John Heinz III Centre for Science Economics and Environment, USA, also shared his views and observations.

Summary of TERI's presentation

Dr Leena Srivastava made a presentation on 'rural ICT @ TERI' and TERI's integrated approach towards incubating and building capacities among village communities for enhancement of their livelihoods using TERI Knowledge Centres.

Dr Srivastava outlined the strategy of striking the right balance of pull-and-push approach by integrating core TERI services like energy, water, agriculture, and health and partner services like finance, education, and entertainment through TERI Knowledge Centres for a systemic change in the rural environment. She highlighted that the TERI Knowledge Centre model is environmentally friendly, energy-efficient, community-centric, and sustainable and emphasized the need for partnerships for this endeavour.

Launch of <k4rd.org> portal

Shri R Chandrashekar click-launched the <k4rd.org> portal. Through this portal, TERI aims to create a knowledge repository for rural entrepreneurs and villagers on knowledge and services that affect their everyday life. The portal would presently encompass information related to energy, agriculture, and water management. It would also act as a delivery vehicle for delivering service and a marketplace for the rural audience. Key issues will also be highlighted on the discussion forum of the portal for knowledge sharing.

Special address by Shri R Chandrashekar

In his special address, Shri R Chandrashekar's address talked about the CSC scheme and described how the common services programme could invite partners like TERI to come forward and contribute to this space. He said that

energy remains the least-addressed issue of all the three areas addressed namely energy, finance and entrepreneurship. There is need to devise a workable energy solution.

He mentioned that the world is closely watching India's announcement of 100 000 CSCs across the country as this would be the largest ICT programme any country has undertaken. Mr Chandrashekar urged panellists to come out with recommendations that would help in implementing the CSC scheme effectively.

Key recommendations by the panel members

- There is a need for cost-effective innovative energy solutions for the ICT centres. A mechanism / platform should be created such that the existing subsidy and developmental assistance (particularly that of the MNRE's for solar technologies) can be effectively channelled to make the energy solutions affordable to entrepreneurs.
- Adoption of integrated approach to service delivery with a right balance of socio and economic services for rural livelihood enhancement
- Linkage between entrepreneurship and finance, for the viability of both kiosks and services being offered, should be explored. Bundle of viable services is what is required at the ground level to make the ICT centres sustainable.
- The rural ICT centres should enable the "pipe" of two-way flow of knowledge and services between the beneficiary and the benefactor.
- Regular training programs are required to enhance behavioural and business skills of the entrepreneurs
- Capital and operating costs should be low in order for the entrepreneurs to recover their cost and making the centres viable

The issues emerging from the discussion

Rural kiosks/knowledge centres need to overcome the energy challenge. How can we improve access to reliable energy with affordable and low maintenance options without increasing the cost? Device models based on energy efficiency such that the entrepreneurs benefit from the GoI's subsidy and also reduce his/her monthly expense on electricity.

- Kiosk can be set up in villages where rural electrification programme has been implemented and there is huge responsibility on the grid for ensuring reliable power supply.
- Half-a-million villages are already connected. The onus of supplying good quality is on the government. When there is no proper supply of electricity, citizens should be compensated.
- Energy should be appropriately priced. Support mechanism including AMC should be looked into before taking up this task. People have found kiosk useful, but it is apparent that there are bottlenecks in certain areas of the operation of kiosks, such as infrastructure, funding, etc. If presented with facts on range of options, costs, and issues associated, it would be easier to decide which solution should work where and how much should it be priced at?
- The renewable sources of energy should act as a backup for the main supply.

Can change in lifestyle and use in energy patterns help in address the issue of bulging energy demand? What can be done to best harness the benefits of energy efficiency and conservation? Are the days of grid power over?

- Divert the gird energy to the villages and use clean energy in cities as they can afford it. Pass on cheaper form of energy to the villages.
- Reducing consumption of end-use devices needs to be looked into. Energy-efficient hardware may be one of the solutions. Solar module is very easy to use and it is the most efficient of all renewable energy technologies.
- Observation by Dr Baker: Need to share knowledge through technology, such as through wiki; need to have collaborative efforts to find solutions for common problems.

How to get the best out of the cycle of finance-entrepreneurship-finance? Service design and deployment needs capacity reinforcement for the entrepreneur- how well do we cover this critical angle?

- There is direct linkage between entrepreneurship and finance, in terms of the viability of both kiosks and services being offered. An important issue is whether the kiosk has enough bandwidth to provide all services! An integrated approach towards the viability of what the kiosk has to offer needs to be looked into.
- The entrepreneurs require training (sharpening of skills, behavioural training). Rural entrepreneurship training programme by IL&FS has been piloted in a few locations and will be included in the CSC scheme. Building learning communities to share experiences from one village to other (blended learning curriculum) is also important.

Entrepreneurship coupled with community participation- is this the future to the emerging ICT interventions?

- Entrepreneur needs to be self-sufficient. Viable product is what he/she wants and not subsidies. A basket of viable services is what is required.
- Identifying the right entrepreneurs and putting them in one platform is what is more important.
- Communities need to have ownership of issues, which are more generic in nature: water, health, etc. Issues of infrastructure and delivery need to be looked in.

Conclusion

The objective of the event was to ensure effective exchange of thoughts amongst the panellists and participants, and not to highlight case studies or pilot experiments. Out of the five prominent pillars in rural ICT – financing, energy, connectivity, services, and rural entrepreneurship – three were covered in the discussion. Participants and panellists shared their experiences and deliberated over future scenarios of energy solutions for rural ICT centres. As requested by most participants, TERI, in association with others, would like to make it a yearly event touching key issues for solutions. The proceedings of each event will be put up on the <k4rd.org> portal and <teriin.org> website for wider dissemination. Key recommendations will be forwarded to respective government departments for policy analysis.

To undertake and fulfil the challenges of this rural initiative, TERI understands that there is a need for partnerships with synergy for leveraging ICT and integrating rural needs into the larger development paradigm. TERI, therefore, would like to offer its expertise in the rural domain and welcome others to take part in its ICT initiatives. TERI would also like to replicate its concept of

knowledge centres in other states as well. The initiative would aim to integrate TERI's energy solutions for rural ICT kiosks, intervene in health and sanitation and environment education for rural kids, and promote best practices in herbal and medicinal plants. TERI will eventually work towards ensuring energy-efficient, environment-friendly, and community-centric ICT kiosks for sustainable impact.