

Building Inclusive Digital Transformation Strategies in the Context of COVID-19: An Online Course Developed by PHB and UNCDF



By Alexandra Sánchez, Digital Catalyser-Partner and David Kleiman, Digital Catalyser-Partner, PHB Development

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Introduction

Digital transformation will drive the post-pandemic economic recovery. Most African countries have assessed their need for digital transformation but have not necessarily developed a digital transformation strategy. The COVID-19 crisis that paralysed the world in 2020 and continues to endure, however, has shown the importance of developing a robust digital ecosystem supported by a whole-of-government strategic approach.

The online course on "[Planning and building inclusive digital transformation strategies in the context of COVID-19 to meet the SDGs and Agenda 2063](#)" was recently offered on the e-learning platform of the African Institute for Economic Development and Planning (IDEP) and supported by the UN Capital Development Fund (UNCDF). The course was designed as part of UNCDF's "[Leaving no one behind in the digital era](#)" strategy which aims to contribute to achieving the Sustainable Development Goals, or SDGs, by equipping and empowering millions of people to use innovative digital services in their daily lives. Digital inclusion is the key lever to make sure that people have access, use and benefit from the meaningful services made possible through digital platforms.

UNCDF worked together with PHB to create the course, with PHB providing interactive, multi-lingual facilitation for a cohort of more than 400 participants from governments across Africa to provide digital economy actors with:

- A solution to improve their knowledge and skills on digital economy fundamentals, digital transformation and sustainable development.
- Insights on business strategy development to drive inclusive digital transformation including policy and regulations, digital finance, digital ID, digital trade (e-commerce) and digital economy, as well as how to measure and benchmark the inclusiveness of a digital economy.

Armel Bruno C. Allavo, a consultant at Benin's Société d'Inclusion Financière (SIF) Group, said of the course: "I would like to thank UNCDF, PHB and IDEP for this opportunity. We will be able to validly support our African States with this new competence."

Background

The wake of the coronavirus outbreak is accelerating an already growing trend towards digitalization; from virtual meetings to digital payments, automated factories, online orders and drone delivery, digital services are growing in importance, permeating an increasing number of sectors and activities.

The challenges are not small or easy to overcome, but they pale in comparison with the opportunities that lay ahead:

- Use new connectivity technologies and business models to close the digital divide and bring more people online. Increasing Internet penetration will impact all the sectors of the economy and society and unlock the African innovation potential.
- Take advantage of the youngest population on the planet and strongly invest in digital skills. Africa can become a global digital powerhouse that can provide quality services not only to its own citizens, but also to markets such as the European Union and the United States, following the Asian model.
- Deploy digital technologies to solve the African Identity challenge by investing in harmonized e-ID systems that are recognized and interoperable across borders. By doing so, African countries will not only create unprecedented social inclusion, but also achieve continental integration.
- Empower African small farmers by using digital technologies and services to increase the productivity of their crops, eliminate intermediaries and open new markets where they can sell the products. Digitalization can also help to better manage limited resources such as water and reduce the growing tensions and often violence over scarce resources.
- Use eGovernment solutions to improve the efficiency of public services, fight corruption and bring citizens closer to their governments. eGovernment can [save 2% of a country's GDP](#), for some countries that amounts to the entire education budget every year.

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- Develop and harmonize eCommerce rules across the continent and open new markets for Small and Medium Enterprises (SMEs). Small businesses are at the core of the African economy and digital trade can have a major positive impact on the economy and job creation.

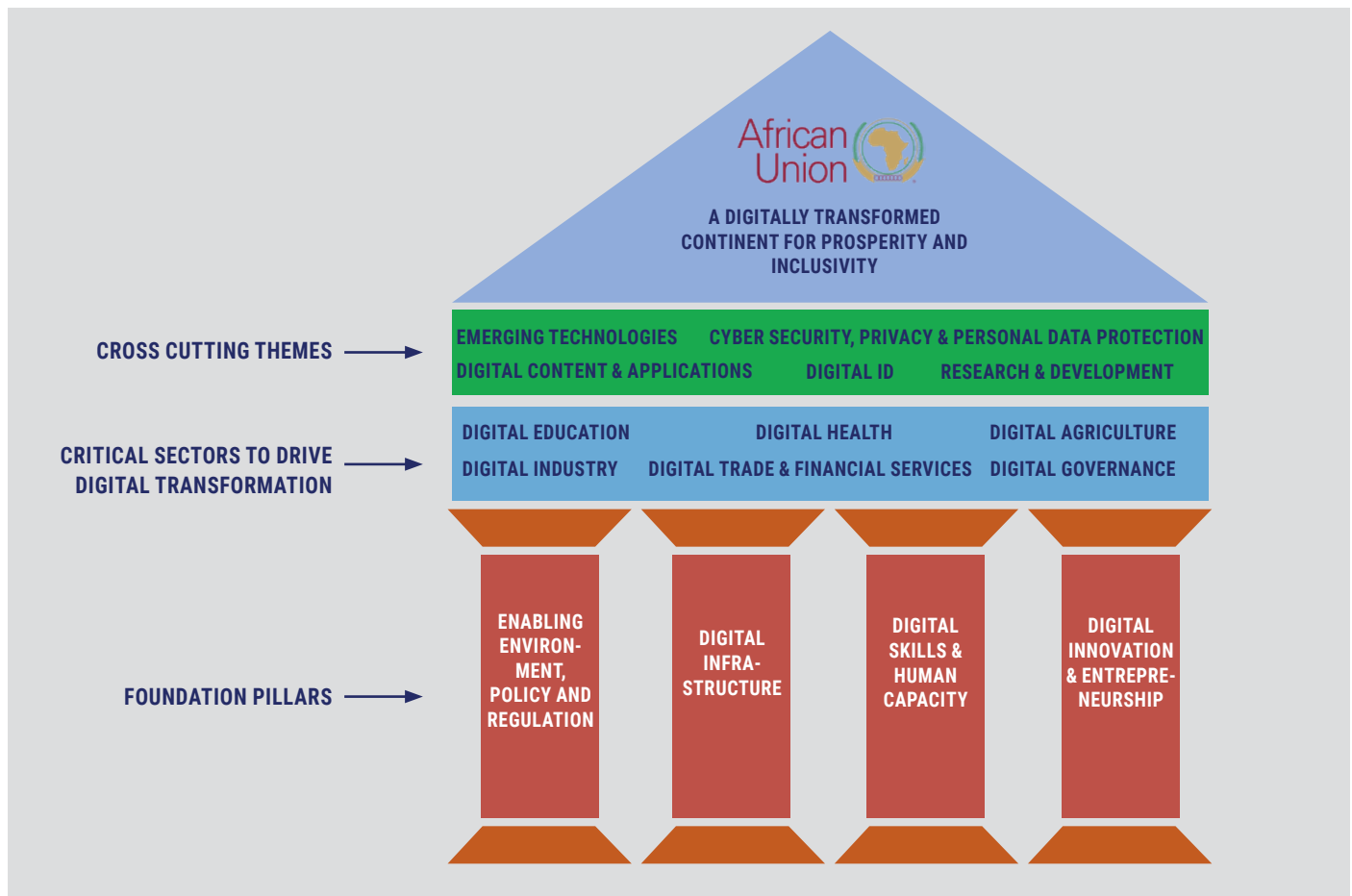
Course Content

The digital transformation of an economy is a significant undertaking. It requires deep reforms across multiple sectors.

Governments may opt to focus on key levers that drive the growth of a digital economy, and stage reforms over time.

The African Union offers a useful framework for planning and implementing digital transformation. In its [Digital Transformation Strategy for Africa 2020-2030](#), which it put together with the UN Economic Commission for Africa and other organisations, it proposes a structure consisting of four foundation pillars, six critical sectors to drive digital transformation and five cross-cutting themes.

Figure 1. The African Union's Digital Transformation Strategy for Africa



Source: [Image of AU Strategy](#)

This Digital Transformation Course was organized around the four foundation pillars as well as some critical sectors and cross-cutting themes from the African Union strategy. Additionally, the introduction of UNCDF's [Inclusive Digital Economy Scorecard \(IDES\)](#) in Module 9 (see Figure 2) exposed government participants—particularly central banks and other government agencies—to the IDES tool designed to measure, track and plan their digital transformation.

"IDES is well aligned with the African Union's Digital Transformation Strategy pillars and can help transformative

agencies of government to focus on achieving inclusion for the segments of women, youth, migrants and refugees, the disabled and elderly, MSMEs and rural inhabitants—all of whom are at risk of an increasing digital divide," said Francois Coupienne, Global Digital Lead, UNCDF. "These customer segments are often marginalized and denied digital innovation and technology due to social norms, societal status, and limited revenue and skills. UNCDF places the empowerment of these people at the centre of its initiatives to develop innovative services in various sectors."

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Figure 2: Overview of the Course

<p>Module 1 Introduction: The inclusive digital transformation journey</p>	<p>Module 2 Foundation pillar: Enabling environment, policy & regulation</p>	<p>Module 3 Foundation pillar: Inclusive digital infrastructure</p>	<p>Module 4 Foundation pillar: Inclusive digital innovation</p>	<p>Module 5 Foundation pillar: Inclusive digital skills</p>
<p>Module 6 Critical sectors: Digital services Cross-cutting issue: Emerging technologies</p>	<p>Module 7 Critical sectors: Digital government Cross-cutting issue: e-ID</p>	<p>Module 8 Cross-cutting issue: Cybersecurity and data privacy</p>	<p>Module 9 Assessment: The Inclusive Digital Economy Scorecard developed by UNCDF</p>	<p>Module 10 Conclusion: Developing and implementing an Inclusive Digital Transformation Strategy</p>

Conclusion

African economies are in a process of accelerated digital transformation. **Inclusion in the digital era, however, is not a given. Technology in and of itself is neutral, and it can lead to either inclusion or exclusion based on how it is deployed and whether it is accompanied by measures to ensure new forms of exclusion are not introduced.** Although digital technologies can leapfrog traditional models of market expansion, adoption of digital financial and non-financial services often depends on whether the intended clients understand, accept and perceive

real additional value. Furthermore, without any government intervention, digital transformation is likely to be limited to large companies, increasing their market power at the expense of the consumer and increasing the digital divide.


Where governments focus their effort on support for the design of digital products and services that meet the needs of marginalised groups, digital transformation can actually help to reduce the digital divide. Digital transformation therefore can be seen as a double-edged sword offering enormous opportunities, but with equally big challenges. 

Figure 3. Digital Transformation Can Be a Double-Edged Sword

