

**E-PAPER** 

### Towards a digital development partnership that meets African interests



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### Summary

The global competition for digital leadership is in full swing, and the European Union (EU) has joined the race to provide digital public goods to partners in Africa – through its Digital4Development approach and through its Global Gateway strategy, which lists digital connectivity as a key priority.

The EU promotes what it calls a human-centric digital policy with the goal to protect individual rights and freedoms in an open and democratic digital world, which is reflected in its flagship General Data Protection Regulation (GDPR) as well as the pending legislation on platform and AI regulation. The EU shares the goal of the United States and other liberal democracies to provide democratic counter-offers to what is viewed as "digital authoritarianism".

Africa has become a linchpin in the EU's ambitions to support economic development, particularly through digital transformation. The February 2022 EU-African Union (AU) Summit will provide an opportunity to present the EU's Global Gateway not only in opposition to China's Belt and Road Initiative but also as a cooperation project between two interested parties. The goal should be to jointly accelerate digital development, not only in infrastructure but also in the development of sector-specific digital applications digital skills and capacity building as well as policy frameworks and regulations. Such efforts require a partnership of mutual respect and shared interests that advances individual and human rights and democratic norms and that addresses pivotal issues such as health, education, climate change and sustainability. The EU also needs to ensure a coherent and coordinated approach that links Global Gateway with the European Green Deal.

Coordination needs to extend beyond the EU itself and involve its most important partners. With Germany currently holding the G7 presidency, the format can be used

to further digital cooperation following the move by the Biden administration to launch the Build Back Better World Initiative (B3W) at last year's annual summit (or similar). The EU's Global Gateway and the U.S.-led B3W could seek areas of complementarity and the two partners could coordinate their activities to create synergies and avoid redundancy. This can be done by pooling resources to foster research and innovation and by mobilizing public and private funds towards projects that foster economic growth whilst reflecting democratic rules, norms and standards.

# The external dimension of EU digital policy

The global competition for digital leadership is in full swing. Between the U.S.-model of a liberal, market-oriented digital economy<sup>2</sup>– and its negative extreme of "surveillance capitalism"<sup>1</sup> – and China's authoritarian, state-led digital economy, the European Union (EU) promotes what it calls a human-centric digital policy. This label advances a normative vision of the digital economy making individual rights, such as the right to privacy, and individual freedoms core objectives of public intervention in a quest to achieve a "safe and open global Internet"<sup>3</sup>.

Beyond the regulatory realm, the EU's digital economy is not yet in a leadership position. Contrary to its initial aspiration, set out in the Lisbon strategy in 2000, to become "the most competitive and dynamic knowledge-based economy in the world by 2010"<sup>4</sup>, the EU continues to lag behind the U.S. and China in the ICT sector. In 2020, U.S. digital companies accounted for 27.9 percent of the total market value of the world's top 200 companies, with Chinese firms accounting for 6 percent and European firms for 1.2 percent.<sup>5</sup> All the while, the U.S. remains the leading destination for investments in artificial intelligence (AI), with privately held AI companies attracting USD 25.2 billion (or 64 percent of the global total) in 2019, followed by China with investments totaling USD 5.4 billion. Germany, the EU's number one destination for AI investments, registered USD 356 million in disclosed investments,<sup>6</sup> with the EU still falling short of its AI investment target of EUR 20 billion per year over the next decade.<sup>7</sup>

Against this backdrop, the European Commission under President Ursula von der Leyen has vowed to shake off the EU's image of a second-tier digital power and to accelerate a structural transformation towards a green, sustainable, and digital economy at home and abroad. This project has gained greater impetus in the Covid-19 pandemic because of the impact the coronavirus has had on the global economy. Digital spending accounts for more than 20 percent of the recently adopted EUR 806.9 billion NextGenerationEU recovery instrument. In addition, the 2021-2027 long-term EU budget includes a considerable digital component. Of the EUR 149.5 billion allocated in that budget to "Single Market, Innovation, and Digital" initiatives, EUR 7.6 billion are reserved for the digital realm through the Digital Europe Programme and EUR 2.07 billion through the Connecting Europe Facility.<sup>8</sup> In addition, the Commission announced that about 35 percent of the EUR 95.5 billion in Horizon Europe financing and at least 10 percent of the EUR 26.2 billion of the InvestEU budget guarantee will feed into the digital transition.<sup>9</sup>

Yet, the EU's digital ambition does not stop at its own borders. Cognizant of the fact that digitalization is a global megatrend, the EU seeks to "put forward a new approach to digital transformation that projects European values onto the international stage".<sup>10</sup> Indeed, EU digital policy contains an ever-increasing geopolitical component.<sup>11</sup> In an environment of hyper-competitiveness, the EU has become more explicit about its commitment to a rules-based digital order, not least to defend its own tech sovereignty.<sup>12</sup> Through official communications and lawmaking, such as the General Data Protection Regulation,<sup>13</sup> the Digital Single Market strategy,<sup>14</sup> or its communication on "Fostering a European approach to Artificial Intelligence",<sup>15</sup> the EU emerges as pioneer and leader in digital governance and a strong promoter of values-driven approaches to digital transformation. That, in turn, can eventually support economic and political interests.<sup>16</sup>

## China as a driver for the EU's digital strategy and transatlantic coordination

The EU's digital policy strives for digital autonomy from the U.S. when it comes to protecting its citizens and companies from Silicon Valley companies. At the same time, there has been transatlantic convergence on the challenge that China's growing influence in the global digital economy poses not only as an "an economic competitor in the pursuit of technological leadership",<sup>17</sup> but also as a systemic competitor to liberal democracies. Both the EU and the U.S. are concerned about the national security risks posed by digital infrastructure provided by state-led Chinese companies, and about the human rights risks associated with the export of Chinese surveillance technology and its authoritarian approach to data governance along its "Digital Silk Road", the infrastructure ture portion of its Belt and Road Initiative (BRI).

The EU-U.S. Trade and Technology Council is shaping up to become a vehicle for transatlantic coordination on everything from creating strategic autonomy in the production of semiconductors to pushing for a risk-based approach to AI governance. In addition, both sides participate in a series of multilateral initiatives to influence policy frameworks on digital technologies and their applications. For instance, the Global Partnership on AI in 2020, a multi-stakeholder international alliance, initiated jointly by France and Canada, aims to foster cutting-edge, values-based AI research and commercialization, and can be viewed as another attempt to counter-balance China's influence in this area.<sup>18</sup> Whilst this pledge by liberal democracies to foster a partnership on AI in light of China's tech expansion does not yet guarantee a functioning and lasting alliance for the near future, it still opens avenues for transatlantic cooperation. In this context, Can and Kaplan argue that the U.S. and the EU need to offer "reliable and explainable AI-based technologies to third countries" in order to offset the proliferation of Chinese technology.<sup>19</sup> This point is worth highlighting, as leaders in third countries affected by these decisions are often less interested in the impact of a given U.S. or EU strategy on system rivalries and new "Cold War" rhetoric than in the immediate impact of a policy on their economy, infrastructure or society.

So far, the EU's connectivity strategies have mostly been informed by such systemic considerations, ranging from the 2018 communication on "Connecting Europe and Asia" to the partnerships with Asian countries, such as the agreements with Japan (2019) and India (2021).<sup>20</sup>

In her latest State of the Union address in September 2021, von der Leyen reiterated the more contrarian stance vis-à-vis China, citing China's global engagement as the prime motivator for the newly established European connectivity strategy, named Global Gateway.<sup>21</sup> While the strategy, which came in the form of a joint communication, avoids any direct references to China, the text paired with prior statements by von der Leyen and European Council President Charles Michel made clear that the document is to be seen as a continuation of previous efforts to offer a viable alternative to China's BRI.<sup>22</sup> In light of today's global challenges, the Global Gateway document describes the necessity for democracies to make appealing and positive offers for the great infrastructure transformation ahead.<sup>23</sup> Setting up a contrast to the perception of BRI projects, the EU promises to make contracts more transparent, subject to open calls for tender and in accordance with environmental and social sustainability standards.<sup>24</sup> It remains to be seen as a positive offer in partner countries.

In light of China's increasing influence over Africa's digital infrastructure and data, Global Gateway also constitutes another means to advance the EU's cooperation with its neighboring continent in the area of digital development. Global Gateway has already been listed among the priorities for the upcoming EU-AU Summit in February 2022. Moreover, policymakers in Brussels deem the launch of the African Continental Free Trade Area (AfCFTA) a unique opportunity to co-create connectivity projects with Africa at the continental scale and to further promote the EU brand with partners abroad.

#### A Europe-Africa vision for a digital future

The EU's digital policy abroad follows the credo of influence through partnership. In its February 2020 communication "Shaping Europe's Digital Future", the European Commission claims rather boldly that the "European model has proved to be an inspiration for many other partners around the world".<sup>25</sup> Accordingly, "the EU should leverage its regulatory power, reinforced industrial and technological capabilities, diplomatic strengths and external financial instruments to advance the European approach and shape global interactions".<sup>26</sup>

Europe's broader neighborhood – Africa, in particular – plays an important role in the EU's efforts to shape the global digital order.<sup>27</sup> One of the five sectoral partnerships the EU proposed to Africa as part of its renewed strategy with the continent in March 2020 concerns digital transformation. In that, the EU outlined its strategic priorities for a digital partnership with the African continent, focussing on infrastructure and a resilient regulatory environment.<sup>28</sup> From a European perspective, digital transformation on the African continent offers the opportunity to export European norms and policies and catch up with the U.S. and China in a field where it is lacking a leadership role. Through a combination of investments and a propagation of standards, norms and values, the EU seeks to co-shape Africa's digital markets.<sup>29</sup>

One policy that translates this agenda into practice is the Digital4Development (D4D) approach. Following the Foreign Affairs Council Conclusions in November 2016, the European Commission published a staff working paper in which it addressed the guestion of how to apply digital solutions and technologies across EU development policy.<sup>30</sup> Through its D4D approach, the EU has set out to better integrate the use and governance of digital technologies in its development agenda. D4D rests on the idea that the key principles of the European Digital Single Market strategy can be translated and applied to other regions of the world.<sup>31</sup> From early on, the EU focussed on Africa as a priority region and was quick to link the benefits expected from digital growth with the European Agenda on Migration. As an enabler of the Sustainable Development Goals and economic growth broadly speaking, D4D was also framed as a European answer to the "Global Connect Initiative" launched by the U.S. Department of State in 2016.32 Initially, the European discourse was contained by sectoral boundaries and sparsely referred to the geo-political dimension of digital technologies; yet it only took a few years for this to change. With a focus on Africa, the EU's D4D policy has identified four areas of action: (1) governance and regulatory frameworks, (2) connectivity, (3) digital skills & entrepreneurship, and (4) eServices & eHealth.

In 2017, Belgium, Estonia, France, Germany, the United Kingdom, Finland, the Netherlands and Sweden had adopted national digital-for-development strategies. Since then, Germany has played a major role through its implementing agency, the German Corporation for International Cooperation (GIZ), in setting up the EU D4D Hub. The D4D Hub is a network of D4D like-minded EU member states and their development agencies working with the Commission directorate general (DG) for International Partnerships (INTPA, formerly Directorate General for International Cooperation and Development (DEVCO)) and the DG for Communications Networks, Content and Technology (CON-NECT). The hub was established to support structured digital policy dialogues with key stakeholders in national and regional digital ecosystems. The aim of the network is to operationalize a human-centric digital transformation, together with partners around the world. Its first pilot project, called "Africa-Europe D4D Hub", seeks to leverage technical expertise and build multi-stakeholder partnerships by 2021. However, the limited funding for this initiative – DG INTPA's contribution amounts to EUR 8 million – underlines its prototypical nature. After initial network events, the operationalization of the project is now expected for 2022.

# African digital needs and expectations

Since the early 2000s, many African countries have made efforts to develop policies and implement strategies to use emerging information and communication technologies (ICTs) to achieve their socio-economic development goals. The nature and level of detail of these policy documents vary significantly, ranging from standalone strategy documents to sections in overarching national development plans. Only very few African countries currently have no digital or ICT strategy in place at all.<sup>33</sup> With regard to their contents and the priorities they set, these framework- and policy documents naturally differ from each other. However, most of them address – with varying scope and accentuation – the following topics as key digital development issues:

- Improvement and expansion of digital infrastructure, including the provision of internet access in remote areas.
- Development of adequate digital applications, in particular in areas such as health, education, smart cities, financial services, e-commerce and e-government, to support the achievement of socio-economic development goals including growth, job creation and improved public services.
- Development of digital skills and capacity building for individuals, businesses and public administration.
- Development of policy frameworks and regulations on issues such as data protection, consumer rights, cyber security as well as taxation of digital services.

These topics are not only very much in line with the aforementioned four priority areas of the EU's D4D approach with Africa, but also resonate with the AU's Digital Transformation Strategy for Africa (2020-2030), which builds on several regional and interna-

tional initiatives. In addition to the need to further harmonize digital policies to allow the creation of an African Digital Single Market, the AU strategy emphasizes the importance of a "continental ownership with Africa as a producer and not only a consumer in the global economy (...)"<sup>34</sup> as well as the need to "(...) [e]nsure Digital identity data belongs to, and remains in the control of Africans".<sup>35</sup> The strategy thus makes the case for the digital and data sovereignty of African countries.

Against the backdrop of this emerging landscape of digital policy strategies in Africa, the following offers a cursory overview of the status quo in the above-mentioned four priority areas. It provides a glance at challenges and needs of African countries to shape their digital transformation processes, as well as outlining how external actors, in particular the EU, the U.S. and China, are involved in addressing these needs.

#### **Digital infrastructures**

In 2019, nearly 29 percent of Africa's population used the internet, a significant increase from 4.4 percent in 2011.<sup>36</sup> However, this also means that roughly 71 percent of Africans did not use the internet in 2019. The persisting infrastructure gap, which is one important reason for the low internet usage rates, has attracted political attention, and efforts have been undertaken to channel financial resources into this particular sector.

In recent decades, the African continent has witnessed strong growth in submarine, terrestrial and satellite-based internet infrastructure that builds the backbone of digital societies and economies. Of the 38 African countries with access to the sea, 37 have at least one submarine cable landing at their shores.<sup>37</sup> Additionally, several submarine cable projects are in planning with the aim of improving the continent's connectivity. Aside from submarine cable links, African countries have also made significant progress in building terrestrial fibre networks to connect population centres, inland areas and landlocked African countries. Still, satellite transmissions continue to remain vital for many, particularly in rural and sparsely populated areas.

Despite these massive extensions of infrastructure, there is still a large access gap. The 2019 report of the Broadband Commission estimated that, to achieve universal internet connectivity in Africa by 2030, an additional USD 100 billion would be needed, more than 80 percent of which would need to be dedicated to building infrastructure.<sup>38</sup> In addition, an additional USD 2.4 billion would be required to ensure adequate regulation and to lower the costs of internet services, which remains a major obstacle to internet access. Due to the considerable investment needs and the growing demand, Africa is viewed as an attractive growth market for the digital economy and draws the attention of international infrastructure consortia as well as large single-tech companies.

China is particularly active in the development of Africa's telecom infrastructure and owns or shares several submarine cables connecting China to Africa.<sup>39</sup> One of the most relevant projects is the PEACE cable built by Hengtong Group and Huawei with a length of more than 15,000 km connecting mainland China to several African countries and eventually surfacing in southern France.<sup>40</sup> The project is one of the latest bids in the geo-political standoff between China and the U.S. – with Europe striving to maintain its strategic autonomy between the two great powers and balance its relationship with both.

Official data on the extent of Chinese investment in telecommunications infrastructure in Africa, however, is hard to obtain. There is some evidence that Chinese companies are increasingly engaged in building data centres in several African countries,<sup>41</sup> an essential area of the continent's emerging data economy. This issue of Chinese digital infrastructure investments and their impact, however, is insufficiently covered by national digital development strategies of African countries.<sup>42</sup>

The U.S. has been less involved in telecom infrastructure development in African countries, although it was the U.S. Agency for International Development (USAID) that had a key role in building the first submarine cable to Africa in the early 1990s that connected the continent to the internet. Since then, U.S. tech companies have mainly supplied streaming and cloud computing services. This said, larger tech companies such as Google and Facebook are installing submarine cables. For example, in 2020, Facebook announced a 37,000 km submarine cable that is supposed to connect the African continent with Europe and the Middle East.<sup>43</sup> Along Africa's West Coast, Google has built a 15,000 km submarine cable called Equiano to connect parts of the continent to Europe via Portugal.<sup>44</sup> In addition, both companies have launched projects to connect remote areas of the continent to the internet, but with varying success.<sup>45</sup>

Europe's engagement in telecom infrastructure for Africa is even less prominent than the U.S., although many European companies – the French telecommunications provider Orange, for example – play an important role in the African telecom sector. The EU is involved in the Trans-Saharan Backbone optical fibre project and is contributing EUR 29.6 million to the overall budget of EUR 79.1 million.<sup>46</sup> The project aims to develop inter-regional fibre optic connections between Algeria, Chad, Nigeria and Niger, link data centres and key administrative buildings, and commission pilot data centres in Chad and Niger.<sup>47</sup>

#### **Digital applications**

The increasing use of the internet in Africa, especially via mobile devices, has spurred the development of digital applications and business models, particularly in areas such as health, education, mobility, finance and e-commerce. One of the most prominent examples, which is often mentioned as a success story, is the widespread use of mobile money, e.g. via M-Pesa, which started in Kenya and is now also available in other countries such as Tanzania, Ghana and Ethiopia. The demand for locally developed applications that translate African reality into the virtual space keeps increasing. Yet, in some countries, the prolific development of digital applications, often driven or accompanied by international donors, also has had its downsides, leading to "pilotitis". The term refers to uncoordinated development of narrow digital applications that most often cannot be scaled, are lacking in real benefit, and that frequently do not comply with laws and regulations of the respective country.<sup>48</sup> As a result, it has become more and more important to cultivate ecosystems that will foster innovation and solutions by local players. Cities like Tunis, Cairo, Casablanca, Nairobi, Kampala, Lagos, Cape Town and many more have become the site of tech hubs and labs intended as incubators for local solutions to local problems.

International donors, whether from the EU and its member states, the U.S., China or other countries, have engaged in various ways with these developments. For example, the Rwandan Ministry of ICT and Innovation together with the German Corporation for International Cooperation (GIZ) has initiated a Smart Cities Innovation Programme that also involves 31 African tech start-ups to develop and scale-up inclusive and local digital solutions for smart cities.<sup>49</sup> USAID remains particularly active in Africa in the field of digital health tools and applications. One example of this engagement is the Digital REACH Initiative, which aims to improve the health sector in East African countries through the use of information and communication technologies.<sup>50</sup>

Finally, China is particularly involved in smart, respectively so-called "safe city" development on the African continent. Chinese companies such as Huawei are important providers of smart city technologies to African countries. But this involvement raises concerns among digital rights organisations, which fear increasing government surveillance, as apparently has occurred in Uganda.<sup>51</sup> The China-Africa Partnership Plan on Digital Innovation, announced in August 2021, confirms the engagement of China in several African countries, such as in "transportation, medical care, finance and other livelihood areas, building 'smart cities', and [in] leveraging digital technologies to strengthen state governance and control the pandemic".<sup>52</sup> The plan also states that Chinese companies are encouraged to "participate in the development of Africa's public service platforms such as e-government networks and e-payment and digital currency services".<sup>53</sup> While flagship projects in support of cutting-edge technology tend to attract donors, it is essential not to forget the more basic needs that persist at the individual level across African societies. In order to benefit from digital infrastructure, people need to be able to afford both state-of-the-art devices and the fees that accompany their usage. They also need support to build their digital capabilities and skills to apply digital technologies to serve their goals.

#### Digital skills and capacity building

There is a strong need to build digital skills and competencies, whether for individuals, businesses or public administration, to advance Africa's digital transformation.<sup>54</sup> The 2019 report by the Broadband Commission estimated that, for Africa to reach full connectivity by 2030, an additional USD 18 billion would be necessary to foster digital skills and to develop adequate local content that increases the utility of the internet for the people.<sup>55</sup>

The shortcomings in digital skills, however, do not affect all people and communities to the same extent. Marginalized, less-educated and often rural populations are much more affected by a lack of digital skills than urban and well-educated populations. There also exists a deep divide between genders, with women and girls being often at a disadvantage in the use of digital tools due to social norms and structures. Among companies, many smaller and mid-sized businesses lack the resources to implement digital solutions and train their employees. Institutions of public administration, too, struggle with funding and inflexible regulations and procedures that hinder digital innovation and modernization of their own administrative processes. Even where administrators implement new digital procedures, employees may be hesitant to trust the systems, and changing the culture to embrace new digital solutions may take time.

Many international donor organizations have recognized this need for digital skills and capacity building and developed programmes to address it. For example, the German Federal Ministry for Economic Cooperation and Development (BMZ) has taken a leading role in launching the G20 initiative eSkills4Girls, which aims to develop the skills of girls and young women in order to narrow the digital gender gap.<sup>56</sup> Together with the Smart Africa Initiative, the BMZ has also launched the Smart Africa Digital Academy (SADA), which seeks to address digital capacity and inclusion on several levels.<sup>57</sup>

The development of skills and capacity in developing countries is also an important element of USAID's Digital Strategy. Amongst other goals, the strategy aims to "provide opportunities to train the workforce of tomorrow in our partner countries and build digital literacy among individuals in the developing world".<sup>58</sup> China, in turn, intends to set up a "Talented Young Scientist Program", as well as the "Cirrus Innovative Talent Exchange Program" and other initiatives, as part of the China-Africa Partnership Plan for Digital Innovation.<sup>59</sup>

# Policy frameworks and regulation for the digital transformation

Developing regulatory frameworks for their digital transformations has become one of the key areas of concern for many African countries. The development and adoption of adequate regulation and its enforcement are still in their early stages and are shifting continuously. For example, in 2020, 28 of 54 African countries had data protection and privacy legislation in place, nine had draft legislation and 13 countries had no legislation in this area at all (no data was available for the four remaining countries).<sup>60</sup> Online consumer protection legislation was in place in only 25 African countries.<sup>61</sup> Questions such as the taxation of digital services and platforms and the regulation of data flows across borders also are important topics that need a regulatory response, to provide a clear framework for the emerging digital economy.

Aside from capacity building for government institutions, the area of policy and regulation is only selectively addressed by international donors and their development agencies. The EU, as an active promoter of regulatory frameworks around the world, is an exception. For instance, the EU is involved in the Policy and Regulation Initiative for Digital Africa (PRIDA), which fosters the creation of enabling environments for improved connectivity in Africa. In addition to harmonizing spectrum utilization, this initiative aims to strengthen the development of legal and regulatory frameworks for ICTs and telecommunications and to support African countries in becoming more active in the global discourse on internet governance.<sup>62</sup> With the world's most advanced privacy and data protection regime, the European Commission stresses the importance of legislative alignment of partner countries as a means to realise a human-centric digital future. When Kenya adopted a new data protection regulation in 2019, the government mostly followed the text of the EU's General Data Protection Regulation. In the drafting stage, Kenya consulted the EU early on, and the EU actively contributed to the final text.

China is also expanding beyond its role as a technology provider, and increasingly shapes digital governance and regulation in its partner countries. For example, Huawei reportedly has been involved in the development of a new national digital strategy for Côte d'Ivoire.<sup>63</sup> The company also has supported the development of a broadband strategy in the country.<sup>64</sup>

# A values-based framework for digital cooperation with Africa

The EU understands itself as a defender of a human-centric digital transformation. This approach prioritizes individual and universal rights, yet it also risks being perceived by partners in the Global South as a moralizing top-down approach and as foreign intervention. The EU, hence, needs to strike a balance between a digital development framework that values the individual, strengthens human rights, provides democracy support, and helps mitigate climate change and its adverse consequences, on the one hand, and an overly moralizing approach that partners perceive as an unwanted interference in domestic affairs, on the other hand. Early stakeholder involvement and policy dialogues are key to avoid the impression of a donor-driven agenda and to develop real and sustainable partnerships.

Next to adequate funding and a timely operationalization of the EU's strategic aspirations, the success or failure of such a European digital strategy with the Global South largely depends on the former's reception in partner countries. A new digital partnership will only emerge if partner countries deem the European offer in their own interest. African stakeholders have made clear that their priorities rest on providing reliable and affordable infrastructure, skills development, and e-governance. For the Africa-Europe D4D Hub to gain traction, the accompanying narrative should focus on the most urgent needs as well as on long-term development priorities of partners in the Global South, rather than being framed as confrontational rhetoric towards China.

In other words, Global Gateway must not emerge as primarily a counter-project to Chinese influence, but as a partnership project of the EU with the Global South, based on shared values, mutual learning and a vision of sustainable co-development (in particular with Africa). The Global Gateway strategy puts an offer on the table that contains all of these dimensions, yet it remains open whether the EU can translate its proposal into practice during the targeted budget period 2021-2027. The initiative already is laden with rhetoric rooted in power politics and systems rivalries rather than the added value of partnership and cooperation.

In this context, the question of ownership also needs to figure prominently in the EU's D4D agenda, both at the strategic and operational level. This implies that diverging interests of the EU and African countries, as well as those of other stakeholders, need to be acknowledged and openly addressed during negotiations on data, investment or infrastructure partnerships.

In order to develop a joint vision, the dialogue on shared values for the digital transformation needs to be strengthened. Such a fundamental debate has so far taken place only to a limited extent between the EU and the AU. The debate must not only be more ambitious, but also broader and cross-sectoral, understanding digital development as part of a more holistic, integrated agenda for sustainable development. A successful digital partnership must be embedded in a comprehensive partnership framework between Africa and Europe to prevent successes in one policy area from being undermined by failures in another.

While the rhetoric of a values-based digital partnership has evolved significantly, it has yet to be translated into common approaches at the operational level. There are also major differences between the two regional organizations in the way they interpret and live the shared values. In a report prepared by the AU-EU Digital Economy Taskforce, the EU and the AU have agreed on common principles, stating that the "digital economy process is African-owned and African-led"<sup>65</sup> and "should be based on the principle of 'leave no one behind"'.<sup>66</sup> The report further stated that "data localisation requirements should not hinder the competitiveness" and that "Es]trong political leadership based on respect for the principles of democracy and human rights" should be its foundation.<sup>67</sup> In order to advance the partnership between the EU and African countries, the dialogue on these principles and the underlying values should be deepened – on the political, but also the societal level.

### **Opportunities for EU-African and transatlantic digital cooperation**

In an environment dominated by a range of special interests, nothing less than Africa's digital sovereignty is at stake. While all eyes are on infrastructure, access and costs, African governments have a stake in engaging with the rest of the world in a way that fosters innovation without reducing their citizens to objects of data transactions. Reaping the benefits that digital transformation promises in the short term even while developing a long-term digital strategy for the continent is of central interest to the AU and its member states.

Against this backdrop, four areas should be prioritized for the development of digitally sustainable ecosystems in Africa. Those areas also lend themselves to expanded transatlantic cooperation on digital development:

- More investment is needed in skills and competencies for individuals, businesses and societies. Such skills development is crucial for establishing reliable digital governance structures that will benefit individuals and societies. From the perspective of liberal democracies, skills and capacity development can also contribute to the diffusion of liberal norms and values.
- 2) The digital infrastructure gap must be closed swiftly. To do so, priorities should be set and EU and U.S. infrastructure projects must be closely coordinated to avoid redundancies and inefficiencies. Such efforts should include the development of resilient and sovereign data infrastructure in African countries.
- 3) To gain needs-based and user-centered benefits from digital technologies, the local development of digital applications in areas such as health, education, agriculture, mobility and many more should be supported through targeted programs. Here, the

EU and U.S. can complement each other according to their respective competencies and experience.

4) Infrastructure and applications that evolve for digital technologies and innovations need regulatory frameworks that ensure that digital transformation is aligned with a society's value system and with the development priorities of countries in the Global South, in particular. These regulatory frameworks should be advanced quickly and vigorously.

The upcoming EU-AU Summit in February 2022 can help to further define the direction of future Africa-Europe cooperation in the digital realm. It is an opportunity to present the EU's Global Gateway not only in opposition to China's BRI but also as a cooperation project between two interested parties. The EU's D4D approach as well as Global Gateway can only benefit the EU-Africa partnership if they succeed in channeling "investment that creates large-scale, value-added production in Africa".<sup>68</sup> Since Africa's green economy is expected to be a driver of future growth (not least due to leapfrogging dynamics), the EU needs to ensure a coherent and coordinated approach that links Global Gateway with the European Green Deal.<sup>69</sup> This link, however, is so far only weakly established and needs to be spelled out in an integrated socio-ecological digital transformation agenda. This agenda should serve the purpose of breaking up the silos between digital and sustainability transformation and provide a basis for a transatlantic dialogue on cooperation projects that address both digital as well as sustainable development needs in the Global South.

In the long term, Africa will have to develop digital ecosystems that are able to compete globally. For such a long-term perspective, African countries need to develop their own research and development capacities, and strengthen the development of African digital products and services as well as local markets for these products. Therefore, the AU together with the EU and its transatlantic partners should work more closely on the realization of the AfCFTA and the implementation of the AU's Agenda 2063.

As for the future of transatlantic cooperation on digital development, Global Gateway – similar to the Global Partnership on AI – can serve as a driving force for more integration. This can be achieved by identifying joint priorities, such as key digital infrastructure projects, that could be supported through co-financing. In addition, Global Gateway and the U.S.-led Build Back Better World initiative could actively seek areas of complementarity and coordinate their activities to create synergies and avoid redundancy. The EU and U.S. can work jointly to counter digital authoritarianism and its export to third countries. This can be done by more effectively pooling resources to foster research and innovation in the Global South, and more particularly in Africa. The mobilization of public and private funds (financial blending) towards projects that foster economic growth whilst reflecting a certain set of rules, norms and standards can be an entry point for better transatlantic cooperation in the digital realm. Both the U.S. and the EU Development Finance Institutions play an increasingly important role in translating political priorities into practice. Here, they would be a most suitable instrument to advance common interests at the operational level.

Building on the above recommendations, both parties can improve cooperation within multi-stakeholder partnerships for ICT. Investments in ICT are capital intensive, in particular when it comes to infrastructure. Pooling their resources would allow the U.S. and the EU to not only condemn the export of Chinese technologies to third partners but also to offer viable and affordable alternative technologies and infrastructure.

Transatlantic cooperation in the area of digital development must build on dialogue with partner countries. The U.S. and the EU can bring an offer to the table that combines financial resources and innovation with building trust, strengthening equity and participation, and fostering transparency – as well as a sincere commitment to create true value for the partners in the Global South.

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