2023 Development Cooperation Forum
Session IV: Strengthening capacities to overcome the digital divide
Background Note

Purpose/Objective: Identify pathways for enhancing inclusive digital transformation, including by boosting digital connectivity and resilience through development cooperation in its diverse forms.

Background[1]
The pandemic illustrated that in an increasingly digital economy, a deepening digital divide disproportionately impacts the most vulnerable and exacerbates inequalities. Effective development cooperation should respond to the needs of developing countries to narrow the digital divide and expand access of developing countries to digital infrastructure and technology. Technology transfer and capacity building should be scaled up to support inclusive livelihoods in developing countries through opportunities facilitated by the digital economy and e-commerce. South-South Cooperation could play a significant role through enhanced technology transfer and technical cooperation.

Worldwide, more than 1 billion new Internet users came online in the last five years, driven partly by a significant jump in 2020 as social distancing and lockdown measures pushed so many activities online. Yet, the digital divide remains stubbornly wide. By mid-2022, just over one-third of the world's people do not use the Internet, and many live in the LDCs, LLDCs, and SIDS. Thus, the pandemic has further exposed the digital divide, which affects people within and between countries. DCF Survey responses from developing countries revealed that pandemic-related assistance in support of implementation and use of ICT equipment was a rare exception and not the norm. Survey results also highlighted that a lack of efficient and effective ICT as a main barrier for countries to manage development cooperation effectively. Ensuring an inclusive digital transformation will narrow the digital divide by purposefully targeting countries and underserved groups and connecting them to digital infrastructure and skills. It will also ensure that those currently excluded from the benefits of digitalization are not left further behind by technological progress.

To address these challenges, development partners should strengthen development cooperation to support developing countries' access – and contribution – to the benefits of digital transformations. Inclusivity and vulnerability assessment should be prioritized a part of this. Development finance institutions need to convene the necessary digital and financing actors, including from the private sector, to explore and promote new mechanisms to ensure a more inclusive digital transformation. Additionally, participatory approaches with potential beneficiaries and affected groups are crucial. Other essential steps include setting up robust monitoring systems, including through collection and analysis of disaggregated user/beneficiary data; adaptation to local contexts; creation of effective accountability mechanisms; and investment in education, capacity-building and organizational development of vulnerable groups and civil society.

Guiding questions
- How have current crises and challenges revealed the impact of the digital divide and the need for advancing digital transformation? How are development cooperation actors supporting digital transformation that align with their developing country partners' priorities?

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[1] For more information and data sources, please see the *Report of the Secretary-General: Trends and progress in international development cooperation (E/2023/48)* and *2022 Development Cooperation Forum (DCF) Survey Study: Navigating COVID-19 recovery and long-term risks*.

- What are some practical steps to ensuring that multi-dimensional vulnerabilities are placed at the centre of digital transformations?

- How are development cooperation actors bringing different resources to bear on closing the digital divide and driving digital transformations, including through concessional finance, capacity-building, technology and knowledge transfer, and South-South and triangular cooperation?

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