



MC-eGov Study on Multi-channel Delivery Strategies and Sustainable Business Models for Public Services addressing Socially Disadvantaged Groups

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CASE STUDY: Cyprus virtual bus case study
Nicola Hall, October 2008



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1.0 INTRODUCTION

This document presents a case study interview conducted during October 2008 as part of the MC-eGov study, being conducted by ECOTEC Research & Consulting on behalf of DG Information Society and Media.

The case study covers a project example taken from Cyprus, which is a flagship project nominated for the Inclusive eGovernment expert group. The project is: the mobile internet research and training unit (the virtual bus), listed in ePractice (case 2906).

1.1 *Meeting schedule*

The following people were interviewed by telephone:

Ms Nayiri Garod Yildizian, Department of Information Technology Services, Ministry of Finance
Mr Andreas Hadjioannou, Virtual IT
Ms Georgia Antoniou, Social Welfare Services, Ministry of Labour and Social Insurance

1.2 *Structure of this report*

The structure of this report is as follows. Firstly a background and overview of the 'virtual bus' case study is provided. The document then follows the framework of fundamental principles outlined in MC-eGov Study Deliverable 2.1, which provides a basis for the analysis of project cases:

- Identification of personal needs – *an overview of how the pilot project is identifying and meeting the needs of remote rural communities*
- Shaping organisations and policies – *an overview of the design, development, and rollout stages of the project*
- Assessing and monitoring outcomes – *a review of the cost model and any public / social value created through the project.*

Finally, the report offers conclusions.

All photographs are courtesy of Virtual IT.

2.0 BACKGROUND AND OVERVIEW OF THE VIRTUAL BUS CASE STUDY

2.1 Overview of the Virtual Bus project

2.1.1 Vision

The virtual bus project is a mobile internet research and training unit which is a bus fully equipped with computers, wireless internet access and mobile technologies¹, with its own electricity source and office space for 11 users. The virtual bus has an area which is accessible to people with disabilities. In association with individual projects (such as eInclusion projects, or as part of the dissemination stage of other European funded projects) the bus tours Cyprus providing dissemination activities, giving out information and providing training sessions. The bus follows an agreed schedule to each of the villages and towns involved in the projects. The bus is designed to be self-contained and independent so it can go where it is needed.

2.1.2 Aims and objectives

The aims of the project are to stimulate the use of ICTs (Information and Communication Technologies) in various target sectors in Cyprus, particularly specific target disadvantaged groups. In particular the project aims to bridge the gap between urban and rural areas in terms of Internet usage. In Cyprus a significant proportion of the population (35%) live in rural areas. There are great differentials between Internet usage between urban and rural areas. Internet usage in urban areas stands at approximately 65% but is lower than 5% in rural areas. The idea behind building a bus is to take the technology to those in need, rather than requiring remote communities to travel to access its services. The bus offers the same facilities that would be available in urban areas, therefore reducing the divide.

2.1.3 Target groups

The virtual bus project is targeted at citizens and SME's (Small and Medium sized Enterprises) located in the rural and more remote areas of Cyprus. The bus has a good working knowledge of the villages in order to know which mountain areas are accessible and works with local municipalities to ensure access for somewhere to park. It particularly targets elderly people, the unemployed, women returning to work after childcare, those with special care or special needs and SME's.

2.1.4 Services

The bus offers access to the Internet and Internet training. It disseminates information about the benefits of accessing the Internet. It also acts as a dissemination method for many other EU funded projects. The bus offers access to a variety of websites, such as e-commerce, e-banking, social and cultural websites (e.g. newspapers) as well as access to public service websites. All services are offered free of charge at point of access to the user. Digital cameras are also used, as well as skype.

2.1.5 Intermediaries

¹ Including computer workstations, servers, networking, 2-way broadband satellite, Wi-Fi, 3G, IP Technology, video-conference and audiovisual equipment and a power generator.

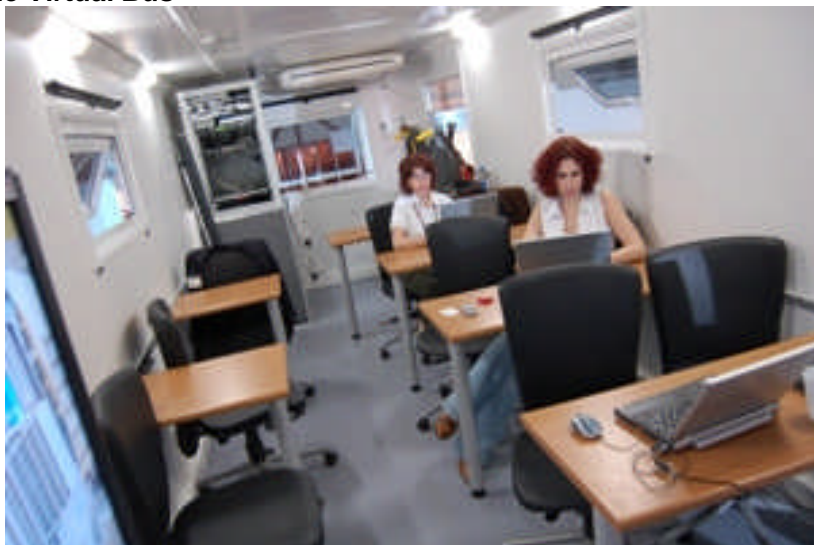
The bus offers support to users of its services via intermediaries. Trained staff are on hand to help users to access the Internet and undertake the tasks they wish to perform, e.g. help in using Internet banking or filling in a road tax application online. All assistance services are offered free of charge to users. The service staff are acting as agents in a multi-channel delivery environment where intermediaries + trainers are offered in one package. The trainers do multiple service tasks assisting the public in various ways (in gaining ICT skills and in accessing services online). Internet sources of knowledge are used to help citizens providing a further support channel to the intermediary and the citizen/user. However despite this example of intermediary involvement the case is predominantly focussed on making internet access and the front office (i.e. face to face support for citizens) mobile.

Fig 1. The Virtual Bus



Courtesy of Virtual IT

Fig 2. Inside the Virtual Bus



Courtesy of Virtual IT

3.0 IDENTIFICATION OF NEEDS

3.1 *Identifying needs*

The virtual bus project originated out some initial research and a 'pilot' project which helped to identify the existing needs.

Originally an FP5 research project was undertaken which explored statistics between 2001-2003 that identified a significant gap between urban and rural areas in levels of Internet usage in Cyprus. The original project aimed to explore how the Internet and e-commerce could be stimulated in 'lagging' areas. From 2003 to 2004-5 the Cyprus Research Promotion Foundation (RPF), funded further work to elaborate the research in rural areas. Two areas were selected – a valley area and a mountainous area – and internet coffee shops were installed in each area for a 3 month trial period. The coffee shops were sponsored by the Cyprus Telecommunications Authority (CYTA) who provided fast free Internet access for 4 PCs in each coffee shop. The coffee shops offered free training, free consultancy (such as intermediated support to help people access services via the web) and free web access. The coffee shops also included an ATM machine. 600 users used the coffee shops during the 3 month period. The pilot revealed very low levels of not just Internet skills/experience but more generally low levels of technology usage and skills; none of the 600 people accessing the coffee shop had even used an ATM previously.

This pilot revealed the need for enhancing technological skills levels across more remote areas of Cyprus. However the 'coffee shop' model was deemed to be too high budget and have too high a level of operating costs to be rolled out sustainably across the country. Instead the concept for a mobile option was developed, which would reduce operating costs while expanding service reach.

Additionally – through the provision of intermediated support (via the trained staff on the bus) – the project has established an additional need. Not only to provide ICT skills and access in remote rural areas but to provide assistance to citizens in accessing public and private online services.

Fig. 3. The Virtual Bus in action



Courtesy of Virtual IT

4.0 SHAPING ORGANISATIONS AND POLICIES

4.1 *Involving the private sector*

The virtual bus has involved public and private sector partners in a mixed funding arrangement.

4.1.1 *Setting up the virtual bus*

The virtual bus was set up over a period of 11 months from design to build completion. The project used a mixed funding model. The virtual bus was originally built using funding from the Cyprus Research Promotion Foundation (RPF) amounting to 60%. The remaining 40% of funding was derived from partners including the University of Nicosia, Virtual IT (the IT suppliers and project management team) and fundraising from a large number of suppliers and private companies including the telecoms and vehicle partners. For example the project was able to secure a discount from Mercedes on the cost of the bus, and discounts from other private suppliers on the costs of insurance and telecoms infrastructure (e.g. Cisco, Microsoft, CYTA and Mercedes).

4.1.2 *The business model going forward*

Now established, the bus is funded through individual 'commissions', mainly from projects that require some assistance in the dissemination phase of their project. Virtual IT who manage the virtual bus advertise its services widely. They are approached by different projects to provide dissemination services, and they provide a quote for the costs of doing so based on users' needs. The cost quote includes costs for staffing, a driver, the IT set up, electricity and petrol etc. the virtual bus then taps into project funding to be able to undertake tours and itineraries into the rural areas of Cyprus. Any surplus funding that is incoming from this project based work is re-invested into other activities such as work with United Nations to support a one day event for children with disabilities. Going forwards the Ministry of Finance will also be supporting an ad hoc project using the virtual bus.

Using this flexible model the project has been able to sustain its activities through a wide investment base and beyond the original life of the set up funding, while maintaining services that are free at point of access to the user.

4.2 *Involving beneficiaries*

Local communities have mainly been involved in the project as beneficiaries of the services and access provided. The project has also undertaken a variety of dissemination activities to share information about the virtual bus with potential audiences. However there did not appear to be much evidence of going beyond these means of involvement, towards involving beneficiaries, for example in project design, delivery or management, for instance as members of a steering or management committee, or in any formal evaluation of the project.

5.0 ASSESSING AND MEASURING OUTCOMES

5.1 *Monitoring and evaluation*

To date only limited monitoring and evaluation of the project has taken place. The project manager stated difficulties getting commitment from national ministries for the concept of the project which has meant they have been unable to fund evaluation work. It was suggested there was a gap between state officials' understanding of the potential of the web to transform Cyprus' more disadvantaged communities. No impact assessment work has been done to date, therefore impact is unproven.

5.2 *Outcomes to date*

Information on the outcomes from the project is therefore based on anecdotal and informal feedback from users of the virtual bus, and from the team's own perceptions. Some of the main outcomes to date have been:

- *Rising demand for web access in rural remote areas – people want the bus to become a more regular visitor to their areas*
- *There is a social value in taking the web out to people, enabling them to more easily access services such as e-banking and e-government.*
- *Provision of IT skills to disadvantaged communities*
- *Added services are happening spontaneously (for example bus staff are helping citizens with online tasks).*

5.3 *Lessons learned*

The main lessons learned from the project are as follows:

- *This type of project is supporting migration into public services (for low level or non users) and encouraging channel migration from face to face at local front offices towards online interaction*
- *This is an example of the front office delivery mechanisms adapting to suit the local geography and population needs*
- *Funding has never been an issue – close collaboration with research organisations and private funders has ensured this continuity of funding*
- *The support of a national ministry is a vital success factor for achieving national recognition and support – this has not yet been achieved and it has been difficult to convince public officials of the necessity of the Internet and therefore of the value of the project*

5.4 *Future plans*

- The Ministry of Finance is providing some funding for the virtual bus to expand to a wider programme of visits across 20 villages commencing in January 2009. Following a final report and if successful, the project may then be rolled out to create 4 buses.

- In future the virtual bus will be widening its target audiences to include younger people to encourage young people to consider IT as a career.
- The virtual bus will also be looking at expanding its reach to include technologies to allow blind people to access its services, such as new devices (an inclusion perspective).
- The Ministry of Commerce will also be supporting a workshop for SME's to promote e-commerce.

6.0 CONCLUSIONS

The wider conclusions to be drawn from this case study are as follows:

- In remote rural areas it is often more cost effective to deliver services via a mobile unit than attempting to install infrastructure across all areas
- Partnership working with the private sector can reap benefits in terms of providing matched forms of funding namely through private companies providing investment in a project (e.g. sponsorship) or discounts on technologies
- High-level commitment from government – for example a 'champion' is essential to ensure the higher level impact of a project
- Provision of additional 'emotional' support around 'harder' service delivery is often essential to overcome confidence issues and interest levels
- Getting people interested via the use of non-government sites in the first instance is often a way to engage people further.

Fig.4. Rural setting



Courtesy of Virtual IT