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| Contribution by South Africa (Republic of) | |
| SOUTH AFRICA’S G20 DIGITAL ECONOMY WORKING GROUP | |
| **Purpose**  This document outlines South Africa’s G20 Digital Economy Working Group.  **Action required by the Council**  The Council is invited to **note** this document.  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  **References**  *Council Document* [*C25/70*](https://www.itu.int/md/S25-CL-C-0070/en) | |

Background

South Africa’s proposal for the G20 Digital Economy Working Group reflected the overall theme for the G20, namely “Solidarity, Equality and Sustainability”.

The theme can underpin international efforts to build a more prosperous, inclusive and safer world that will serve future generations well.

Our Presidency is seeking to strengthen international consensus around a development agenda, following the successful work of the Summit of the Future last year, the current 20-year Review of the World Summit on the Information Society, and recent G20 Presidencies from developing countries, such as Indonesia, India and Brazil.

Discussion

The priorities of our Presidency reflect both national and global priorities, and can help to drive socio-economic development through the use of digital technologies.

The first priority of the Digital Economy Working Group is to focus on Connectivity for inclusive Digital Development, working closely with the ITU and the Development Bank of Southern Africa (DBSA), with the support of BCG – consultants, and with inputs from Research ICT Africa. It is imperative to find a new impetus to address Digital Inclusion. If we do not do so, very new wave of technological development and investment will serve to deepen and exacerbate inequality. When we agreed to the outcomes of the WSIS in 2003 in Geneva, and 2005 in Tunis, our aspiration was that we could drive development through the deployment of digital technologies.

A people-centred, inclusive, development orientated Information society requires that we must gain a more complete picture of the constraints and circumstances preventing people from accessing the Internet and to examine why they do not have meaningful access. We need to have better statistical data to do this. We are reflecting on why it is difficult to acquire such data and possible funding mechanisms to overcome this problem.

Our intention is to develop a Framework to assist countries to identify and resolve the impediments that are preventing universal and meaningful connectivity, while highlighting the need to pay greater attention to demand side factors that are inhibiting digital inclusion. It is not just about providing infrastructure. The cost of handsets, income levels, the cost of data, the value of services that our relevant to people’s everyday lives, and educational background all impact on realizing meaningful access and use of the Internet.

For our second priority we are proposing a Framework on measuring the Public Value of Digital Public Infrastructure (DPI), beyond the very limiting traditional approaches that are used to determine the benefit of infrastructure investment. This methodology can also serve as a guide in the design of DPI solutions, so as to maximise the potential beneficial impact of DPI. This approach could be useful for governments to better understand the benefits, mitigate risks, and make the investment case to develop the DPI ecosystem in their country context. To underpin this work, we are also looking at Integrated Governance Guidelines for DPI, as anticipated in previous Presidencies, to ensure a rights-based approach to the developmentof DPI solutions. In developing this work, we have been working closely with the ITU, the UNDP, DIAL, University College London, University of Cambridge, and Research ICT Africa.

We have also launched the G20 DPI Call for Innovations in the G20 and in Africa, through the African Union, and we have already received some interesting responses. It will look at new innovations in the implementation of DPI. Our work on DPI is being undertaken in partnership with the African Union (AU), and the ITU and the UNDP.

We are in the process of developing a paper on the development of future orientated Innovation ecosystems for Medium and Small enterprises, that will assist MSMEs to respond to future technology trends. This has involved engagement between the ITU, DCDT colleagues, Council for Scientific and Industrial Research (CSIR) and Department of Science Techology and Innovation (DSTI), and a number of the MSMEs under South Africa’s Digitech programme and other government programmes. The final report will make recommendations for the consideration of the G20 on the key elements of a future focused digital innovation ecosystem for MSMEs. To this subsequently we have added an additional focus on financing for innovative digital MSMEs.

In addition, we are reflecting on research done by the World Bank and Research ICT Africa on the inclusion of micro-enterprises in the Digital Economy, in order to build greater equality and drive connectivity. Microenterprises are the backbone of many livelihoods in Sub-Saharan Africa but, whilst proving to be highly resilient and innovative, they face severe economic marginalisation, limiting growth and sustainability.

Advancements in smartphone technologies have enabled many micro-enterprises to access the Internet. This has opened opportunities through access to information, connecting with customers and suppliers, and utilising business tools to boost productivity and profitability. However, these benefits can only be realised if microenterprises are aware of the opportunities and have the necessary resources to be able to make use of them. Their potential to lift communities out of poverty remains largely unrealised as long as they are unable to participate meaningfully in the digital economy – this includes applications designed to suit the needs of those currently digitally excluded.

We are working with UNESCO on a report and a toolkit to address possible inequalities that can result or can be exacerbated from AI models through design problems or resulting from unrepresentative training data.

In addition, a paper was developed by Research ICT Africa and the University of Pretoria on Guidelines for access to data for MSMEs and researchers, including promoting data sharing with and by public and private sectors. In this context, language models for digital languages could be valuable to many developing countries, and can contribute to Digital Inclusion, but will require access to data for training purposes for AI models. Such local language models can have huge benefits for the provision of all public services from both public and private sectors.

We are also looking at holding a workshop on generative AI and its evolving ability to produce high-quality deep fakes at a lower cost, and the impact on information integrity, and consideration of possible recommendations. This is a response to the increasing volume of deep fake material being disseminated on social media. G20 Members have expressed support for holding this workshop.

The Task Force for AI, Data Governance and Innovation for Sustainable Development is established to respond to the increasing priority to respond to the prevalence of Artificial Intelligence and its potential impact on development. It is clear that Africa and other developing countries risk being further left behind in the advancement of technology if measures are not put in place to build capacity and boost investment in the continent. At the same time, greater capacity is necessary to protect human welfare from the increasing dangers posed by AI and other technology-based solutions.

In response, South Africa will be hosting an AI for Africa Conference to mobilize international support for the development of AI in Africa, in a focused way, aligned to the existing programmes of the AU. This is scheduled to take place from 3 to 5 September 2025 and will be a flagship event for our Presidency. It will serve to connect the G20 to the challenges facing the African continent, and will mobilize resources to support the implementation of the AU Artificial Intelligence Strategy and the AU Data Policy Framework.

Conclusion

We have had excellent support from the ITU who has even been assisted in the training of our scribers for live editing. Have also received a positive response from G20 Members towards our proposals.

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