

Speech by Vice-President Ansip at the Lisbon Council/World Bank Group summit "Development in the Digital Age"

Ladies and gentlemen – thank you for inviting me here today.

No country can afford to sit on the sidelines when it comes to the impact of digital technology on its society and economy.

Nobody has time to waste in the global push to get digital.

In fact, the digital challenges that policymakers face in Europe, Africa, Latin America or Southeast Asia are quite similar.

The main challenge – also faced by Europe, I should say – is for everyone to be connected. Online access in the best, most reliable and affordable ways possible.

Today, everyone needs online connections to plug into social and commercial networks – from a small village in Africa to a sprawling city in South America.

Digital issues are now firmly on the international political agenda.

In recent months, Africa has seen a succession of regional integration and cooperation agreements to help get things moving on the ground.

I am thinking of plans to create a Continental Free Trade Area, a joint task force between the African Union and European Union on the digital economy.

And in particular, an African Single Digital Market.

Regional single market initiatives are valuable for creating the convergence that a digital economy needs.

They encourage cross-border links between people and businesses.

They bring policymakers, business and startup communities closer together.

In the past, digital was rarely seen as a priority in Africa.

Now, governments across the continent are publishing digital strategies and starting work in areas like e-government.

The Smart Africa initiative is a good example of cross-border cooperation, using ICTs to accelerate development.

Or take Nigeria, where the EU is working with the World Bank to provide financial and technical support for developing digital identification.

Africa and Europe already enjoy good digital cooperation.

I hope that our experience in building a DSM – the lessons we learned and the mistakes we made - can help Africa build its own equivalent digital space.

Ladies and gentlemen

The EU accounts for 52% of global assistance aid, which has tended to focus on more traditional development sectors – energy, agriculture, transport and health.

But all that changed with the Digital4Development strategy. This enshrines digital technology and services as an integral part of EU policy.

The EU is already ramping up support for digital investments in Africa.

But, as always, there is more that we can do together.

Just as an example, we are evaluating six proposals for the digital sub-programme of our External Investment Plan.

They amount to a combined guarantee volume of around €300 million, with complementary technical assistance of €35 million.

This money would be used to reduce investor risk in African infrastructure and e-services, and to support startups.

The EU is investing in two major fibre projects in West and Central Africa.

One for the Trans-Saharan region: €29 million, to connect Algeria, Niger, Nigeria and Chad. In Central Africa, we are investing €17.5 million to provide broadband access from landing points of submarine cables.

This brings me to the wider issue of connectivity. From the ICT and economic development perspective, it could not be more important.

According to the GSMA, despite significant mobile internet penetration growth in recent years, nearly two billion of the world's five billion mobile subscribers remain offline.

They are mostly in low and middle-income countries. So these people cannot get much, if anything, out of the opportunities offered by the internet.

The digital divide is greatest in Sub-Saharan Africa, even though mobile subscriptions are growing faster than any other region. By 2020, around half its population will subscribe to a mobile service: more than half a billion people.

I mention all this to demonstrate that there is no lack of demand.

In Africa, mobile is the preferred platform for creating, distributing and consuming digital products and services.

The problem lies more with broadband access and infrastructure.

Broadband internet is still unaffordable for many and rural areas tend not to be covered. So African countries have a real problem with overall service quality.

Rwanda's President Paul Kagame – and current chairman of the African Union - summed up the situation well at last month's meeting of the UN Broadband Commission in Kigali, which I attended. He said:

"Africa's economic transformation requires broadband infrastructure with an emphasis on both access and affordability.

The reality is that all other digital services - whether in commerce or education or healthcare - run on top of broadband."

Just a reminder of the Broadband Commission's agreed targets for 2025: for entry-level broadband services to be affordable in developing countries at less than 2% of monthly gross national income per capita.

Another target is that broadband-internet user penetration should reach 65% in developing countries and 35% in least developed countries by that date.

This is why Europe should continue investing in connectivity, to decrease broadband prices as well as to secure private investment that focuses on under-served areas such as rural.

But it is not enough to invest in infrastructure without backing it up by a sound and transparent regulatory environment.

The EU supports countries to put rules in place that are conducive to investors, lowering heavy taxation and imposing strong coverage obligations in return.

That should help Africa's startups and digital entrepreneurs, who face many barriers – not only regulatory – that prevent them from scaling up.

With the support of the EU and the Lisbon Council, the UN Broadband Commission will present a report on how to support digital entrepreneurship in developing countries.

All this will also require promoting the right digital skills at the same time, of course: 80% of future jobs will need people to have at least basic digital skills.

Again, that is as true in Europe as it is in Africa.

People need to have the skills to use digital technologies and be able to apply them in a working environment in all socio-economic sectors.

In banking, for example, we want to help eliminate barriers to mobile money and promote intra-continental digital trade by eliminating cross-border barriers.

In agriculture, we want to help equip and train small farmers in using e-agriculture tools to increase their productivity, improve their market access – and thereby raise their income.

These are just a couple of examples in a long list.

Ladies and gentlemen

I strongly believe in using technology to promote sustainable development, to reduce socio-economic divides and give everyone access to digital opportunities.

Both Africa and Europe have much to gain from deepening our political and economic ties.

Most importantly: so do our businesses and people – and particularly our young people. Thank you.