Africa Digital Transformation Action Plan (2022 - 2026)

CREATING AN INCLUSIVE AFRICAN DIGITAL ECONOMY THAT ENABLES GROWTH, INCREASES PRODUCTIVITY, AND IMPROVES COMPETITIVENESS OF KEY SECTORS.

The new digital economy created by the Fourth Industrial Revolution (4IR) represents a unique opportunity for Africa to diversify its economies, raise income levels and improve the quality of life of its people.

Harnessing the energy and creative talent of the bulging youth population (845+ million by 2050) is key to the future prosperity of Africa. Young African entrepreneurs are already using innovative technologies to challenge established markets while solving socio-economic problems. An estimated 564 startups received $2 billion in funding in 2021.

Connectivity in Africa has reached 28% in 2020. Today, 37 out of 38 African countries with a coastline have direct access to at least one submarine cable. In addition to increase in private sector funded regional data

### The African Context

<table>
<thead>
<tr>
<th>Total % of Connections</th>
<th>2010</th>
<th>2015</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>0.3%</td>
<td>16%</td>
<td>28%</td>
</tr>
<tr>
<td>Global</td>
<td>2.8%</td>
<td>36%</td>
<td>51%</td>
</tr>
</tbody>
</table>

TOTAL PERCENTAGE OF MOBILE BROADBAND CONNECTIONS

- **Global**: 51%
- **Africa**: 28%

Connectivity in Africa has reached 28% in 2020. Today, 37 out of 38 African countries with a coastline have direct access to at least one submarine cable. In addition to increase in private sector funded regional data.
Despite the impressive gains, Africa lags in digital infrastructure, access, and education.

In SSA one in five people live in an area without mobile broadband coverage. More than half of the population is still not using mobile internet, despite living in an area with mobile broadband coverage.

One of the fastest-growing sectors in Africa, the ICT sector is contributing 8% of its total 2020 GDP, generating 1.4 million direct formal and informal jobs and adding $132 billion of economic value and $15 billion to the public sector through taxation.

Growing private sector investment has played a significant role in bridging the digital infrastructure gap.

According to the Infrastructure Consortium for Africa, $4.8 of the $7.1 billion ICT investments in 2018 came from the private sector.

**GOAL:** To harness digital technologies, talent pool and startups to spur GDP growth and support the digital transformation of economic structures across Africa.

**Plan Goal and Strategic Pillars**

### Strategic Pillars

**PILLAR 1:** SCALING AFFORDABLE CONNECTIVITY AND DIGITAL INFRASTRUCTURE TO BRIDGE THE DIGITAL DIVIDE

Investment in this pillar focuses on enhancing access to affordable digital infrastructure in underserved and rural areas, de-risking the investment market to crowd-in private sector, and scaling public-private partnerships (PPPs) to deploy ICT infrastructure.

**PILLAR 2:** INVESTMENT FOR DIGITAL ENTREPRENEURSHIP AND SKILLS

- **Digital Skills:** This pillar supports countries in developing and implementing national building demand-driven skills needed to be competitive in the fourth industrial revolution. In addition to strengthening
Institutional capacities for Digital Transformation through capacity building and knowledge sharing.

- **Digital Entrepreneurism**: This pillar adopts an ecosystem approach to design ICT operations and scale investments in homegrown technology/tech-enabled startups and invest in building an enabling digital innovation ecosystem for these startups to thrive.

### PILLAR 3: SECTORAL ADOPTION OF DIGITALIZATION

Applying digital technologies and innovation to traditional sectors in Africa is essential to chart a solid path to economic recovery. Therefore, this pillar focuses on:

- Digitally transforming the traditional high growth sectors with disruptive technologies. Our focus will cover: Agritech, Healthtech, e-Commerce, Fintech, Deep Manufacturing, Edutech, climate and green technology
- Support e-government (and digital identity) programs to increase effectiveness, transparency, and security, improve civic accountability, and service delivery to citizens.

Creating an Enabling Policies and Regulatory Environment is essential for the success of digital transformation and growth of startup eco-system. The Plan will focus on sand development of an enabling and harmonized digital policies and regulation in Africa.

#### CASE STUDY 1: SCALING AFFORDABLE CONNECTIVITY AND DIGITAL INFRASTRUCTURE

We invested in the Central African Backbone - Republic of Congo Component in 2018, leading to a 20% increase in fibre coverage, growth in internet penetration from 7% to 30%, and giving 10,000 women access to ICT and entrepreneurship education.

#### CASE STUDY 2: INVESTMENT FOR DIGITAL TECHNOLOGY AND SKILLS

We invested in the Digital Technology Park in Senegal, creating 35,000 direct and 105,000 indirect jobs, and leading to a 350% increase in the number of ICT companies, and an increase in foreign investment from US$5 million to US$200 million.

#### CASE STUDY 3: SECTORAL ADOPTION OF DIGITALIZATION

Our investment in Tunisie Digitale 2020, equipped 100% of Tunisian households with online access to Government services in 2021, up from 17% in 2015. Our investment also helped to increase the number of online services from 200 to 500.