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| 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, a 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 to drive development through the deployment of digital technologies.

A people-centred, inclusive, development-oriented Information society requires that we gain a more complete picture of the constraints and circumstances preventing people from accessing the Internet and 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 challenging to acquire such data and exploring possible funding mechanisms to address this issue.

We intend to develop a Framework to assist countries in identifying and resolving the impediments that prevent universal and meaningful connectivity, while highlighting the need to pay greater attention to demand-side factors that inhibit digital inclusion. It is not just about providing infrastructure. The cost of handsets, income levels, the cost of data, the value of services relevant to people’s everyday lives, and educational background all impact the realisation of meaningful access and use of the Internet.

For our second priority, we propose a framework for measuring the Public Value of Digital Public Infrastructure (DPI), beyond the traditional approaches that are currently used to determine the benefits of infrastructure investment. This methodology can also serve as a guide in the design of DPI solutions, thereby maximising the potential beneficial impact of DPI. This approach could be helpful for governments to better understand the benefits, mitigate risks, and make a compelling investment case for developing the DPI ecosystem within their country context. To underpin this work, we are also examining 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 collaborated closely with the ITU, UNDP, DIAL, University College London, the 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 innovations in the implementation of DPI. Our work on DPI is being undertaken in partnership with the African Union (AU), the International Telecommunication Union (ITU) and the United Nations Development Programme (UNDP).

We are in the process of developing a paper on the development of future-oriented innovation ecosystems for medium and small enterprises, which will assist MSMEs in responding to future technological trends. This has involved engagement between the ITU, the Department of Communications and Digital Technologies (DCDT), the Council for Scientific and Industrial Research (CSIR), and the Department of Science, Technology, and Innovation (DSTI), as well as a number of MSMEs under South Africa’s Digitech programme and other government programmes. The final report will provide recommendations for the consideration of the G20 on the key elements of a future-focused digital innovation ecosystem for MSMEs. We have subsequently added an additional focus on financing for innovative digital MSMEs.

In addition, we are reflecting on research conducted by the World Bank and Research ICT Africa on the inclusion of micro-enterprises in the Digital Economy, with the aim of building greater equality and driving connectivity. Microenterprises are the backbone of many livelihoods in Sub-Saharan Africa, but while proving to be highly resilient and innovative, they face severe economic marginalisation, which limits their 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 capitalise on them. Their potential to lift communities out of poverty remains unrealised, mainly 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 collaborating with UNESCO on a report and a toolkit to address potential inequalities that can result from or be exacerbated by AI models due to design issues or inadequate training data.

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

We are also considering holding a workshop on generative AI and its evolving ability to produce high-quality deepfakes at a lower cost, as well as its impact on information integrity and potential recommendations. This is a response to the growing volume of deepfake 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 address the growing priority of responding 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 taken to build capacity and boost investment on 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 host an AI for Africa Conference to mobilise international support for the development of AI in Africa, focusing on existing AU programs. This event 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. It will mobilise resources to support the implementation of the AU Artificial Intelligence Strategy and the AU Data Policy Framework.

Conclusion

We want to acknowledge ITU’s comprehensive support as the Knowledge Partner to the South African G20 Presidency.

South Africa extends its heartfelt appreciation to the ITU for its invaluable support as a Knowledge Partner to the G20 Digital Economy Working Group (DEWG) under our Presidency. We are especially grateful to the ITU General Secretariat and all three Sectors of the Union for their deep and sustained engagement across multiple priority areas.

As a Knowledge Partner to the DEWG, ITU has made significant contributions to the Presidency’s key focus areas: Equitable Digital Inclusion, Digital Public Infrastructure and Transformation, Digital Innovation Ecosystems, Unleashing the Potential of MSMEs, and Equitable, Inclusive and Just AI. ITU’s support is helping shape impactful outcomes.

In addition, we further acknowledge ITU’s participation in the Sherpa meetings and specifically, its role as a Knowledge Partner to the G20 AI Taskforce (under the Sherpa track), providing essential expertise in AI governance, innovation, standards development, and capacity building. This contribution ensures that AI is developed and deployed in an ethical, inclusive, and sustainable manner.

ITU has also supported the Working Group on Disaster Risk Reduction, offering specialised input on early digital warning systems, resilient digital infrastructure, and ICT-enabled preparedness measures, strengthening global risk management frameworks.

South Africa is especially grateful for ITU’s close collaboration with the Presidency Secretariat — both in delivering training for chairs and scribes across various ministries and departments, and in providing dedicated support to the DEWG Chair during Working Group meetings. These efforts have significantly enhanced the smooth progress and effectiveness of the meetings.

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