

Inputs for FFD Elements Paper from the Digital Public Goods Alliance Secretariat

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I. A global financing framework (including cross-cutting issues)

A global financing framework should recognize and reflect the critical need for countries to harness the potential of digital transformation across action areas, while both respecting and protecting country sovereignty and strengthening long-term country capacity and agency.

Countries have already aligned on one approach, through their consistent advocacy for the inclusion of "digital public goods" in the Global Digital Compact that was recently adopted by the UN General Assembly. The GDC (para 14) states that: "We recognize that digital public goods, which include open-source software, open data, open artificial intelligence models, open standards and open content that adhere to privacy and other applicable international laws, standards and best practices and do no harm, empower societies and individuals to direct digital technologies to their development needs and can facilitate digital cooperation and investment."



Digital public goods (DPGs) can allow country governments and other stakeholders (UN, civil society, private sector) to freely adopt and adapt digital solutions that have already been proven successful elsewhere and therefore avoid duplication or the need to create solutions from scratch¹. One of the leading reasons for why country governments repeatedly advocate for adopting DPGs and other open-source solutions is that they can use these technologies to reduce the risk of vendor lock-in, allowing them to maintain greater control over their strategic decisions and digital sovereignty².

Protecting digital sovereignty is particularly important for countries as more and more countries prioritise the implementation of digital solutions for cross-sectoral digital public infrastructure (DPI) such as verifiable digital identity, real-time payments and secure data exchange. DPI is the foundation on which services are built in the digital era. When built in a safe, inclusive, and interoperable manner, DPI can help transform public and private service delivery, foster positive economic growth and opportunities, and ultimately help the attainment of the Sustainable Development Goals³. DPI can enable financial and societal inclusion of hitherto marginalised groups, can reduce corruption and inefficiencies, can strengthen tax systems, and increase transparency and accountability⁴⁵. On the other hand, DPI can also be misused for harm, such as through surveillance or exclusion, and it can be implemented in ways that reinforce monopolies or create fragmented systems.

The implementation of DPI can take on many different modalities. The use of digital public goods for DPI implementation can allow for countries to build and adopt digital public infrastructure components with greater transparency than proprietary options, and with incorporation of do-no-harm-by-design features. DPGs help facilitate country cooperation via learning exchanges and sharing of best practices with other countries that are implementing the same open-source systems⁶.

In an increasingly connected world, countries are realising that many of the challenges they face are similar to those in other regions. As a result, there is a growing demand to avoid duplicating efforts and access to, and adoption of, digital solutions that have been successful elsewhere. Digital public goods also foster the cooperative and collaborative action needed to jointly address common urgent

¹https://www.undp.org/sites/g/files/zskgke326/files/2023-04/Digital%20Public%20Goods%20for%20the%2 0SDGs%20-%20Case%20Studies.pdf

²https://www.rockefellerfoundation.org/wp-content/uploads/2021/08/Co-Develop-Digital-Public-Infrastructure-for-an-Equitable-Recovery-Full-Report.pdf

³https://www.undp.org/sites/g/files/zskgke326/files/2023-04/Digital%20Public%20Goods%20for%20the%2 0SDGs%20-%20Case%20Studies.pdf

⁴https://documents1.worldbank.org/curated/en/099755004072288910/pdf/P1715920edb5990d60b83e037 f756213782.pdf

⁵https://drive.google.com/file/d/1jc7ASvJn8JhYdvwgSLamFzSnQ05cMax5/view

https://documents1.worldbank.org/curated/en/099647503042425828/pdf/IDU1a9d1a6be130dc148e6193 181cf9d26959fb9.pdf



global challenges, such as climate change mitigation and adaptation. Open high-resolution satellite imagery can for instance be critical tools leveraged to fight illegal tropical deforestation. This data can both hold stakeholders accountable for illegal actions, and incentivize conservation practices through access to credit, tracing of produce, and other schemes. Open weather forecasting models and data⁷, and open agricultural data (soil quality, seeds etc) are similarly of great importance for climate change adaptation and for more climate robust agricultural practices. Should these solutions be made available as digital public goods, countries everywhere would have access to the data and technologies needed for them to take action in their respective regions and areas of interest.

Digital public goods also played a <u>key role</u>⁸ in <u>countries's responses</u>⁹ to the Covid-19 pandemic. They enabled the swift implementation of COVID-tracking systems across multiple countries and facilitated vaccine certification, helping people return to work more quickly and stay healthy¹⁰.

In addition to increasing financing for digital public goods, there is a need to shift existing development financing away from supporting proprietary digital technologies. Proprietary technologies often do not interoperate with other solutions, resulting in fragmented systems and sector silos. Instead, a shift towards supporting digital public goods which can be freely adopted and adapted, also across sector use cases, should be a priority across the action areas of the Addis Ababa Action Agenda (hereinafter the AAA).

II. Action areas

A. Domestic public resources

- Mobilise domestic public resources that can positively impact the well-being of people and the planet, while fostering economic growth and inclusion by building digital public infrastructure; verifiable digital identity, real-time payments, secure data exchange.
 - a) Building out DPI is particularly important for the financial inclusion of women because it provides access to essential services, opportunities for economic empowerment, and greater inclusion in decision-making processes¹¹¹²

⁷ https://digitalpublicgoods.net/DPGA-Climate_Change_Adaptation_Report.pdf

⁸ https://digitalpublicgoods.net/DPGA_Health-DPG-Technical-Assessment.pdf

²https://digitalpublicgoods.net/blog/case-study-jamaica-uses-digital-public-goods-in-covid-19-response/

¹⁰https://www.rockefellerfoundation.org/wp-content/uploads/2021/08/Co-Develop-Digital-Public-Infrastruct

ure-for-an-Equitable-Recovery-Full-Report.pdf

¹¹https://www.weforum.org/agenda/2024/03/digital-public-infrastructure-blessing-or-curse-for-women-and-girls/

¹²https://www.centerforfinancialinclusion.org/wp-content/uploads/2024/07/Responsible-DPI-for-Improving-Outcomes-Beyond-Inclusion_jul1.pdf



- b) Implementing DPI helps <u>reduce corruption</u>¹³, inefficiencies, and waste by enabling direct government-to-person payments, bypassing intermediaries who often facilitate mismanagement. DPI ensures more transparent, efficient transactions, improving accountability and service delivery
- c) DPI can <u>strengthen tax</u> systems by improving transparency, streamlining tax collection processes, and reducing opportunities for tax evasion, ultimately increasing efficiency and revenue for governments¹⁴.
- 2. Digital public goods offer a scalable, cost-effective solution for building digital public infrastructure, allowing countries to adopt proven technologies without the expense of developing systems from scratch. By leveraging open-source solutions, governments can implement DPI more quickly and efficiently, reducing both time and costs while maintaining control over their digital sovereignty. This approach ensures that countries retain ownership of their infrastructure, fostering long-term sustainability and adaptability to local needs. Additionally, using digital public goods for DPI bolsters the well-being of people and the planet by creating safer, more inclusive systems that ensure equitable access to services while supporting environmental sustainability.

B. Domestic and international private business and finance

- 1. Build a vibrant commercial ecosystem by reducing transaction costs. Again DPI, such as verification to comply with Know Your Customer requirements and other forms of authentication, as well as real-time payment systems are critical. Particularly important for the financial inclusion of women¹⁵.
- 2. DPI built with digital public goods can help create a vibrant ecosystem by reducing transaction costs and enabling more efficient processes, such as real-time payments and verification systems for Know Your Customer (KYC) requirements¹⁶. These DPI solutions are especially important for enhancing financial inclusion, particularly for women, who often face barriers in accessing formal financial services. By using open-source digital public goods, local vendors can participate in the implementation of these systems, and innovate on

¹³ https://www.csis.org/analysis/approaches-digital-public-infrastructure-global-south

https://egov.org.in/case-studies/accelerating-revenue-mobilisation-through-digital-public-infrastructure-dp

¹⁵https://www.oecd-ilibrary.org/docserver/c023cb2e-en.pdf?expires=1728666452&id=id&accname=guest&checksum=26E633409EC22617753D6BB5BA875BBA

¹⁶https://www.oecd-ilibrary.org/docserver/c023cb2e-en.pdf?expires=1728666452&id=id&accname=guest&checksum=26E633409EC22617753D6BB5BA875BBA



top of them by creating solutions – which is made possible by their interoperable nature. Additionally, digital public goods are easily scalable, allowing governments to expand their DPI across regions or sectors without significant additional costs, ensuring broader and faster adoption.

C. International development cooperation

- 1. There is widespread duplicative funding of similar technologies in similar contexts, resulting in fragmentation and the repetitive launch of small-scale pilot projects that do not scale to long-term, sustainable solutions"". When investing in digital technologies that do not interoperate with other solutions, including the governments' own systems, development funders are overlooking the opportunity of future proofing their investments so they can continue to evolve and interact with new solutions, and are wasting scarce development assistance financing, but doing actual harm.
- Investing in digital public goods can substantially increase digital cooperation among funders and allow a better division of labour where some funders for instance provide core funding for digital public goods, while others fund technical assistance or provide large-scale implementation financing to countries implementing them.
- 3. The adoption of digital public goods should always be demand-based, but the existence of digital public goods allow countries with more choice and benchmarking opportunities vis-à-vis proprietary solutions.
- 4. The FFD framework should therefore advocate for more ODA funders to implement open-source and open access policies, which can not only create a more hospitable and sustainable environment for the long term success of open source solutions, but helps ensure there is more financing available for digital public goods that stakeholders can freely adopt and adapt to meet their specific needs. See one recent example of such an open-source policy that has been adopted by the Norwegian Agency for Development Cooperation (Norad)¹⁷.

¹⁷https://www.norad.no/for-partnere/openpolicy/#:~:text=As%20part%20of%20our%20commitment%20to %20transparency%2C%20collaboration%2C,part%2C%20by%20the%20Department%2C%20including %20anv%20underlving%20datasets.



- 5. The FFD framework should explicitly advocate for more philanthropic organisations to support digital public goods.
- 6. Lastly, the FFD framework should propose incentives and support for ODA-eligible countries, who have themselves built/are building digital solutions that can help address development needs in other countries and urgent global challenges, to make these solutions available as digital public goods. This is also a way of encouraging more locally driven and context relevant digital development, and digital leadership.

D. International trade as an engine for development

 The AAA acknowledged "the significant potential of regional economic integration and interconnectivity to promote inclusive growth and sustainable development". The FFD framework should recognize the important potential for digital public goods for this as they can enhance interoperability and regional integration, through the adoption of open standards and technologies.

E. Debt and debt sustainability

1. DPGs can be used as part of financial management systems and government transparency and expense tracking mechanisms that could be important as part of conversations around debt sustainability and debt cancellation.

F. Addressing systemic issues

1. Building off the systemic challenges identified in the AAA, digital public goods offer powerful solutions to address economic, social, and environmental challenges while advancing the Sustainable Development Goals (SDGs). From poverty reduction to climate action, DPGs enable countries to implement scalable, cost-effective systems that improve access to essential services, promote environmental sustainability, and foster inclusive growth. Furthermore, DPGs elevate the profile and participation of developing countries, many of which are leading the way in digital innovation. These countries not only serve as role models but also empower others by providing digital public goods that can be adapted globally. Additionally, by enhancing transparency and minimising the reliance on proprietary systems, DPGs help reduce corruption by streamlining government services and reducing opportunities for mismanagement or fraud. This combination of inclusive leadership, technological innovation, and accountability



makes DPGs a critical tool for addressing today's most pressing and urgent global challenges.

G. Science, technology, innovation and capacity building

- 1. DPGs are transforming the traditional donor-recipient paradigm by offering open-source solutions that can be adopted by any country. This levels the playing field, enabling countries—regardless of their economic standing or income level—to access and implement successful digital technologies and share them back with other countries¹⁸.
- 2. DPGs strengthen government agency by giving countries full control over the solutions they implement including those that may be part of their digital public infrastructure. With DPGs, governments can develop and adapt systems to meet local needs, building in-house expertise and long-term implementation capacity, rather than relying on external proprietary solutions that are often outsourced and result in vendor dependent relations¹⁹.
- 3. Given the importance of the nationwide services delivered by DPI, it is imperative to get DPI right, making it essential to build systems that are adaptable, inclusive, and secure. By leveraging DPGs, countries can ensure their DPI is interoperable and future-proofed, allowing seamless integration with new technologies and evolving needs, while also promoting safety and inclusivity for all users.

III. Emerging issues

A. The recently adopted Global Digital Compact²⁰ emphasises the importance of digital public goods as a foundational element for inclusive and sustainable development. By making strong references to digital public goods, the GDC has highlighted the crucial role open-source, interoperable solutions can play in building robust digital public infrastructure that benefits everyone. It is imperative that this is reflected in the FFD.

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https://www.rockefellerfoundation.org/wp-content/uploads/2021/08/Co-Develop-Digital-Public-Infrastructure-for-an-Equitable-Recovery-Full-Report.pdf

¹⁹ https://50in5.net/six-ways-that-countries-are-implementing-safe-inclusive-and-interoperable-dpi-with-open -source/

²⁰https://www.un.org/global-digital-compact/sites/default/files/2024-09/Global%20Digital%20Compact%20 -%20English 0.pdf



As the demand for digital public infrastructure grows globally, it is essential that these systems are built right to maximise impact and sustainability while ensuring safety to the users. To ensure digital public infrastructure meets the needs of governments and citizens alike, digital public goods should be prioritised. They offer scalable, cost-effective solutions that foster innovation while promoting transparency, security and sovereignty.

The choices made today around digital technology implementation will have long-term implications. It is vital to protect countries from being dependent on proprietary systems and regimes that can limit flexibility and digital sovereignty. By adopting digital public goods, countries can maintain control over their digital ecosystems, ensuring they are not at the whim of external providers and can independently adapt to changing needs.

Artificial intelligence has the potential to drive a more equitable and inclusive world, but only if it is developed and deployed in ways that serve the public interest. Digital public good-based AI systems offer a unique opportunity to create AI tools that are transparent, adaptable, and <u>aligned with societal goals²¹</u>, preventing the deepening of existing inequalities while ensuring that AI benefits all communities.

IV. Overarching reflections

A. Digital public goods (DPGs) empower governments to maintain digital sovereignty, avoid vendor lock-in, and adopt proven, adaptable technologies in their implementation of critical digital public infrastructure (DPI), such as digital identity and real-time payments systems. These solutions also help address urgent global challenges, including climate action and economic resilience. The Digital Public Goods Alliance (DPGA) is a key driver of global digital cooperation, aligned with country demand and the principles outlined in the Global Digital Compact²², ensuring safe, scalable, interoperable, and inclusive solutions.

The DPGA Secretariat calls for a shift in development financing from proprietary technologies to open-source DPGs, which can be freely adopted, adapted, and shared across regions, accelerating sustainable development and strengthening international cooperation. By integrating DPGs into the FFD framework, DPGs offer a future-ready, demand-driven approach that builds local capacity, promotes innovation, and ensures countries retain

²¹https://digitalpublicgoods.net/blog/democratizing-ai-systems-as-dpgs-insights-from-t20-policy-brief-co-au thored-by-the-dpga/

²²https://www.un.org/global-digital-compact/sites/default/files/2024-09/Global%20Digital%20Compact%20 -%20English_0.pdf



control over their digital ecosystems, advancing both the Sustainable Development Goals and global digital equity. And lastly, AI systems built as DPGs offer an opportunity to ensure inclusivity and transparency in AI's development.