

## SIDS4 Conference Side Event

# Building Advanced Digital Network Infrastructure to Achieve Resilient Prosperity

27 May, 12:00-13:30, SIDS Conference Venue, Room 11

## Organized by: Cabo Verde; Dominican Republic; European Union, Samoa; the UN Development Programme (UNDP); and the UN Trade and Development (UNCTAD)

### Background

As part of the 4th International Conference on Small Island Developing States, the European Union and the <u>Global Initiative on the Future of the Internet</u> (GIFI) organised a cross-regional side event in partnership with Cabo Verde, Dominican Republic, Samoa, the UN Development Programme (UNDP), and the UN Trade and Development (UNCTAD). The goal of this session was to take stock of the ongoing initiatives in the SIDS countries, identify good practices, gaps, and priorities for further action, particularly in the Global Digital Compact. The event featured opening remarks from Jutta Urpilainen, European Commissioner for International Partnerships and was moderated by Ignacio Ybáñez, the European Union's Special Envoy on Small Island Developing States. The panel featured Nuno Alves Fernandes Lopes, State Secretary For Digital Economy of Cabo Verde; Rebeca Grynspan, the Secretary-General for UN Trade and Development (UNCTAD), Reyson Lizardo, Director of Coordination and Follow-up of The Digital Agenda for the Dominican Republic, and Achim Steiner, the Administrator of the UN Development Programme (UNDP).

### Key Issues & Recommendations for Action

- In her <u>opening remarks</u>, Commissioner Urpilainen stressed the importance of fostering an inclusive human-centric digital transition as an enabler of sustainable growth in SIDS. The European Union supports this transition by investing in connectivity infrastructure through the Global Gateway and by working with partners through key cooperation frameworks like the EU-Latin America and Caribbean Digital Alliance.
- The EU and its partners have also promoted a vision of an open, free, and secure digital future through the Declaration for the Future of the Internet (DFI), which has so far been endorsed by 70 countries, including 9 SIDS.

- The panellists highlighted the key challenges facing SIDS, including smallness, remoteness, and vulnerability to environmental threats. Geographical isolation and small markets in particular result in high costs of establishing and operating connectivity infrastructure.
- Cabo Verde emphasised integration and international partnerships as key opportunities to address this. Through the <u>Cape Verde Connectivity Programme</u>, for example, the country partnered with the European Investment Bank to increase the availability and quality of mobile and fixed high-speed broadband services and facilitated the construction of a submarine cable branch to link Cape Verde to Latin America and the Europe submarine cable system.
- In the Dominican Republic, technical assistance and partnerships like the EU-funded Latin <u>America and Caribbean Cyber Competence Centre (LAC4)</u> or the UNESCO/ISOC research project <u>on Internet Universality Indicators</u> serve as other examples.
- Another priority is the need to build local skills and capacities at all levels, including within the public sector, small and medium enterprises, and in the general public. This should include updating school and university curricula so students and professionals can take advantage of recent innovations such as artificial intelligence.
- The Dominican Republic's <u>Digital Agenda</u> aims to take an inclusive approach to building skills and facilitating connectivity across sectors, including in schools and hospitals. The agenda also seeks to establish an appropriate and people-centred legal and regulatory framework that enables multistakeholder collaboration.
- Public-private partnerships were also stressed as essential to for an inclusive and sustainable digital transition. Changing technologies and market conditions require a flexible framework with clear objectives for each sector. Tax incentives, co-funding opportunities, joint workshops and community initiatives, multistakeholder governance councils and regular impact assessments were all raised as good practices to consider.
- As SIDS are transitioning to <u>Small Island Digital States</u>, UNDP noted that their overarching challenges—from affordability and availability of connectivity infrastructure to energy policy, environmental sustainability, cybersecurity and resilience—are ultimately intertwined. Through innovative financing, partnerships and a whole-of-government view of investment, the digital transition can become part of a larger platform of inclusive and sustainable development.
- The availability of more reliable and frequent data on digital connectivity and services can also help encourage evidence-based policymaking and facilitate better coordination across sectors.
- UNCTAD highlighted that although trade decreased in 2023, GDP grew due to the rise in of digitally deliverable services. While the export value of digitally deliverable services has doubled in the last decade, only one-third come from developing countries, and only 2% come from Latin America and the Caribbean. The digital economy thus represents a big opportunity for growth for SIDS.
- In many SIDS, the affordability challenge is now more pressing than building connectivity infrastructure. Fixed broadband is 46% more expensive in SIDS, and mobile services are 100% more expensive compared to the rest of the world. Moreover, less than half of SIDS countries meet the ITU's affordable connectivity criteria. Solving this affordability challenge requires supply and demand-side diversification and targeted subsidies.
- Cooperation and integration among SIDS countries can improve the availability and affordability of connectivity by pooling markets, improving the efficiency of supply chains, and attracting more investment. It can also strengthen the influence and negotiating power of SIDS with service providers and big tech corporations, as well as in multilateral fora. To that end, the Global Digital Compact represents a unique opportunity for SIDS to come together.
- There is also an opportunity for the international community and development banks to step up with more inclusive and diversified financing and take a long-term view of SIDS beyond their vulnerabilities and GDP per capita. This in turn will attract further investment and growth.