Development Co-operation Report 2021:

SHAPING A JUST DIGITAL TRANSFORMATION

OECD

The international community can:

1. Be responsive to digital realities in developing countries

2. Manage universal risks with global co-operation

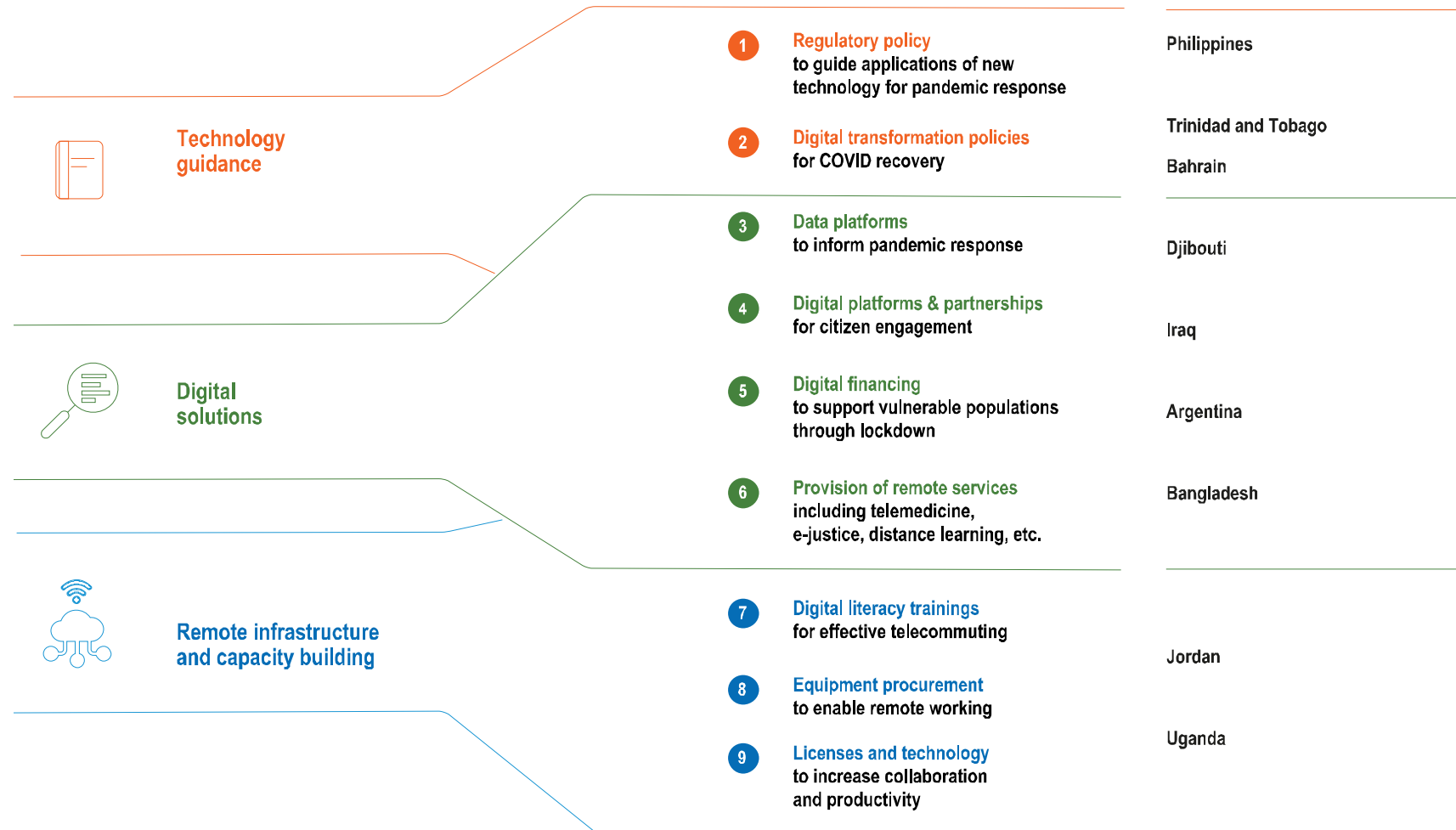3. Adopt a new development co-operation framework

Demand increasing, becoming more complex

Demand for digital support

COVID-related areas

from 100+ UNDP programming countries

Country examples

Technology guidance

| 1 | **Regulatory policy** to guide applications of new technology for pandemic response |
| 2 | **Digital transformation policies** for COVID recovery |

Philippines

Trinidad and Tobago

Bahrain

Digital solutions

3	**Data platforms** to inform pandemic response
4	**Digital platforms & partnerships** for citizen engagement
5	**Digital financing** to support vulnerable populations through lockdown
6	**Provision of remote services** including telemedicine, e-justice, distance learning, etc.

Djibouti

Iraq

Argentina

Bangladesh

Remote infrastructure and capacity building

7	**Digital literacy trainings** for effective telecommuting
8	**Equipment procurement** to enable remote working
9	**Licenses and technology** to increase collaboration and productivity

Jordan

Uganda

What kind of digital support are developing countries demanding- Chap 6, UNDP

Insights on success factors for developing countries in digital transformation

- Leadership from a central body

- Political backing helps turn strategies into reality,

- A clear vision of how digital tools advance the country's wider ambitions

- Prioritising voices of those most likely to be disadvantaged by digital transformation

- Quick gains relevant to local context can indicate the opportunities.

- A whole-of-government approach

- Partnering with the private sector

Global co-operation should tackle universal risks

SHARED NORMS AND RULES

Cross-border data flows and increasingly complex issues such as taxation, cybersecurity, and privacy and personal data protection require harmonisation of governance frameworks. While each country must chart its own digital path, shared norms and rules for governing digital technologies are needed.

– OECD, Overview

DIGITAL REALITIES

The discourse around global governance must better accommodate the real digital transformation challenges of developing countries – they are, after all, home to the majority of the digitally unconnected and thus offer the greatest potential for growth and even untapped innovation for our digital futures.
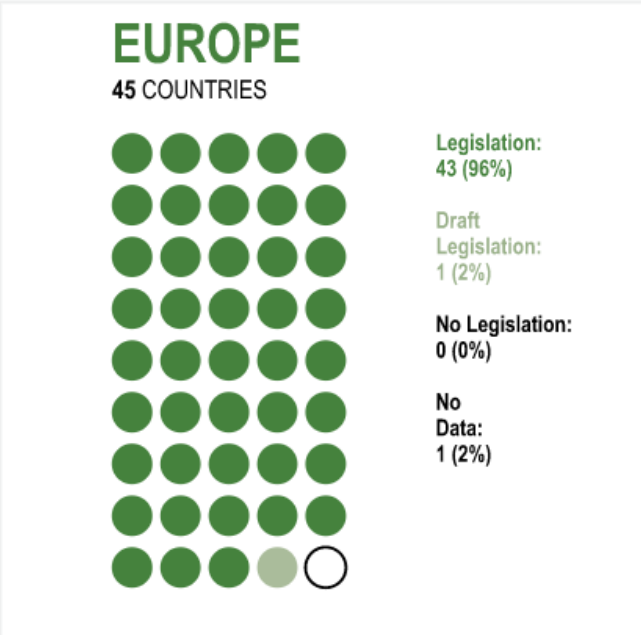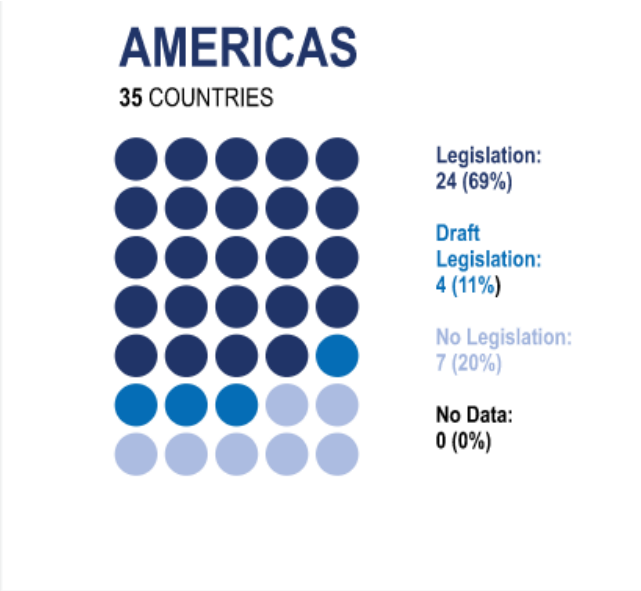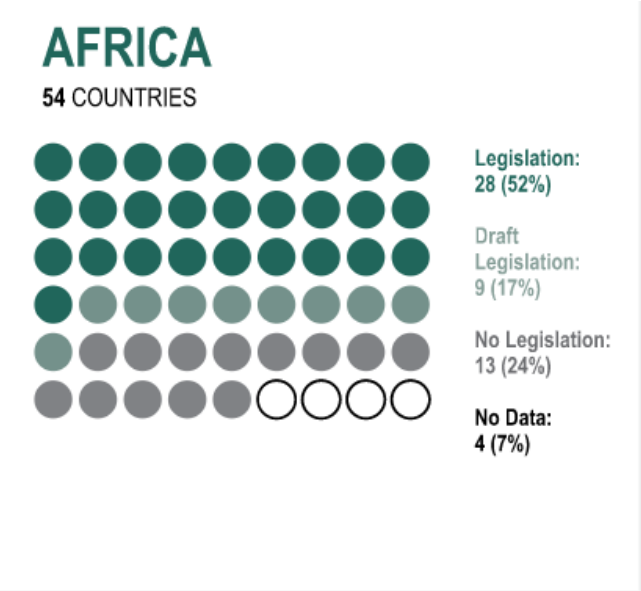
– Nanjira Sambuli, IMV

MEANINGFUL REPRESENTATION

Lack of co-ordination on data regulations … further disadvantages low- and middle-income countries which, on their own, lack the economic leverage needed to influence both the practices of big tech companies that dominate global data flows and the terms on which cross-border data flows are governed in bilateral agreements with wealthier countries.

– CGD & World Privacy Forum, Chapter 29

Country data protection laws by region vary

AFRICA
54 COUNTRIES

Legislation: 28 (52%)
Draft Legislation: 9 (17%)
No Legislation: 13 (24%)
No Data: 4 (7%)

AMERICAS
35 COUNTRIES

Legislation: 24 (69%)
Draft Legislation: 4 (11%)
No Legislation: 7 (20%)
No Data: 0 (0%)

ASIA-PACIFIC
60 COUNTRIES

Legislation: 34 (57%)
Draft Legislation: 6 (10%)
No Legislation: 16 (27%)
No Data: 4 (7%)

EUROPE
45 COUNTRIES

Legislation: 43 (96%)
Draft Legislation: 1 (2%)
No Legislation: 0 (0%)
No Data: 1 (2%)

Creating a level playing field for data protection - Chap 29, CGD

OECD serving the international system on digital governance:

➤ Going digital initiative

➤ New research to accelerate digital transformation

➤ Inclusive forum to shape a digital future

➤ DAC support participation of developing countries

Global digital transformation: A development challenge

DEVELOPMENT CO-OPERATION CAN HELP ACHIEVE A JUST DIGITAL TRANSFORMATION FOR ALL BY:

→ Ensuring policies and partnerships power an inclusive digital future

→ Supporting national and regional building blocks for sustainable digital ecosystems

→ Making digital financing fit for purpose with greater scale, innovation and flexibility

Checklist for digital policies and partnerships

- ✓ Commit to holistic digitalisation strategies for sustainable impact, considering opportunities to support enabling policy environments, digital infrastructure and cross-sector digital solutions.

- ✓ Build awareness, high-level buy-in, digital literacy and skills within the development co-operation system to deliver on the strategy.

- ✓ Participate in synergistic alliances for greater efficiency and effectiveness, with shared principles, good practices and knowledge sharing, with each partner playing to their comparative advantage.

- ✓ Promote safeguards in digital systems including data protection, and checks and balances for open civic space and democratic freedoms.

- ✓ Champion inclusive international dialogue on digital norms and governance; and systematically include digital development in the policy coherence for development agenda.

Digital and civic space are becoming intertwined

Digital Openings

● **Increased digital access**
● **Social media activism**
● **Civic tech activism**
● **Laws expanding rights**
● **Digital security technologies**
○ SMS activism
○ Global diaspora connection
○ Digital rights expansion
○ Strategic litigation
○ IMSI sniffer apps
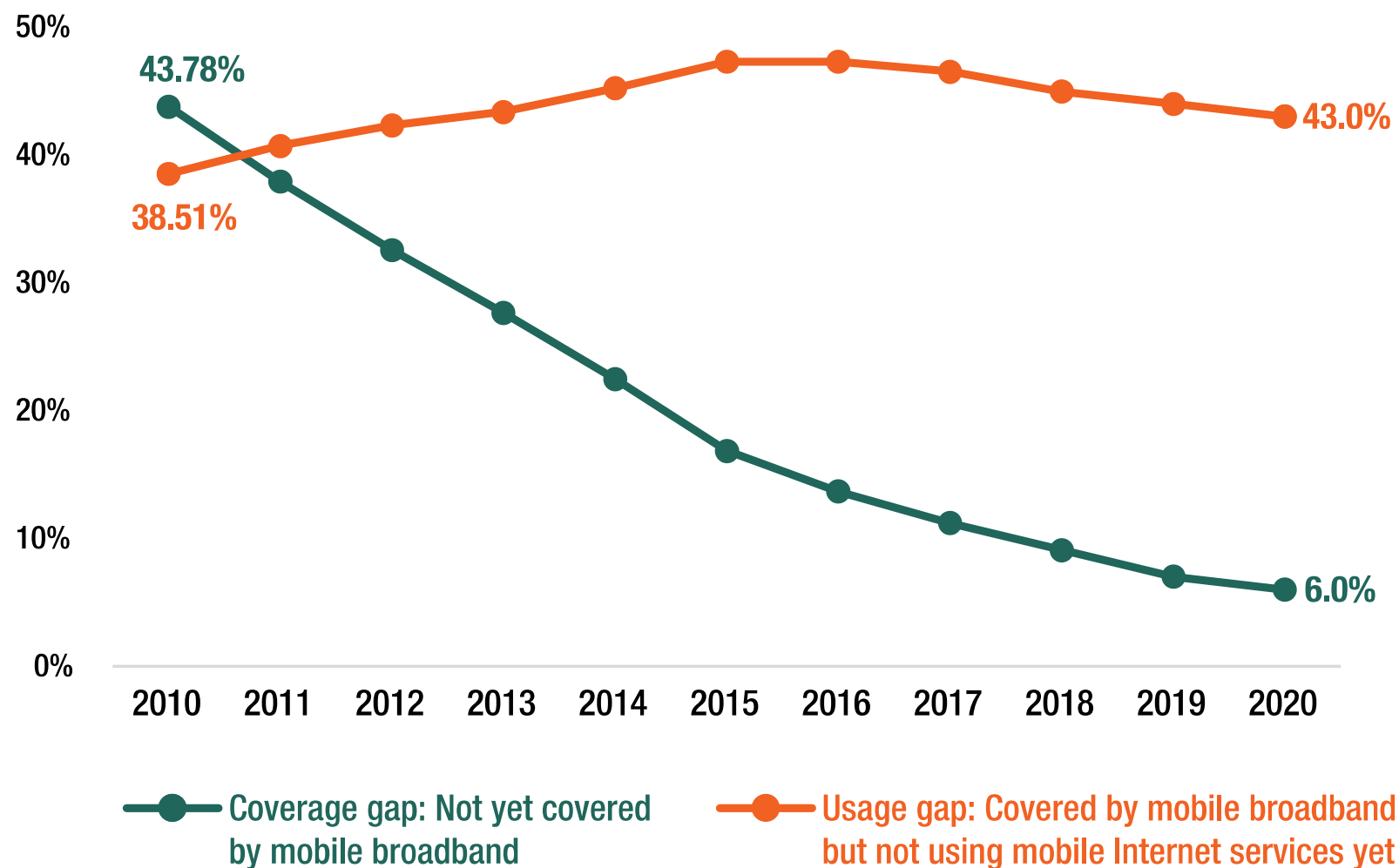
● Shifts   ○ Implications

Digital Closings

● **Digital surveillance**
● **Digital disinformation**
● **Internet shutdowns**
● **Laws reducing rights**
● **Arrests for online speech**
○ Closing civic space to specific groups
○ Mandatory mobile SIM card registration
○ Price hikes, social media tax
○ Mandatory registration of bloggers
○ Mandatory ID for internet cafe use
○ Bulk SMS bans
○ Murder of digital-election officials
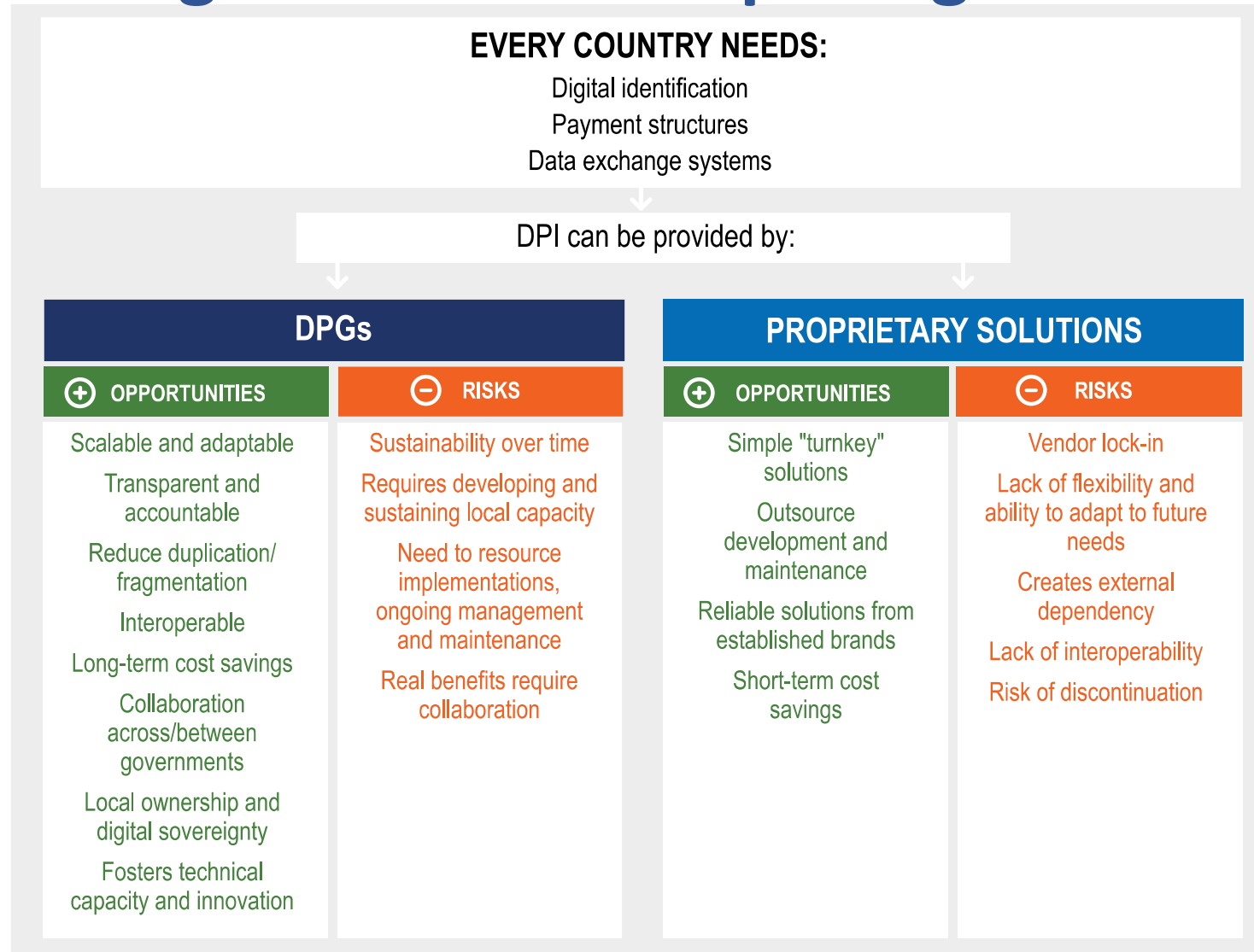
Checklist to support digital building blocks

✓ **Partner and align** with national and regional bodies, paying attention to key enablers.

✓ Support the development and diffusion of **digital public goods** at the global, regional and national levels, including through more predictable and long-term financing.

✓ Focus technical assistance on country capabilities to design **sustainable digital public infrastructure** and policy-making and regulatory capacities, and partner with the private sector to overcome connectivity and usage barriers.

✓ Help **close the usage gap** with solutions that reduce the cost of data and digital devices, increase locally relevant content, and digital literacy and safety online.

✓ Incentivise the design and use of socially responsible, **alternative digital technologies** that help achieve development goals.

✓ **Improve the evidence base** and data on digital divides, and the relationship between digital transformation and the achievement of development goals.

Coverage gaps are closing, but barriers to use must be tackled

Evolution of gaps in global coverage and usage- Chapter 4, GSMA

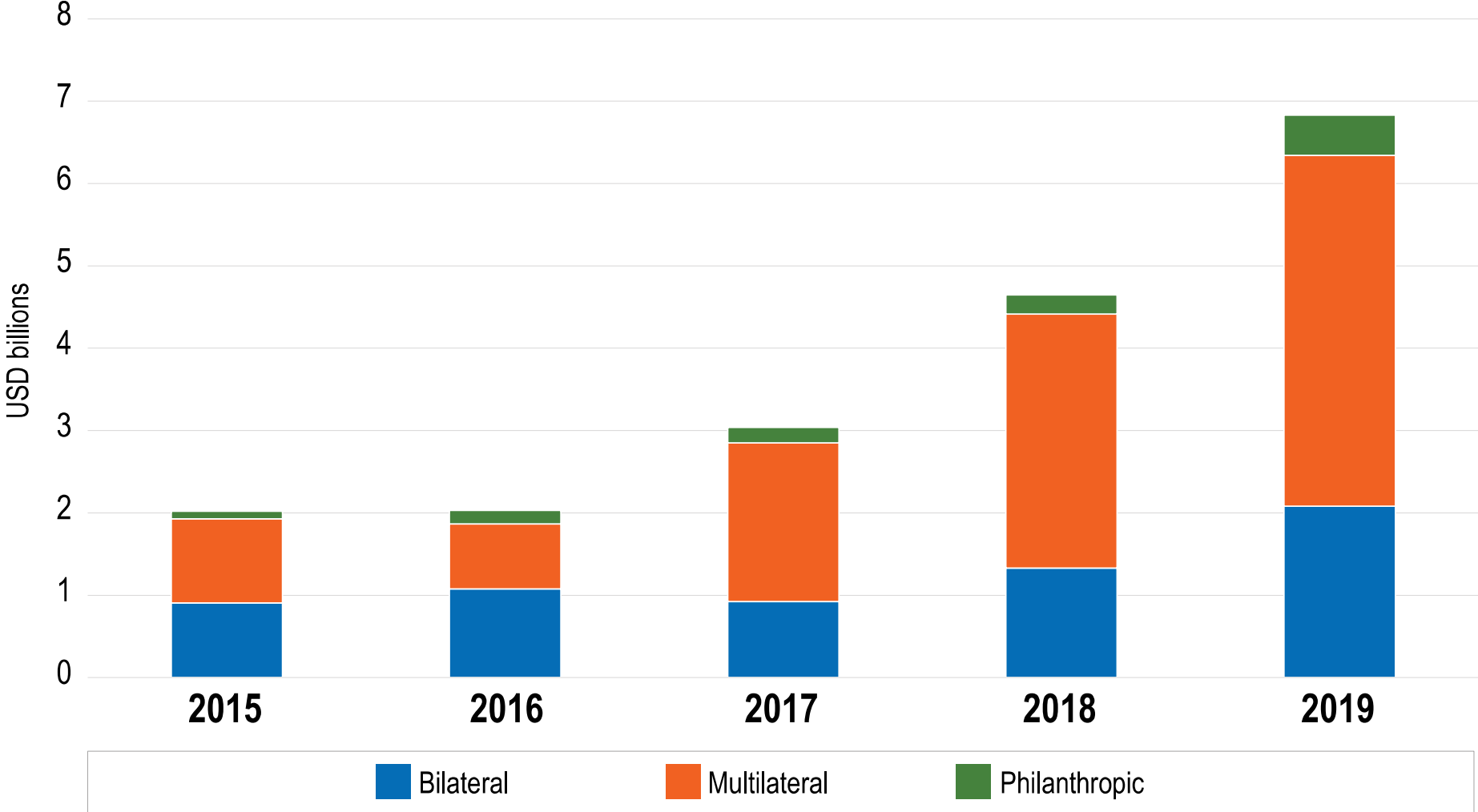# Digital public goods can underpin digital sovereignty

EVERY COUNTRY NEEDS:

Digital identification

Payment structures

Data exchange systems

DPI can be provided by:

DPGs		PROPRIETARY SOLUTIONS	
⊕ OPPORTUNITIES	⊖ RISKS	⊕ OPPORTUNITIES	⊖ RISKS
Scalable and adaptable	Sustainability over time	Simple "turnkey" solutions	Vendor lock-in
Transparent and accountable	Requires developing and sustaining local capacity	Outsource development and maintenance	Lack of flexibility and ability to adapt to future needs
Reduce duplication/ fragmentation	Need to resource implementations, ongoing management and maintenance	Reliable solutions from established brands	Creates external dependency
Interoperable	Real benefits require collaboration	Short-term cost savings	Lack of interoperability
Long-term cost savings			Risk of discontinuation
Collaboration across/between governments			
Local ownership and digital sovereignty			
Fosters technical capacity and innovation			

Options for providing digital public infrastructure- Chap 26, DPGA
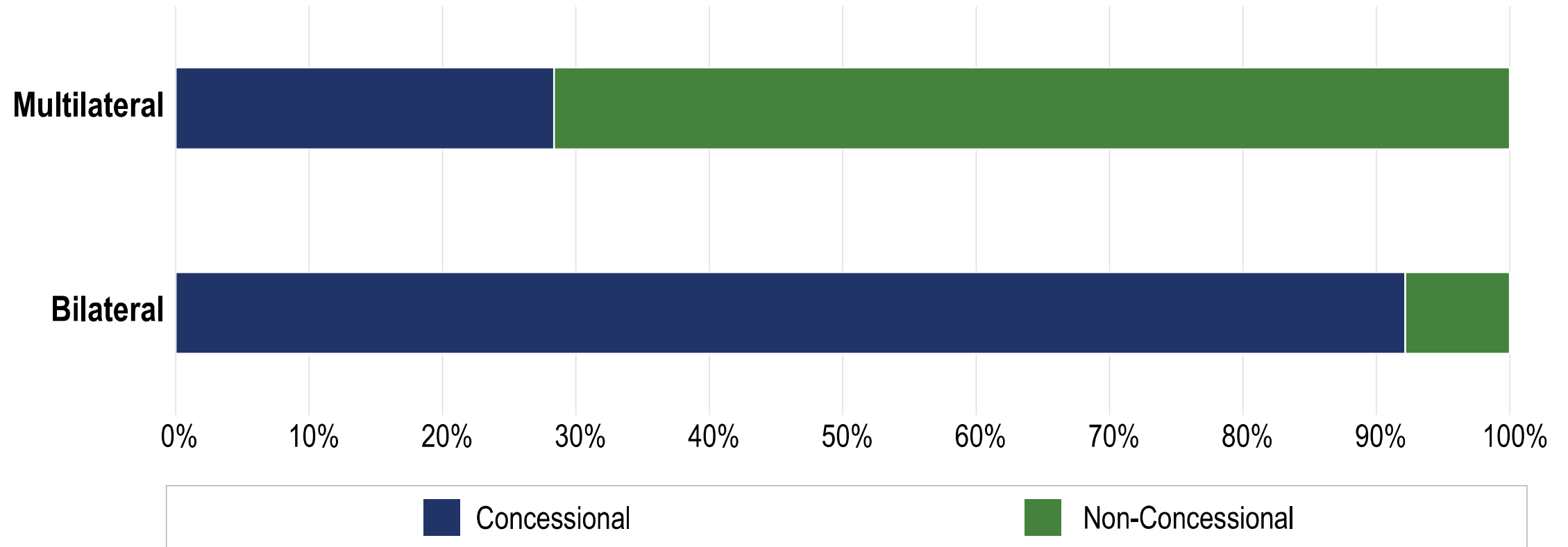
OECD

Checklist for digital financing

✓ Support domestic resource mobilisation and policies to lower costs of access and use.

✓ Increase risk appetite, budgeting flexibility and predictability for innovative and mixed financing instruments that are fit for co-created and co-owned digital public goods.

✓ Broaden and diversify partners to increase scale and back innovation, including civil technology companies and local start-ups.

✓ Catalyse and complement private investment through public-private partnerships, blended finance, guarantees and complementary use of grants for capacity building.

✓ Support and align with harmonised procurement processes and standards that are fit for the acquisition of digital technology.

✓ Increase scale, efficiency and impact by pooling finance and expertise among providers to reduce fragmentation.

✓ Increase transparency of finance-for-digital with an agreed statistical method.

Finance dedicated to this sector is also increasing

Development finance for digitalisation more than tripled from 2015-2019, Chapter 40, OECD

Multilateral and bilateral actors provide different types of financing

Finance is concentrated in communications

Sector	Multi	Bilateral
Other	1%	6%
Transport and Storage	2%	1%
Energy	4%	2%
Banking and Financial Services	13%	2%
Industry, Mining, Construction	2%	3%
Business and Other Services	3%	3%
Population Policies/Programmes and Reproductive Health	0%	3%
Emergency Response	0%	3%
Health	3%	4%
Agriculture, Forestry, Fishing	1%	4%
Other Multisector	0%	5%
Education	1%	9%
Government and Civil Society	6%	15%
Communications	65%	42%

■ Multi   ■ Bilateral