Financing South-South Cooperation for Building Digital Capacities

Seminar on South-South Cooperation for Building Digital Capacities for Industrialization in Africa
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Dr. Ricardo Gottschalk
UNCTAD

UNCTAD (2018) has proposed a ten-point digital cooperation agenda for supporting structural transformation:

- Building a regional data economy
- Building regional cloud computing infrastructure
- Strengthening regional broadband infrastructure
- Promoting e-commerce in the region
- Promoting regional digital payments
- Progressing on single digital market in the region
- Sharing experiences on e-government
- Forging partnerships for building smart cities
- Promoting digital innovations and technologies
- Building statistics for measuring digitization
Digital economy and digital technologies

Interdependencies
- Part of an ecosystem
- Inputs for other sectors and industries
- Dependent on digital and non-digital infrastructures

Challenges financing the digital economy

Startups

Digital infrastructure
But the real challenge starts with financing regional digital infrastructure...

As we move from the private sphere to the public realm: moving from a world of private returns to one of generation of a public good with societal returns in the long term.

How to finance it? How to finance such a regional initiative in Africa?

Development banks: Infrastructure and telecoms finance in total finance %
Africa’s sub-regional development banks – Total assets (US$Million, 2015)

- An African digital/development fund?
- Sovereign wealth funds
- Diaspora bonds

Other sources of finance?