



Global digital solidarity fund

Reducing
the digital divide



The Global Digital Solidarity Fund

**Leading Group on Solidarity Levies to Fund Development
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Unequal access to knowledge and information

- 75% of Internet users live in high-income countries... mostly in the developed world
- they represent less than 15% of the world's population
- some 85% of the world's population, mostly living in the developing world, do not have access to ICTs and the Internet... they are marginalized by the digital divide
- the digital divide is the unequal access knowledge and information... it aggravates poverty and hampers development efforts.

What is the Global Digital Solidarity Fund?

- The Global Digital Solidarity Fund is the first international organisation entirely dedicated to bridging the digital divide
- The Fund is an initiative of the African Union, created as the outcome of the World Summit on the Information Society (Geneva, 2003)
- It is based in Geneva, Switzerland, placed under the surveillance of the Swiss Confederation
- It is truly an organization of the 21st Century, managed by a quadripartite board (State Governments, local authorities, private sector, civil society)

The founding member States

- Algeria
- Burkina Faso
- China
- Dominican Republic
- Ghana
- Equatorial Guinea
- France
- Kenya
- Mauritania
- Morocco
- Nigeria
- Saudi Arabia
- Senegal
- Tanzania

The founding members Cities and Regions:

- Dakar (Senegal)
- Geneva (Switzerland)
- Lyon (France)
- Paris (France)
- Santo Domingo (Dominican Republic)
- Rhône-Alpes (France)
- Basque Country (Spain)
- Piedmont (Italy)

One international organisation:

- The Organisation Internationale de la Francophonie (OIF)

International recognition

The Fund and its 1% innovative financing mechanism has received the political support of:

- the Millennium +5 United Nations World Summit (MDG+5, NYC, September 2005)
- the World Summit on the Information Society (Tunis, November 2005)
- the World Summit of Cities and Local Authorities on the Information Society (Bilbao, November 2005)
- the Islamic Summit Conference (Mecca, December 2005)
- the World Summit of the Francophonie (OIF) (Bucharest, September 2006)
- the World Summit of the Africa, Caribbean and the Pacific – ACP Group of States (December 2006)

What are the Fund's key features ?

- The Fund promotes a new financing mechanism, specifically designed to reduce the digital divide:

the 1% digital solidarity contribution. The 1% contribution comes from ICT-related procurement contracts, paid by the vendor on his profit margin
- The Fund mobilizes new partners: Governments, local authorities (cities, regions, provinces...), the private sector and civil society
- The Fund promotes innovative technologies, better adapted and more cost-effective for the developing world

The 1% digital solidarity contribution (1)

- The 1% contribution is simple, effective and easy to apply: Governments, local authorities, businesses and NGOs can voluntarily include in each call for bids pertaining to ICT goods or services a “*digital solidarity clause*” requesting the vendor to pay to the DSF 1% of the total transaction.
- The 1% contribution can be applied universally and does not affect public budgets.
- It will generate more revenues coming from the developed world which will be invested in developing countries, in insolvable areas which are of no interest to the private sector.
- Each dollar paid by the vendors is used by the DSF to buy back ICT goods and services. The 1% contribution is thus benefiting the same sector of activity by opening new markets for the ICT industry. It is typically a win-win solution.

The 1% digital solidarity contribution (2)

- the 1% digital solidarity contribution (also called the Geneva Principle) was officially announced at the inauguration of the DSF on 14 March 2005, in the presence of several Heads of State and Governments, and Ministers of Foreign Affairs, including Presidents Obasanjo of Nigeria, Wade of Senegal and Michel Barnier, then French Minister of Foreign Affairs
- this contribution was immediately considered as an innovative financial mechanism for development (bridging the digital divide is one of the objectives of the UN Millennium Declaration)
- in February 2006, the DSF was invited to the Paris Conference on innovative financing mechanisms to present the 1% contribution
- in July 2006, in Brasilia, at the Leading Group Plenary meeting, the DSF was acknowledged in the Chairman's conclusions as a project that is *"already bearing its fruit"*
- 2 World Summits (the Francophonie Summit in Bucharest and the ACP Summit in Khartoum) have formally welcome the 1% digital solidarity contribution and urged their member States to implement it

Implementation of the 1% digital solidarity contribution

- The 1% contribution is currently being implemented by nation States, local Governments and the private sector:
 - State of Senegal
 - Cities of Geneva and Lausanne
 - IT companies (BCom), Hotels (Intercontinental Geneva), etc.
- In France, a law amendment authorizing the introduction of the 1% contribution by French local authorities will soon be presented to the French Parliament.
- In the next months, the African Union will call upon all its Member States to implement the 1% digital solidarity contribution in Africa.
- At the next technical meeting of the Leading Group, the DSF plans to submit a preliminary draft of an International Agreement setting the terms of implementation of the 1% digital solidarity contribution at global level.

What is the distribution of resources?

The Fund allocates:

- 60% of its resources for least developed countries;
- 30% of its resources for developing countries;
- 10% of its resources for countries in transition and developed countries.

What kind of projects receive financing?

The Fund finances:

- community-based projects that are in line with national and regional priorities
- that address the insolvent demand in order to create new activities, new jobs and new markets
- that are respectful of cultural diversity and local contents
- that are operated by organizations which have a track record in accountable and transparent funds management

What are the Fund's pilot projects?

- **Africa:** tele – education and tele – medicine on 10 pilot sites in Burkina Faso (6 sites) and Burundi (4 sites)
- **Asia:** reconstruction of the information system of the Banda Aceh municipality, Indonesia

VSAT stations in Africa



Pilot projects infrastructure and content

To compensate for poor telecom infrastructure in remote locations, the DSF has financed VSAT systems in:

- **Burkina Faso** – Ouagadougou, Ouahigouya, Zorgho, Banfora, Diebougou, Bobo Dioulasso
- **Burundi** – Bujumbura, Gitega, Ngozi, Bururi

Community associations fighting HIV/AIDS are now benefiting from a broadband satellite connection providing Internet access, video conferencing and voice communication, and up to 40 PCs per site

Applications

Tele-medicine

Tele-education

Database exchange

Income-generating activities

Integration of ICTs in the beneficiaries' work

The Fund's vision by 2015 (UN Millennium Development Goals)

- build a strong partnership with the private sector to bring the latest available technologies to the developing world
- connect the whole African continent by 2015
- develop 5 to 20 community-based projects in each of the 53 African countries
- scale up this same strategy to Latin America and the Caribbean, to the Middle East, to Asia and the Pacific

One last word...

- Today, in the global information society, no strategy for development can be achieved without access to ICTs
- The Global Digital Solidarity Fund and its innovative financial mechanism represent the most effective way to bridge the digital divide and develop a global, inclusive and civilised society
- We call upon all members of the Leading Group on Solidarity Levies to Fund Development and on all organizations gathered here today to join the Fund and implement the 1% digital solidarity contribution.
- Thank you.

Global Digital Solidarity Fund (DSF)

Villa La Concorde,
Avenue de la Concorde 20
1203 Geneva
Switzerland

E-mail: secretariat@dsf-fsn.org

Tel: + 41 22 979 32 50

Fax: + 41 22 979 32 51

Website: www.digital-solidarity.org

