

Geneva, March 20, 2006

International Conference on digital solidarity financing

Challenges

In addition to the general objectives of providing universal access to sources of information and knowledge, and the development of a solidarity-based information society, information and communication technologies (ICT) are essential to achieve the Millennium Development Goals¹. The implementation of these goals requires close to 200 billion Dollars (as against 65 available today). Faced with such challenges, traditional public assistance for development is insufficient.

The digital divide will not be reduced unless new financial means are made available to public authorities through, notably, the Global Digital Solidarity Fund (DSF). To attempt bridging the digital divide solely through public assistance does not mean to act responsibly; in fact it only pertains to good intention.

The challenge is huge, considering that access to knowledge and cultural diversity determine the potential for development in the emerging globalisation. Such development conditions cannot be respected without access to ICTs.

As emphasised by President Chirac² on 28 February in Paris, *“the solution is new financing mechanisms which allow the gathering of some of the fruits the modern economy”*.

Numerous solutions are possible. France, Brazil and Chile have proposed an airline-ticket solidarity tax. The UK proposed an international financing facility. Other proposals will emerge. As noted by the United Nations Secretary-General, *“Until recently, debates on innovative development financing were essentially exploratory. In Paris³, we have reached the next step: we are gathered here to speak of the implementation of concrete proposals.”*

The Global Digital Solidarity Fund's *“digital solidarity contribution”* strongly promotes this idea.

The “1% digital solidarity contribution”

In order to bridge the digital gap, the DSF has put forward a simple and effective proposal, which does not incur a direct cost to public authorities: the collection of 1% on ICT-related products and services transactions.

This contribution is not a tax, but an investment requested on the part of ICT companies. It is only fair that companies making a profit with their products and services in high-income countries, should offer one per-cent of their commercial transactions, to be invested in those countries and regions excluded from the information society and from globalisation (close to 80% of the world population).

A call for an international Conference on digital solidarity financing

From this perspective, it is an ideal time to convene an international Conference on digital solidarity financing. The objective of the conference would be to adopt an international treaty calling on States to:

- commit States to authorise local authorities (cities, regions and provinces) to introduce in all of their ICT -related bidding procedures a “digital solidarity clause” requesting the vendors

¹ Reducing the digital divide is among the Millennium Development Goals.

² During the opening ceremony of the international Conference on innovative development financing

³ International Conference on innovative financing for development from 28 February – 1 March 2006

who win the bid to contribute 1% of the total transaction to the DSF, to be paid on their profit margin⁴,

- Introduce, on a voluntary basis, this solidarity clause in all their own calls for bids,
- Ensure that all contributions made to the DSF are tax-exempted.

Arguments in favour of an international Conference on digital solidarity financing (CFDS)

- As with the airline tickets tax, (Paris Conference, 28 February – 1 March 2006), a call for concrete commitments must be made on States, public authorities, and the international community.
- The mobilisation of nation States for digital solidarity should not encounter difficulties given that the DSF has already been endorsed by the international community – both by States and by local authorities.
- The United Nations' Secretary-General supports the approach: *“The Digital Solidarity Fund should be seen as a concrete manifestation of our efforts to achieve the Millennium Development Goals and to seek innovative sources of financing for development called for in the Monterrey Consensus. It can help harness the potential of ICTs to empower poor and marginalized people. It embodies the spirit of partnership among stakeholders that is so essential for success. It builds on grassroots aspirations and recognizes the key role of local authorities. And it will help forge close and productive ties with the private sector.”*
- An international Conference on digital solidarity financing will give new impetus to the efforts initiated by Presidents Chirac, Lula and Lagos (Geneva Declaration, 2004, and New York, September 2005). It encompasses the will expressed at the last U.N. General Assembly (Millennium Declaration, September 2005).
- The need for digital solidarity responds to the strong demand by youth in developing countries, most particularly in Africa.
- As the new financing mechanism proposed by the DSF calls for complementary financial contributions, civil society supports the concept.
- This initiative can also be part of the vision developed by the private sector, namely as regards the concept of a *“participatory society.”*
- The funds raised through the DSF will enable the implementation of the UN Millennium Development Goals, and, for Africa, the NEPAD goals.
- The conference will contribute to realising the commitments adopted in Tunis in November 2005.
- The conference will demonstrate that development is not limited to traditional methods only, but that it requires modernising the developing world to enable them to participate in the globalisation process.
- The conference could be seen as a *“pledging conference”*, offering potential donor States the possibility to bring their financial support to the DSF.
- As international dialogue needs better communication (and the participation of all), digital solidarity financing could become a major milestone in the development of a new, more humane globalisation.



⁴ This principle can also be applied to companies, private and public institutions, governmental and non-governmental organisations that make a call for bids for ICT-related products and services.