

**Contribution of Nigeria: Open Consultations on Financial Mechanisms for
Meeting the Challenges of ICT for Development
Geneva, Palexpo Switzerland
8-9 October 2009,**

Mr. President,
Your Excellencies, Ladies and Gentlemen,
Dear friends,

Firstly, please allow me express my pleasure at being here with you, for this important meeting: the **Open Consultations on Financial Mechanisms for Meeting the Challenges of ICT for Development** that is about shaping a new more inclusive and more equitable information society. I would also like to thank the organisers for giving the floor to Nigeria, in its quality as newly elected President of the “transition mechanism” of the Global Digital Solidarity Fund. Finally, I would like to extend my thanks to the organisers of this meeting, particularly to the ITU and UNGIS, and strongly affirm our will to work closely together for the advancement of the developing world, and particularly of African countries, in implementing the WSIS outcomes.

Facts and figures

Mr. President, please allow me to begin this presentation with a few facts and figures that illustrate – more effectively than a long-winded explanation – the issues and challenges that need to be overcome.

- More than 40% of economic growth in industrialised countries is generated new information and communication technologies (ICTs).
- 6% of the GNP of industrialised countries comes from ICTs... And Internet penetration in Africa is currently only 3%, compared with 29% in Europe, 21% in North America and 36% in Asia.
- Collectively, by the end of 2007, Internet access had only reached little more than 12% of the population in developing countries versus nearly 65 % in developed countries;
- Suburban areas in developing countries, which concentrate the great majority of the population, are particularly marginalized in the access to the information society. For example, (80 % of Internet users in Kenya live in the capital of Nairobi;
- In other sub-Saharan African countries, where it is estimated that more of the two-thirds of the population resides in rural areas, less than 0.4% of villages have Internet access (source: measuring Village ICT in sub-Saharan Africa / ITU 2007) .

Consequently, each passing day sees the gulf between Africa and the industrialised world widen.

The situation is very serious. This is so because ICTs are a means to access knowledge, information, education, training, health and employment. Every day, thousands of young people leave Africa and Latin America for Europe or the United States, sometimes even risking their lives. What are those youngsters looking for, other than an opportunity to do well, a future that their country of origin cannot offer them. That future lies in access to the information society, which contributes to the economic success of industrialised and emerging countries. When industrialised nations talk about co-development, it is precisely this access to new technologies that should be offered to developing countries, to allow the youth of the developing world to access knowledge while remaining in their communities, and enable them to contribute to the economic development of their countries.

Beyond access to knowledge, the digital divide also means condemning developing world to exclusion. Indeed, those underdeveloped countries cannot fully participate in globalisation until it has become an integrated part of the information society. President Mandela publicly acknowledged this back in 1999.

- **Awareness since 2000**

Yet, Africa was one of the first continents to note this issue. In fact, it was in Bamako, in 2000, under the presidency of Alpha O Konaré, that the idea for the World Summit on the Information Society and the new concept of *digital solidarity* were born. That was also when it was proposed that a *Global Digital Solidarity Fund* be set up to reduce the digital divide. Because, let's be clear about this, Ladies and Gentlemen, the developing world will not get off the ground if it remains excluded – as it currently is – from the information society. Today, we are more than half way to the deadline for the goals set by the Heads of State and Government in New York, in 2000. And we are a long way off achieving them. Moreover, the latest figures published by the OECD show that official development assistance (ODA) is strongly declining since 2006, while the problems to be solved continue to grow. In this regard, statements made by representatives of the industry, claiming that private investment alone takes care of the problem, do not actually address the challenges of the digital divide, and it is painful to note that such statements are regularly amplified by some international organizations. But reality on the ground proves the contrary.

- **The need for a new organisation to reduce the digital divide**

What we need more than ever, Ladies and Gentlemen, is a new financial institution to take on the challenges of the digital divide. That institution, proposed in 2003 by NEPAD and the African nations, exists. It is the Global Digital Solidarity Fund, and I have the privilege to represent it. This new institution was officially launched four years ago, in 2005, in Geneva,

during a ceremony presided over by President Olusegun Obasanjo, the then President of the African Union, in the presence of several Heads of State and Government, including Abdoulaye Wade, President Obiang Nguema of Equatorial Guinea, President Bouteflika of Algeria and numerous Ministers of Foreign Affairs and Information Technologies.

Today, the Fund is also the first of a new order of international institution, which invites participation from public local authorities, the private sector and civil society. This element is very important. The shaping of a more inclusive and more equitable information society is a challenge which cannot be restricted to governments alone. Cities and local governments are crucial stakeholders of the information society and their knowledge and know-how are key to respond to the needs of local actors in the developing world. Their participation to the Global Digital Solidarity Fund is essential, to ensure an equitable transfer of resources and technology to the South.

- **An African initiative with a global purpose**

The Global Digital Solidarity Fund is an African initiative with the global aim of enabling all developing countries to access a more equitable information society built on principles of solidarity. It is also the first time in the UN history that developing countries (the Group of 77 + China) are working closely together to propose a new financing mechanism to alleviate poverty and to contribute to the Millennium Goals. The Global Digital Solidarity Fund is now a reality even though it currently lacks the financial means to address the challenges of the digital divide on the large scale. Today, the DSF must be strengthened and provided with the necessary resources to implement its policy. Only the concerted mobilisation of all developing nations will send out the right signal. It is unlikely that industrialised nations will commit to a more equitable information society if developing countries do not strongly assert the need for greater parity. Developing countries are all the more justified in asserting their claim as it involves both respect for human rights (the right of expression) and respect for cultural diversity. The cultures of the third world will only survive in the information world if they can be conveyed via new information technologies. This is the message which was strongly emphasized in Abuja last month when the DSF Board designated a group of countries to make proposals to strengthen the DSF and transform it into a new International Organization, with new statutes and an effective financing mechanism to respond to the challenges of equal access to the knowledge society.

- **A response adapted to new development challenges**

By including local authorities and the private sector in the process of raising financial

resources, the DSF is providing an innovative response to financing needs for development. As public aid is on the decline, it is important to involve new actors in the financing of development. This is what the DSF proposes and what Nigeria and many developing countries will fight for. The strengthening of the DSF is indeed essential if the Millennium Goals are to be achieved.

- **Financing community projects**

By concentrating its funding on community projects that address the key needs of the population, the DSF offers an appropriate response to the demands of development. Unless the most deprived populations are fully connected, the Millennium Goals will not be achieved.

- **Projects that benefit developing world and foremost**

Since its launch, the DSF has received more than 400 requests for financing, for a total value of 60Mio Euros. It is therefore important that the developing world mobilises, first and foremost to obtain these funds, and also to strengthen the DSF institution in order to guarantee the fair and equitable distribution of the financing.

- **An innovative response (the “1% digital solidarity contribution”)**

While official development assistance is falling, the problems that need to be addressed continue to grow in size and complexity. In this context, innovative financing mechanisms must be devised to achieve the goals set. It is also important to be realistic. Without such mechanisms, there will be no satisfactory results and the current North-South divide will be added to by a gulf between computerised countries and countries left on the sidelines of the information society. And this gulf could prove impassable, with dramatic consequences for both industrialised and developing countries.

The advantage of the mechanism devised by the Global Digital Solidarity Fund is that, while it does not require any additional funding from public authorities, it can generate billions – provided it is widely taken up!

Indeed, this financing mechanism entails that public and private organisations include a digital solidarity clause in all ICT-related invitations to tender. It requires nothing more than a political decision. This digital solidarity clause has no financial impact on the organisation that applies it, as the financial contribution of 1% of the total transaction is paid by the vendor (the company providing the goods or services). The vendor does not lose out either, as with the

1% collected, the DSF will buy back equipment or services from the ICT sector. Moreover, by investing ICT equipment and services in populations with insolvent demand, the DSF will expand the ICT market, creating new opportunities for ICT vendors. At the end of the day, the “Information Society Marshall Plan” proposed by the DSF will benefit market operators. Thus, without spending a penny, the Fund will enable the international community to raise billions of euros in favour of a more equitable information society. It really is a “triple win” solution! A first “win” because it will help, for the first time, to concretely reduce the digital divide. A second “win” because it will bring billions to development aid, without any financial burden for public authorities. And a third “win” because it will bring new clients to the ICT industry. This will only be possible if we have the political will to achieve it. Moreover, the pilot case developed by the DSF demonstrates that it works. Only those who do not dare to change things, and those who have an interest in maintaining the current discrepancies, can be against this proposal.

- **Sending out a clear signal to the world**

It is only by sending out a clear signal to the rest of the world that the developing world will be able to make its voice heard and demand a more equitable information society, governed by principles of solidarity. The developing countries and their institutions, and, first and foremost their Ministers of Information and Communication Technologies (ICTs), must assume a fundamental role. It is essential that they take the lead and show the way. We indeed consider that this new initiative, which comes from the developing world, should first be implemented by developing countries. This would be the living proof that developing countries have the leverage and can take concrete actions to build a more equitable world. As soon as this willingness will be demonstrated by the developing world, the industrialized countries will have to follow suit and adopt for themselves innovative financing mechanisms for the development.

Today, our intention is to have new resolutions be adopted by all competent international organizations, with a strong call for the implementation of the “1% digital solidarity contribution” and, consequently, to strengthen the Global Digital Solidarity Fund institution. It is essential that this new initiative be endorsed by Heads of States and Government, by civil society, by the private sector and by local governments. Our objective, as of beginning of 2010, is to call for an international *pledging conference* to launch the new international organisation of the DSF. We call therefore on all who believe that we can promote more solidarity in the information society to join us in our endeavour. We wish to thank in this regard the African civil society for launching a world campaign in favour of the DSF and its innovative financing mechanism.

- **Thanking the African countries that apply the “1% digital solidarity principle”**

Finally, by implementing the “1% digital solidarity contribution”, the developing countries must lead the way. Thus, After Geneva, Lausanne, Onex, Malaga, Vernier, and Senegal, Nigerian government will adopt soon a law allowing the application of the 1% contribution at national level. Let us hope that this example will be largely followed and that it will show the way to the whole continent and the whole developing world. This is how we will make progress towards a more equitable world, and make the voice of the developing countries heard.

- **Calling for an “International pledging conference on digital solidarity financing”**

Beyond a strong commitment by the African Union, by International Organisation of Francophone Countries, by the Organization of the Islamic Conference, by the Group of 77 + China and many others in favour of greater solidarity in the information society, we must encourage the whole international community to implement the new financing mechanism put forward by the Global Digital Solidarity Fund. For this reason, the DSF is calling for an “International pledging conference on digital solidarity financing”. This conference will make it possible to move from words to action and lay the foundations for a better balance between North (already connected) and South (currently excluded from the information society). While by no means dismissing other types of financing (traditional sources of public and private funding), the DSF aims to have this international pledging conference endorse the “1% digital solidarity contribution” and the modalities for its implementation at international level.

- **Contributing to new financial mechanisms for the development**

The international pledging conference on digital solidarity financing to be organised next year is part of the United Nations process to reach the Millennium Development Goals. By having the “1% digital solidarity contribution” adopted at international level, developing countries want to play an important role in promoting innovative financing mechanisms for development. A first step towards our objectives has already been achieved by the *Leading group on solidarity levies to fund development* - presently chaired by Chile - which is composed of 55 countries from the North and the South, to support the “1% digital solidarity contribution”. We hope that the next meeting of the Leading Group will fully cooperate with the DSF and, in particular, with the five countries mandated by the DSF Board to take the DSF forward and also that it will officially support the international pledging conference on digital solidarity to be held next year. If, as it is our wish, this conference will

receive a large support, then next year will become the expression of the renewed will of the whole international community to reach the Millennium Development Goals, and in particular to reduce the digital divide.

We are fully convinced that this objective is achievable and we thank you for your support in this regard.

