

**THE ONE PERCENT DIGITAL SOLIDARITY PRINCIPLE
FOR DEVELOPMENT
DEVOTED TO REDUCING THE DIGITAL DIVIDE**

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Introduction

On daily basis, the gap between Africa and the industrial world in terms of access to and use of ICTs for development is widening. The brief on the DSF, which was circulated, gives a picture of the situation in the African continent and underlines the role that ICTs can play in the development of the continent. The picture in the brief does not in any way mean that progress is not being made. For example, Africa has witnessed a growth rate in the mobile telephone more than any other region of the world. Despite this encouraging success, Africa still lacks behind, as most of the progress made is concentrated in the urban centres, while a majority of the African population lives in rural areas and small towns, which are yet to be significantly affected by the ICTs.

We are all living witnesses of the thousands of African youngsters leaving for Europe and United States, sometimes at the risk of their lives. Even those that have been trained with the meagre resources of Africa are also leaving. What are these youngsters looking for, other than opportunities to flourish, a future that their countries of origin are unable to offer? This future lies in access to and the use of the new ICTs, while remaining in their communities to contribute to economic development of their countries. The youth understand, that Africa cannot participate fully in the globalize economy, until the continent, including all rural communities, are integrated in the information society. This situation presents both challenges and opportunities to stakeholders.

The Meeting of Experts and Ministers

This meeting provides us with an opportunity to look back and see how far we have come and how much more we need to do to provide the African people with access to ICTs and harness them for development. The DSF considers this meeting as vital to keep the momentum of the struggle: the common desire and commitment adopted in 2003 at the World Summit on the Information Society, to “build an inclusive and development centred information society, where everyone can create, access, utilize and share information and knowledge, enabling individuals, communities and peoples to achieve their full potential in promoting their sustainable development and improving their quality of life, premised on the purpose and principles of the charter of the United Nations and respecting fully and upholding the Universal Declaration of Human Rights”.

The WSIS recognized that “education, knowledge, information and communication are at the core of human progress, endeavour and well-being”. Information and Communication Technologies (ICTs) have enormous impact on virtually all aspects of people’s lives. There is no aspect of socio-economic life that is not today, directly affected and driven by the ICTs. Any student today, lacking basic learning tools such as a computer, is as going to school without exercise books and pencils. Any school, without computers, is one operating without exercise/text books, chalk, markers, pencils and blackboards. In short, access to ICTs is an absolute necessity to train the youth for future leaderships for the economy. We must however, acknowledge that access also

comes with its challenges, as ICTs could be used for negative purposes such as fraud, pornography, terrorist acts, illegal migration of youths, etc...

Access to ICTs, Opportunities and Challenges

Those with access to these technologies have opportunities to harness and use them to attain higher levels of development. On the other hand, those without access will be left behind. It is however, unfortunate that the benefits of these ICTs are unevenly distributed between the developed and developing countries and also between the urban and rural areas. When we look at the African continent, the majority of school children and women in the rural areas and even marginalized parts of urban areas, have no access to ICTs. The Youth are the future leaders and workforce, and therefore, must be empowered as learners, developers, entrepreneurs and decision-makers.

The challenge before the entire international community, particularly the African continent, is how to provide access and harness the potentials of Information and Communication Technologies (ICTs) to promote the achievement of the Millennium Development Goals. To achieve the MDGs, we must focus on young people and women, who have no access to benefits from the opportunities offered by ICTs. We must empower the youth and women, particularly those in rural and marginalized urban areas, to access and use ICTs as a tool to take them out of poverty. To achieve this, would require a new solidarity-based approach, partnership and cooperation between governments and other stakeholders-private sector, civil society, development partners and international organizations. We already know that 2015 is the target date to connect with ICTs:

- Villages and establish community access points,
- Universities, colleges, secondary and primary schools,
- Scientific and research centres,
- Health centres, and hospitals ,
- Public libraries, cultural centres, museums, post offices and archive,
- Local and central government departments and establish websites and e-mail.

It is also the target date to:

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- Adopt primary and secondary school curricula to meet the challenges of the information society.
- Ensure that more than half of the African population has access to ICTs.

If the governments in partnership with other stakeholders are able to make significant progress towards achieving the above, then African youth would better be placed in the digital economy. At the policy level, most African countries have adopted, or are in the process of adopting, excellent and conducive regulatory and policy frameworks for the private sector growth in the industry. That is why the growth rate in the mobile telephony is very high. There are, however, challenges that still need to be overcome. The African rural communities are not attractive to investors for several reasons:

- The rural communities are poor, and therefore, have low consumption capacity for services;
- Businesses will not get a quick return on their investment;

- Industrial activities are generally concentrated in urban areas;
- Infrastructure, especially power and energy, is poor or non-existent

The international community, particularly the development partners of Africa, must be more pro-active in helping countries without access. It is in their interest to do so. If these countries and communities do not have access, cost to the development partners will be much higher . .

Role of Stakeholders

International and Regional Organizations, and other stakeholders, have a “key role in integrating the use of ICTs in the development process and making available the necessary resources for building an equitable information society”. The Global Digital Solidarity Fund (DSF), was created by the WSIS as an innovative and complementary financing mechanism of a voluntary nature, open to all stakeholders with the objectives of transforming the digital divide into digital opportunities for the developing world, by focusing mainly on specific and urgent needs at the local levels.

The Fund mobilizes resources, and in partnership with other stakeholders, implements projects in rural communities. As at today, the DSF has successfully implemented ten tele-medicine and tele-education projects in Burkina Faso and Burundi. These projects are having tremendous impact on youth and women development in the two countries. Launched by the DSF last week in Maputo, is an e-education programme for African and developing countries. This e-education programme supplements another e-health programme, in which the DSF proposes the installation of 1'000 tele-medicine units in district hospitals across Africa. The DSF has also just signed a MoU with NEPAD e-Africa Commission, to collaborate especially in the implementation of the NEPAD e-school initiative.

Even if all member countries of United Nations join the DSF and pay their contribution, the resources would still not be sufficient to address the challenges of the digital divide. It is this consideration that made the DSF to explore other alternative means of generating stable income, to reduce the digital divide.

Innovative Financing Mechanisms for Development and the Leading Group on Solidarity Levies to Fund Development

It may be recalled that in Monterrey in 2002, the International Conference on Development Financing made it clear that to achieve the Millennium Development Goals, existing sources of financing for development would have to be increased substantially. Since that Conference, there have been concerns that the traditional development assistance has not matched the expectations. The figures published in 2007 by the OECD, for example, show that the official development assistance (ODA) fell by 5% in 2006, while the unsolved problems continue to grow. This negative trend even amplified in 2007.

During the Millennium+5 Summit in 2005, at the initiative of Brazil, Chile, France, Algeria, Spain and 79 other countries, a Declaration was adopted, inviting the international community to reflect on the implementation of solidarity contributions, aimed at mobilizing additional resources, to provide stable means for financing

development. A Conference was later held in Paris, to examine and review the following financing mechanisms for development:

- Environmental taxes, primarily through levy on air and sea transport;
- Taxation on financial transactions;
- Taxation on arms trade;
- The use of special drawing rights;
- International financing facilities;
- Voluntary contributions.

As a result of the Conference the “Leading Group on Solidarity Levies to Fund Development”, was established. The “Leading Group” is composed of 54 countries (from the North and the South) and 2 observers and has held four plenary meetings (Brasilia/July 2006, Oslo/February2007, Seoul/September 2007 and Dakar/April 2008). For the next 6 months (May to November 2008), the Leading Group is presently chaired by Guinea (Conakry).

1% Digital Solidarity Contribution

Within this debate, the Global Digital Solidarity Fund (DSF) has proposed the 1% Digital Solidarity contribution, on Information and Communication Technologies (ICTs) related public procurements, the proceeds of which will be allocated specially to fight the digital divide.

This principle would be clearly stated in the public bids on a voluntary basis by public and private entities and the winning vendor would commit to contribute 1% of the transaction to the Fund. For example, African Union Commission Secretariat can decide to introduce this clause in all its bids related to the ICT sector. The terms of this clause states that the vendor who wins any ICT related contracts at AU Commission Secretariat would pay 1% of such transactions to the DSF from their profit margins. For the winning vendor, this is neither a tax nor a donation, but an investment as the contribution will be invested to open new markets in the same sector, in rural communities in the developing world. In recognition of this contribution, the winning vendor receives a digital solidarity label.

Considering that the 1% digital solidarity principle is to complement traditional development funding by offering stable sources of revenue that would be used specifically to reduce the digital divide, the Leading Group decided to include this principle as one of the innovative financing mechanisms for development.

To implement it on a universal basis, Senegal has proposed the adoption of an International Convention endorsing this principle. The text of this Convention was discussed for the first time in January 2008, during an Expert Meeting of the Leading Group in Dakar.

The ACP Summit, held in Khartoum in 2006, accepted the digital solidarity principle as variable means of mobilizing resources and has called on its development partners to implement it. The DSF also wishes to report that the principle has been tested and it works. Already, 9 companies, 2 institutions, 2 Local authorities and one Nation State have agreed to implement the 1% digital solidarity principle.

The advantage of this mechanism to mobilise resources is that, while it does not require additional funding from public authorities, it can generate billions of dollars, provided it is universally implemented. It requires nothing more than political will.

The digital solidarity clause has no financial impact on the organization that applies it, as the financial contribution is paid by the vendor or company that wins the procurement contracts. The ICT companies (the vendor) suffer no losses, as the DSF will reinvest this 1% in ICT equipment and services . Furthermore, by investing the money in ICT equipment and services in populations with insolvent demands, the ICT markets will be expanded, creating new opportunities for the vendors. At the end of the day, the “Information Society Marshall Plan” being proposed by the DSF will benefit market operators.

Through this principle, the international community can mobilize billions of dollars for the implementation of projects and programmes for a more equitable information society. The synopsis of the 1% Digital Solidarity Principle explaining how it works, and responses to questions usually asked, is attached.

Way Forward

At its 4th Plenary Session in Dakar (22-23 April 2008), the Leading Group on Solidarity Levies endorsed this principle and has agreed to further negotiate the Convention to enable for it to be considered for adoption, by all member countries of the Group, at its 5th session (Conakry/October 2008). Once it is adopted by the Leading Group, the Convention will be tabled at the Lyon World Conference of Digital Solidarity, which will be held, at the invitation of President Nicolas Sarkozy, on 24 November 2008. This Conference presents an opportunity to mobilize resources for rural community projects and the adoption of an International Convention on Global Digital Solidarity Fund.

The meeting of Africa ICT Experts and Ministers responsible for Telecommunications presents an opportunity for the continent to consider the adoption of this principle. Africa should send a clear signal to the rest of the world that the continent is demanding for a more equitable information society governed by the principle of solidarity. This can be achieved if Africa is able to support the 1% digital solidarity principle, harmonizes its position and presents it at the Digital Solidarity World Conference on 24 November 2008.

Endorsement of the 1% Digital Solidarity Principle would provide the means of breaking the exclusion to which rural communities in Africa and other developing regions are currently condemned. Africa should not forget the international community is preparing for the Doha Summit in December 2008 to review the commitments of the Monterrey Conference of Development Financing of 2002. It is the desire of the international community that the MDGs will be achieved by 2015. If the draft Convention on the DSF receives the support of Africa, it will become the expression of the continent for the international community to act concretely and effectively to mobilise the resources to reduce the digital divide.

Attachments

1. Brief of the DSF
2. List of members of the Leading Group on Solidarity Levies.
3. The 1% Digital Solidarity Principle.
4. Draft Convention on the DSF.