IGF 2023 WS #311 Global Digital Value Chain: Africa's Status and Way Forward

Organized by: AfICTA-Africa ICT Alliance on Thursday, 12th October, 2023, KYOTO, JAPAN

Key Takeaways:

The session outlined that the GDVC has become increasingly complex and interconnected, with organizations and industries across the world collaborating and competing in the digital space which has transformed the way businesses operate, and how consumers access goods and services. Also, Africa is deficient at the GDVC as a result of low capacity, and technology to harness the available resources and poor taste for indigenous solutions.

There is an issue of indigenous funds availability, the bulk of the available funding are from foreign venture capitalists with certain conditions and interests that keep Africa dependent digitally. Hence, the need for indigenous funding for digital independence in Africa Countries. In the same vein, speakers also commented on new approaches to digital infrastructure in the area of electricity, telecommunications, and data centers.

Call to Action:

1. Government with the support of other stakeholders should develop clear and supportive policies and regulations that prioritize local content and promote its integration into various sectors, such as energy, mining, manufacturing, and technology. The African government (Nigeria Communications Commission - NCC, National IT Development Agency-NITDA and other replicates in Africa) should explore massive investment in digital infrastructure.

2. Private sector and other stakeholder groups should develop a crowdfunding mechanism to which indigenous investors and individuals could contribute. This would allow Africans to provide certain digital interventions that are controlled and

benefiting Africa. A decisive and deliberate decision should be made to enhance capacity and positively engage the populace for the invention of solutions to our unique problems.
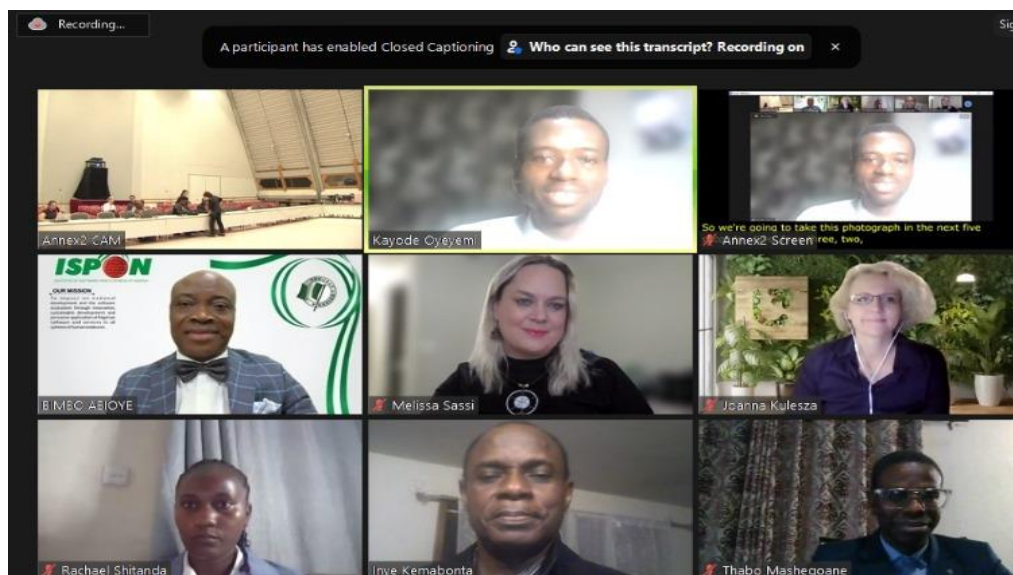
Session Full Report:

Overview of the Session: The discussion underscored the intricate nature of the Global Digital Value Chain (GDVC), where global organizations collaborate and compete digitally, reshaping businesses and consumer access to goods and services. Africa's lag in GDVC was attributed to limited capacity, inadequate technology to utilize available resources, and a preference for non-indigenous solutions. Challenges regarding GDVC's impact on Africa were discussed, emphasizing the continent's rich mineral and human resources for internet infrastructure. However, concerns were raised about retaining value within Africa. The session questioned Africa's exclusion in the value chain, emphasizing the need for increased value, consensus building, policy development, and active engagement in Internet Governance Forums. It highlighted Africa's consumption-centric approach and stressed the urgency of transitioning to a production-based economy. Critical questions were posed about Africa's ability to achieve sustainable development goals, accompanied by strategies to shift from consumption to production. The session emphasized the importance of creating a roadmap for capacity development, establishing production facilities, and enabling active participation in the global digital value chain.

The onsite moderator, Dr. Jimson Olufuye, Principal Consultant at Kontemporary Konsulting Ltd, Nigeria, Founder/Fmr. Chair and Chair of the Advisory Council, AfICTA, provided background information about AfICTA, an advocacy group for African ICT-driven businesses. AfICTA was founded in 2012 with six (6) member nations and has now grown to over 40 member African nations. Underscoring the importance of the theme of the workshop concerning Africa's participation in the global value chain, he introduced the panelists, the online moderator and facilitators, and the Chair of AfICTA, Mr. Thabo Mashegoane for opening remarks.

Speakers
1. Mr. Bimbo Abioye, President of the Institute of Software Professionals, ISPON and Group Managing Director of Fintrak Software, Nigeria (Private Sector, Africa)
2. Dr. Kossi Amessinou, Chief of the World Bank Division, Benin Republic (Government, Africa)
3. Dr. Melissa Sassi, representing the private sector in North Africa and serving as the Partner & Chief Evangelist, P3 Network (Private sector, North America)
4. Mrs. Mary Uduma, West Africa IGF Coordinator (Civil society)
5. Professor Kulesza Joanna from the University of North Poland (Academic community, Europe)
6. Ms. Rachael Shitanda, AfICTA Vice-Chair, East Africa and Executive Member of Computer Society of Kenya (Private sector, Africa)

7. Chief Toyin Oloniteru, CEO, DAPT - Data Analytics Privacy Technology; (Private sector, Africa)
8. Dr. Chidi Diugwu, Deputy Director, New Media and Information Security, Nigeria Communications Commission (Government, Africa)
9. Dr. Ben Ewah, Director of e-Government, NITDA - National IT Development Agency; (Government, Africa)

Onsite Resource Persons Snapshot

Moderators
1. Dr. Jimson Olufuye, Principal Consultant at Kontemporary Konsulting Ltd, Nigeria, and Founder/Fmr chair and chair of the advisory council, AfICTA. (Onsite Moderator)
2. Mr. Inye Kemabonta, National Coordinator of AfICTA and CEO of Tech Law Development; and the Chair of AfICTA, Mr. Thabo Mashegoane for his opening remark. (Online Facilitator)

Policy Questions to the Speakers

The moderators posed the following questions to the speakers for their responses
1. Considering that Africa is rated as a continent with the least contribution to the GDVC as evident through the dilemma experienced in the advent of the COVID-19: a. How inclusive is the GDVC and as a concerned stakeholder, what are the initiatives or actions required to take to amend the abnormal trend? b. Identify soft areas through which Africa could penetrate the GDVC and the benefits the continent would derive?
2. Africa being home to major raw materials of production is yet with little or no contribution to the GDVC, what could have gone wrong, what are the remedies?

Mr. Bimbo Abioye President of the Institute of Software Practitioners of Nigeria addressed the questions by highlighting the challenges faced by Africa in the Global Digital Value Chain (GDVC). He pointed out the lack of ownership and digital slavery in

the continent's ecosystem. To address these issues, he emphasized the importance of enhancing policy frameworks, skills development, capacity development, research and development, and access to finance. Additionally, he stressed the need for infrastructural development and the creation of an enabling business environment across Africa. In his final submission, he envisaged the government leveraging existing solutions and existing capacity.

Dr. Kossi Amessinou, Chief of the World Bank Division in Benin Republic highlighted the significant internet consumption from foreign countries but acknowledged a growing collective awareness in Africa, especially post-COVID. Despite this, challenges persist in the region. He proposed several solutions:

> ➢ **Massive Investment in Digital Infrastructure**: Dr. Kossi emphasized the need for substantial investments in digital infrastructure, especially from the private sector. He stressed the importance of broadband expansion into rural areas and advocated for new approaches to infrastructural development, including discussions on establishing data centers in Africa.
> ➢ **Internet Exchange Points**: He suggested building Internet exchange points across Africa to enhance local networks.
> ➢ **Regulation**: Dr. Kossi stressed the necessity of regulating the digital sector in Africa to ensure its growth and stability.
> ➢ **Digital Literacy**: Addressing the challenge of digital illiteracy, he recommended initiatives focused on enhancing digital literacy skills in the population. In his final submission, he envisaged capacity development and harnessing solar energy for Africa's own power.

Dr. Ben Ewah, NITDA, emphasized the importance of understanding the existing structure of the labor market, especially the significant informal sector. He highlighted the need to identify specific areas where technology can address existing needs effectively. Focusing on interventions that cater for the majority of these needs will yield quick results for African markets. He stressed the government's role in recognizing the shift in resource utilization and harnessing of these changes for national development.

Dr. Chidi Diugwu from NCC emphasized the vital role of Human Capacity Development, particularly concerning the inclusion of raw materials. He highlighted NCC's commitment to promoting research and development in the academic realm, with a focus on strengthening research grants for students in the field of artificial intelligence, given the transformative nature of the digital age. Dr. Chidi stressed the importance of identifying young talents, fostering their development, and increasing the number of skilled individuals to enhance the Human Development Index.

Ms. Mary Uduma, West Africa IGF Coordinator representing the civil society emphasized the importance of Africa's grassroots participation in the Global Digital Value

Chain (GDVC). She highlighted the discussions held at the IGF, both regionally and nationally, and stressed the need for Africa to be actively engaged in the value chain. Mary Uduma expressed concerns about Africa's dependence on the Western world during the COVID-19 pandemic and advocated for developing local businesses and voices within the continent. She praised Africa's achievements in the fin-tech sector, citing examples like Konga and Jumia. Mary Uduma called for the protection of human rights, advocating for standards and data safety. She questioned the location of data and emphasized the importance of housing data within Africa rather than relying solely on cloud services.

Dr. Melissa Sassi from the Private Sector in North America highlighted the significance of tech entrepreneurship for Africa's economic growth. She emphasized the need to foster a culture of digital entrepreneurship, which plays a crucial role in Africa's capacity and economic development. Dr. Sassi stressed the importance of encouraging innovation, financial stability, practical skills, collaboration, and engagement. She advocated for integrating entrepreneurship culture into tertiary education and scaling up capacity-development efforts.

Chief Toyin Oloniteru, CEO D.A.P.T, highlighted the importance of unbiased self-appraisal regarding Africa's strengths and progress. He emphasized the need to build on existing strengths and advance further. Chief Toyin pointed out the significant business expansions in Africa, citing examples like MTN and the banking sector, which have expanded beyond the continent. He stressed the need for behavioral modification, advocating for crowdfunding and crowdsourcing within Africa's resources. Chief Toyin emphasized the value of funding initiatives through crowdsourcing, promoting self-reliance and reducing dependency on external sources. The younger generation needs to be structured and guided to be focused on diverse opportunities available for skills development towards sustainable growth and development in Africa.

Ms. Rachael Shitanda, Executive Member of Computer Society of Kenya, highlighted the need for Africa to leverage its resources for economic development and internet inclusivity. She emphasized the importance of developing local content, focusing on government initiatives. She shared perspectives with Mr. Bimbo Abioye on finance, creating enabling environments, local networks, and policy regulation. Ms. Shitanda stressed the importance of breaking silos, merging skills, and strengthening capital investment. She urged the continent to safeguard its data and collaborate effectively for growth and development.

Prof. Joanna Kulesza, representing the Academia, emphasized the need for comprehensive and well-aligned regulations, coordinated and reliable capacity development, addressing policy challenges in Africa's global value chain, and aligning policies with sustainable development goals. She stressed the importance of civil society engagement, consistent policy development, raising awareness about broadband

satellite, and resolving data-related questions. Prof. Kulesza highlighted the role of governments in ensuring increased African participation in the digital chain.

She further emphasized the need to address policy challenges within the digital value chain, particularly in the African region. She highlighted the importance of aligning with the sustainable development goals with secure and stable internet access, enabling the development of technology based on accessible opportunities. Prof Coffin stressed the importance of awareness and recommended strengthening civil society engagement. She advocated for policy development through a multistakeholder approach, emphasizing that Internet access is a human right. Prof Coffin urged governments to consider jurisdiction, equipment ownership, and internet shutdown protocols during crises. Regarding data collection processes, she underscored the necessity for government involvement to enhance Africa's participation in the global value chain.

Summary Recommendations

1. Governments, along with the support from various stakeholders, should formulate clear and supportive policies prioritizing local content integration in sectors like energy, mining, manufacturing, and technology. African governments, including entities like Nigeria Communications Commission (NCC) and National IT Development Agency (NITDA), should invest significantly in digital infrastructure.

2. The private sector and other stakeholders should establish a crowdfunding mechanism where indigenous investors and individuals can contribute. This approach enables Africans to create digital interventions that are locally controlled and beneficial to the continent. A deliberate effort should be made to enhance capacity and engage the public in inventing solutions for our unique challenges.

3. Africa needs a holistic approach to enhance its participation in the Global Digital Value Chain (GDVC). This includes investing in digital infrastructure, promoting indigenous solutions, and fostering digital entrepreneurship. Governments and private sectors should collaborate to develop clear policies, encourage local content integration, and invest in digital infrastructure. Additionally, there should be a focus on human capacity development, especially in emerging technologies like artificial intelligence. Identifying and nurturing talents among the youth is crucial for long-term sustainable growth.

4. It's essential to mentor and empower the younger generation in the rapidly evolving digital landscape.

5. African nations must enhance capacity development comprehensively across various sectors.