

CONCEPT NOTE

Task Force 2: Digital Transformation

Updated: 6 February 2025

The digital economy and associated investments in people, innovation and technology are crucial drivers of equitable, inclusive and sustainable economic growth. However, as the increasingly globalised digital economy becomes more concentrated, socio-economic inequalities around the world are widening, both within and between countries. Africa's first G20 Presidency in South Africa presents a strategic opportunity to develop a truly transformative digital agenda that enhances local private value creation, encourages public and social value, and kickstarts progress towards achieving the Sustainable Development Goals (SDGs).

This task force will advance the outcomes and recommendations of the G20 Brazil, which emphasised the need to build an enabling, safe, resilient, secure and trusted digital economy that puts humans and the enjoyment of their rights at its centre. The Brazil G20 Ministerial Declaration recognised the role of international cooperation, partnerships, innovation, competition and entrepreneurship in the digital sphere if the transformative power of digital technologies was to be realised. In addition, T20 Brazil advocated for solutions to bridge the digital divide and foster <u>meaningful connectivity</u>, recognising that closing this connectivity gap requires not only universal access through reliable, resilient and high-performance infrastructure but also a level of secure, sustainable and highquality connectivity that allows all users, including those currently excluded, to have an enriching and productive online experience at an affordable cost.

The T20 Brazil 2024 Communiqué called for a common framework and resources to promote the participatory governance and co-design of Digital Public Infrastructure (DPI) and Artificial Intelligence (AI) as a general-purpose technology, in order to foster inclusivity, accountability, equity and justice. The significance of data across the entire economy but particularly for public sector development, required that the three working groups - Digital Economy, Environment and Climate Sustainability and Infrastructure strengthen their collaboration to prioritise the inclusive digitalisation of public services and the use of AI to promote greater resource efficiency in energy, transportation, health and other critical areas, and to enhance cooperation on global data governance. It was argued that debates on data governance should be centred on crosscutting issues such as information integrity, climate justice, health, the future of work, non-discriminatory AI systems, DPIs and regulatory parity based on human rights and data justice to channel efforts to attain the SDGs. Overall, the urgent call by the Brazilian G20 for effective global governance of, and support for, capacity building in emergent technologies in developing countries links to South Africa's priorities on AI, data governance, and innovation for sustainable development, which will take the form of a High Level Task Force.

This T20 task force asks: How may we better transform the digital and data economy to redress digital inequality reflected in the uneven distribution of harms and opportunities, associated with the advanced data-driven technologies, to build a shared vision of the future that enables equitable inclusive, just and sustainable development?

1. Equitable Digital Inclusion

One of the major challenges in dealing with digital inclusion from a policy perspective is the tendency to focus exclusively on connectivity thereby reducing the increasingly complex and multi-layered issues of equity and justice in the digital economy to issues of infrastructure. Much of the available evidence from the Global South highlights that although there are still supply-side issues of access and quality in many developing countries, it is demand-side challenges that restrict the majority of people from gaining the meaningful connectivity referred to by the Brazilian G20 Digital Economy Working Group.

As the 2024 Brazil Ministerial Declaration and <u>T20 2024 Inclusive Digital Transformation</u> <u>Task Force (TF05)</u> points out, monitoring and measuring digital developments through objective indicators can contribute to effective policymaking and stimulate investment. Building on the contribution of the 'G20 Guidelines on Indicators and Metrics for Universal and Meaningful Connectivity' introduced during the T20 Brazil, this sub-track will explore mechanisms to ensure that the collection of this primary digital public good - public statistics - is financed and developed for African countries to assess the development of the digital economy and progress towards meeting the SDGs.

In the face of the lack of progress made in bringing the majority of Africans online, this subtrack is also interested in exploring alternative regulatory strategies. These include market restructuring, innovative institutional arrangements, licensing and auction approaches, demand side stimulation, local language initiatives; community access, dynamic spectrum licensing, micro licences, spectrum and other facility-sharing initiatives; digital literacy strategies and digital-skills mainstreaming in curricula.

- With recommitments to universal access and meaningful connectivity in the UN Global Digital Compact and the WSIS +20 processes, how can the South African G20 extend this agenda in an environment with constrained institutional endowments?
- How can the collection and development of universal indicators (public statistics) required to measure progress toward the SDGs in the digital and data economy and to provide a relevant evidence base for policy, be resourced as a global digital public good?
- What role can the G20 play in leveraging public-private-civil society interplays to and other instruments to support and deliver meaningful, inclusive equitable and just data economy and society?

2. Digital Government Inclusive and Equitable DPI as SDG Catalyst

The Indian G20 presidency spotlighted DPI as a pivotal instrument for inclusive and sustainable development and emphasised the need for regulatory frameworks to ensure a level playing field within the digital ecosystem by addressing issues such as interoperability, inclusive access, security, privacy and competition. Further, the <u>G20 New</u> <u>Delhi Leaders' Declaration</u> called for a common set of principles to realise safe, secure, trusted, accountable and inclusive DPI while respecting human rights, personal data, privacy, and intellectual property rights.

For DPIs to fulfil their promise of equitable inclusion, a governance framework (including global governance) of common principles and standards is essential. The foundational principles of democratic governance are freedom (liberty), equity and justice, yet these are seldom the primary principles identified in DPI governance frameworks.

- What integrated regulatory and governance framework is required for the intersecting digital data, ID and finance infrastructures underpinning DPI and essential to enabling public value creation and social value outcomes?
- How can DPIs in G20 countries and beyond be implemented in ways that promote inclusive economic activity and innovation by Medium, Small and Micro Enterprises (commonly known as MSMEs), start-ups and youth in developing economies?

3. Regulation of Emerging Technologies

The UN Digital Compact, as a core pillar of the UN Summit of the Future, has centred its concerns on the concentration of capacities, datasets, and infrastructure in a handful of large tech corporations and the associated asymmetries of power and wealth between states and their citizens as users of their technologies. This concentration does not reflect the diversity of linguistic, cultural, racial and geographical contexts. Referencing the <u>G20 AI principles</u> and the UNESCO <u>Recommendation on the Ethics of AI</u>, the G20 Maceió Ministerial Declaration on Digital Inclusion for All, reaffirmed the grouping's commitment to 'leverage AI for good and for all, as well as to unlock the full potential of

Al, share its benefits for all and mitigate its risks'. It acknowledged that proper data access and sharing frameworks could benefit the public good, provided they are built on principles of fairness. Such frameworks should protect human rights while enabling efficient data flows between countries. Moreover, the UN Tech Envoy High Level Advisory Board's <u>Governing Al for Humanity</u> report calls for the adoption of a holistic and global approach to Al governance that cuts across political, economic, social, ethical, human rights, technical and environmental domains. The report argues that such an approach to Al governance is required to unify disparate and evolving initiatives into a 'coherent, interoperable whole, grounded in international law and the SDGs' such that it may be adaptable and applicable across space and time.

- What role can the G20 play in promoting the regulation of AI in ways that enable its inclusive and equitable development and use in support of the UN SDGs and national development priorities?
- How can the G20 promote secure and decent work in industries linked to, and enabled by, data and emerging and advanced technologies?
- What role should the G20 play in advancing a trusted, just and enabling data governance framework to promote emerging technologies as a digital public good?
- How would an accountability framework for AI, with a focus on human-centric applications, address issues about the potential threats of high-risk applications of AI at global and local levels?
- How can the current amplification of inequality by advanced data-driven technologies be overcome?