#### UNCTAD

# INTERGOVERNMENTAL GROUP OF EXPERTS ON E-COMMERCE AND THE DIGITAL ECONOMY SIXTH SESSION

15:00-18:00 10 MAY 2023

ROOM XIX, PALAIS DES NATIONS, GENEVA
PANEL REMARKS AND TALKING POINTS
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Session 2: Prerequisites for a more equitable distribution of gains from the digital economy

The discussion will focus on the enabling environment/factors that is/are a prerequisite to shape a digital economy where gains can be shared more equitably and sustainably.

Talking points structure: Connectivity>Multiple digital divides>Barriers>Response 1: Local empowerment>Response 2: Enabling policy>Conclusion>BDT initiatives

Thank you [Moderator]

Distinguished Guests, Ladies and Gentlemen

Thank you for your kind invitation. I am delighted to be here.

I am here to talk about one thing today: connectivity.

**Connectivity** 

The *core mission* of ITU is to *connect the world*. It is in the DNA of the entire organization.

My view is that it is plausible that we may not feasibly see *universally equitable outcomes until* we have *universal connectivity*.

Our depiction of *connectivity* now reflects *various characteristics*.

Specifically, we need *universal* and *meaningful connectivity*.

Universal and Meaningful Connectivity is a level of connectivity that allows users to have a *safe*, *satisfying*, *enriching* and *productive online experience* at an *affordable cost*.

Universal and Meaningful Connectivity is a necessary condition for a *prosperous and inclusive society.* 

The *global digital transformation* we seek *demands connectivity*.

#### Multiple digital divides

Let's look at the problem. We fundamentally have an access gap and a usage gap because of many factors.

According to ITU data, 2.7 billion people worldwide remain offline, with universal connectivity still a distant prospect in least

developed countries and landlocked developing countries, where, on average, only **36 per cent** of the population is online.

Only **83** per cent of the combined LDC population is covered by a mobile broadband signal, compared with **95** per cent of the world's population. For LDCs, this leaves an access gap of 17 per cent of the population that cannot access the Internet reliably.

Within these figures, equitable outcomes are hampered by *multiple digital divides*.

Divides exist between: *genders, urban/rural populations, and youth & young adult/adult populations.* 

But further gaps exist in access at home and at school, quality and speed of connection, digital skills training, and equal digital opportunities for marginalized groups.

Marginalized populations tend to be further marginalized under these conditions.

Worst off are the LDCs and LLDCs, where a *low* overall use of the Internet is combined with a high gender inequality in the use of the Internet.

In this group of countries, a distinct gender divide persists. On ITU figures, 43 per cent of

*men* were online last year, compared with *30 per cent of women*.

This is a complex picture. On ITU figures, 47 per cent of the population in this country group has access to the Internet but does not use it. This so-called usage gap reminds us of other barriers—besides the access gap—that discourage Internet use.

We must *bridge* the *multiple digital divides* we observe across geographies and demographic groups in terms of access, affordability, skills, technology, and so on.

We *cannot afford* growing gaps. The risk is that connectivity becomes the *great divider* instead of being the *great equalizer*.

#### **Barriers**

#### Let's look at key barriers.

**Barrier 1:** Critical barriers exist, particularly in *affordability*.

Latest ITU price data reveal that - taken overall - using the Internet became *more affordable globally* in 2022.

Our benchmark is the United Nations Broadband Commission for Sustainable Development target, which states that broadband access is considered affordable *if it* 

costs less than 2 per cent of the average monthly GNI per capita.

The latest statistics show *significant improvement in affordability*: in 2022, 103 economies met the target with respect to the data-only mobile-broadband basket and 71 economies met the target with respect to the fixed-broadband basket, in each case seven more economies met the target in 2022 than in 2021.

#### BUT...

Meeting the target presents a particular challenge for low-income economies, especially LDCs. In 2022, *only 2 out of the 46 LDCs met the 2 per cent target*.

There are a further **16 LDCs** where mobile-broadband services cost **less than 5 per cent of monthly GNI per capita**.

This means that *in the vast majority of LDCs*, mobile-broadband Internet *costs more than 5 per cent of GNI per capita* and *as much as 24 per cent* in one instance.

For fixed-broadband Internet, *the situation is even worse*, costing more than 5 per cent of GNI per capita in all but 2 LDCs, more than 20 per cent in 15 LDCs, and as much as 93 per cent in one case.

# Barrier 2: A significant *digital skills gap* is present.

A *low level of ICT skills* is another one of the main barriers to achieving universal and meaningful connectivity.

**Digital skills are crucially important** in leveraging ICTs to boost development. Yet data for such skills remain very scant.

Only 78 countries submit data. In these 78 countries, there is a high share of overall Internet use – 86 per cent, but a relatively low level of skills.

This gap between individuals using the Internet and those with digital skills demonstrates that many may be using the *Internet without being able to fully benefit* from it or *avoid its dangers*.

### Response 1 Local empowerment

#### I believe local empowerment is key.

Empowering people to fully benefit from connectivity also entails the creation of local environments and ecosystems that are conducive to innovation, digital

entrepreneurship, and private sector engagement.

This calls for a **whole-of-government** and **whole-of-society** approach, with active community engagement in design, implementation, and scaling of meaningful connectivity solutions.

#### Response 2: Enabling policy

### We need to talk about enabling policy.

Implementation of relevant regulations and policies should also be prioritised to create a safe and transparent environment, where stakeholders could use connectivity and digital solutions for the benefit of the entire society. Again, this is a whole-of-society approach.

**Policies** and regulations should incentivise **leveraging** the technology for the common good, including by setting and communicating clear objectives, standards, and expectations.

**Policies** can incentivise multi-stakeholder partnership formation.

**Enabling policy** can deliver **digital upskilling** to great effect.

#### Strategy and perspectives

How should we move forward?

#### Relevant focus is needed.

We encourage countries to adapt their strategy from *a narrow focus on infrastructure* to *a holistic approach*.

# Accurate data is key for evidence-based decision-making.

By **measuring** universal and meaningful connectivity **indicators**, policymakers and organizations **can better understand the challenges and opportunities** involved in building a more equitable and sustainable digital future for everyone.

High quality, high performance, highly effective partnerships are needed. No one entity can deliver this by itself.

Capacity building and digital upskilling is vital.

#### Closing

#### Think conceptually.

In closing, I see our collective challenge as more like *a global jigsaw puzzle*.

At the outset, there are *many* pieces. They do not appear to relate to each other. But *we know* that the big picture will be coherent.

More than that, we know as the pieces are assembled, the logic becomes clearer.

And even more than *that*, we know that once some pieces have been correctly assembled, it becomes much easier to see the outlines of where the other pieces fit.

This is our challenge, fundamentally: starting the puzzle and fitting some pieces together.

Our strategy is clear: I see BDT fundamentally a *connector* to foster appropriate collaborations and partnerships.

We need to work more *collaboratively* to solve the puzzle. Each initiative, each data collection, each significant digital upskilling, each case study places itself in the puzzle—and lets everyone else see the developing picture.

**Digital transformation** is, for me, the **big picture**. And I can say for all of us—this is most certainly **the puzzle of a lifetime** with enormous global implications.

Join us and we can solve the puzzle together!

Thank you!

We can talk about many examples where connectivity has taken on this vital character to move digital transformation forward. All involve partnerships.

#### **Example: Smart Islands/Smart Villages initiative**

The ITU-led *Smart Villages* and *Smart Islands* initiative is delivering meaningful connectivity to remote rural communities in developing countries by deploying multi-functional digital platforms that support needs-based SDG-related services and contribute to emergence of *local innovation ecosystems*, *sustainable collaborations*, and *impact-oriented partnerships*.

First piloted in Niger in 2019, the Smart Villages and Smart Islands model is now being replicated in mother countries in different regions of the world, including small island developing states in the Pacific.

# Example: Innovation and Entrepreneurship Alliance for Digital Development

As BDT Director, I launched a new initiative in January 2023, the *Innovation and Entrepreneurship Alliance for Digital Development*, to close the growing digital innovation gap between countries.

This Alliance explicitly sees entrepreneurship and innovation brought together particularly in a context of local enablement.

Implicit in these plans is high quality connectivity.

This *multi-stakeholder Alliance* seeks to help countries accelerate achievement of digital inclusivity by developing *a network of a new generation of innovation centers* at the national, regional and global levels.

The Alliance is committed to stakeholder capacity building. We want to share good ideas and good practices across borders.

### Example: Giga Schools

An ITU/UNICEF partnership, Giga aims to **connect** every school in the world.

In just a short period of time since its establishment in 2019, Giga has made strides in achieving universal school connectivity:

- Mapping more than 2.1 million schools in 136 countries on Giga Maps to pinpoint which schools remain offline;
- *Connected* 5,561 schools in 20 countries;
- Building the UN's largest NFT collection to raise funds for school connectivity;

- Financing school connectivity through innovative mechanisms such as spectrum auctions and special contracting arrangements for school connectivity and;
- Sharing stories of impact from Brazil, the State of Palestine, Sudan, and many more. By the end of 2023, Giga aims to have mapped the locations of 2.5 million schools and supported 40 countries through connectivity initiatives, and helped governments connect 20,000 more schools to the Internet using Giga's innovative tools and approaches.

#### **Example: Partner2Connect**

 The Partner2Connect Coalition, launched by ITU in close cooperation with the Office of the Secretary-General's Envoy on Technology, the UN Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Islands Developing States (UNOHRLLS), and in line with the UN Secretary-General's Roadmap for Digital Cooperation, was created to foster connectivity meaningful and digital transformation in the hardest-toconnect communities.

• To date, 620 pledges worth nearly USD 30 billion have been received from 296 entities in 119 countries.

#### **Example: Digital upskilling programmes**

BDT is involved with many digital upskilling programmes across the world. The programmes serve diverse groups, particularly disadvantaged groups such as women and girls at all skill levels.

- Our *Digital Transformation Centre* Initiative aims to reach underserved communities in developing countries.
- The *Tech as a Driver of Women's Economic Opportunity* initiative, implemented by ITU and financially supported by the *Enhanced Integrated Framework*, transfers digital skills to women and girls in the agricultural and textile sectors. *I saw beneficial outcomes with my own eyes on a visit to Burundi and Ethiopia last week.*
- *Girls in ICT Day*, with a theme of *Digital Skills for Life* this year, inspires girls to think about STEM careers. It is now effectively a year-round platform.
- The **Women** in **Tech** challenge supports skills development for working age women to develop **citizen**-centric digital government services.
- The *ITU-D Women in Cyber Programme* addresses gender and workforce gaps in cybersecurity through trainings, role-modelling and mentorship.

- The **EQUALS Her Digital Skills** programme seeks to inspire women and girls into STEM careers through training and e-mentoring opportunities.
- The EQUALS in Tech Awards aim to celebrate regional initiatives that help girls and young women gain equal internet access, digital skills and opportunities in the tech industry.

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