

28 March 2025

Advancing International Cooperation under the Global Digital Compact

By Danish

Bridging the global digital divide in new and emerging technologies, particularly Artificial Intelligence, will require developing countries to strongly leverage international cooperation to build digital skills, knowledge and gain access to these technologies which can accelerate their digital transformation and sustainable development. This emphasis on international cooperation is also deeply embedded in the Global Digital Compact, which was adopted as part of the Pact for the Future. This paper therefore looks at how international cooperation modalities have been included in the GDC across the different issue areas, how developing countries are already engaging with the GDC through their national initiatives, and provides some useful considerations going forward.

Afin de réduire le fossé numérique qui existe à l'échelle mondiale dans le domaine des technologies nouvelles et émergentes, en particulier l'intelligence artificielle, les pays en développement doivent impérativement tirer parti de la coopération internationale pour acquérir les compétences et connaissances numériques nécessaires et accéder à ces technologies en vue d'accélérer leur transformation numérique et en matière de développement durable. L'accent mis sur la coopération internationale constitue un aspect essentiel du Pacte numérique mondial, qui a été adopté dans le cadre du Pacte pour l'avenir. Le présent document examine les modalités de coopération internationale prévues dans le Pacte numérique mondial dans ce domaine et les initiatives mises en œuvre au niveau national par les pays en développement. Il formule également quelques considérations utiles pour l'avenir.

Reducir la brecha digital global en torno a las tecnologías nuevas y emergentes, particularmente la Inteligencia Artificial, requerirá que los países en desarrollo aprovechen al máximo la cooperación internacional para desarrollar habilidades digitales, adquirir conocimientos y acceder a estas tecnologías, lo que puede acelerar su transformación digital y su desarrollo sostenible. Este énfasis en la cooperación internacional también está profundamente arraigado en el Pacto Digital Global (GDC, por sus siglas en inglés), que se adoptó como parte del Pacto para el Futuro. Por lo tanto, este documento examina cómo se han incluido las modalidades de cooperación internacional en el GDC en las diferentes áreas temáticas, analiza cómo los países en desarrollo ya están participando en el GDC a través de sus iniciativas nacionales, y ofrece algunas consideraciones útiles para el futuro.



1. Introduction

The adoption of the Global Digital Compact (GDC) as an annex to the Pact for the Future marked an important milestone for advancing digital global governance and deepening international cooperation in the digital sphere. The GDC makes multiple references to the need for countries and other relevant stakeholders to cooperate towards achieving effective and equitable outcomes. Yet, multilateral cooperation in the digital sphere has remained far from meeting its full potential.

Harnessing the benefits of digital technologies for the people and planet can only be achieved through strengthened international cooperation that closes all digital divides between and within countries. The GDC recognizes the challenges that digital divides pose for many countries, in particular developing countries, which have pressing development needs and limited resources. In response, it encourages all stakeholders to engage in cooperation that is agile and adaptable to the rapidly changing digital landscape. There is a strong push towards working in collaboration and partnership with governments, private sector, civil society, international organizations, the technical and academic communities and all other stakeholders.

International cooperation remains the bedrock for the implementation of the GDC, requiring enhanced global support for digital infrastructure, including access to financing and technology transfer. This is equally relevant to Artificial Intelligence (AI), as underscored by the adoption of the recent United Nations (UN) General Assembly Resolution on Enhancing International Cooperation on Capacity-Building of Artificial Intelligence (Res. 78/311), which sets forth a comprehensive framework for responsible Al governance and represents a significant step towards promoting international cooperation in AI.

Similarly, the UN Secretary-General's Roadmap for Digital Cooperation has highlighted how "the existing digital cooperation architecture has become highly complex and diffused but not necessarily effective, and global discussions and processes are often not inclusive enough. This situation is exacerbated by the lack of a common entry point into the global digital architecture, which makes it especially hard for developing countries, small and medium-sized enterprises, marginalized groups and other stakeholders with limited budgets and expertise to make their voices heard".

The GDC could be seen as addressing this particular highlighting the importance of gap, international cooperation to support a number of initiatives for digital transformation in developing countries. The GDC considers the possibility of harnessing multistakeholder international cooperation for implementing digital literacy and training programs for developing nations, with the aim of bridging the digital skills gap and focusing on skill development for emerging technologies and Al. It also considers the establishment of interoperable data governance frameworks that could help developing countries manage data resources and secure their digital landscapes. All this however requires an urgent need to scale up international cooperation and financing for digital development in the global South.

2. International Cooperation in the GDC

The GDC emphasizes the use of international cooperation to achieve a secure, inclusive, and sustainable digital future. It is one of its major principles meant to among others, close the digital divides within and between States; and to ensure that the benefits of digital cooperation are fairly distributed and do not exacerbate existing inequalities or impede the full achievement of sustainable development. It further stresses that this cooperation must be "forward-looking and capable of identifying, anticipating, assessing, monitoring and adapting to emerging technologies for seizing opportunities and responding to new and emerging risks and challenges".

Recognizing the need to scale up international cooperation and financing for digital transformation in developing countries, for increasing connectivity, digital literacy, digital public infrastructure, among others, the GDC has called for enhancing partnerships to "ensure the provision of the required means of implementation to developing countries, including the mobilization of financial resources, capacity-building and the transfer of technology on mutually agreed terms" (para. 8). The GDC also promotes, as noted, a multi-stakeholder approach for its implementation, governments, private sector, civil society, academia, and considering that such technical communities, engagement can support the development of inclusive policies and leveraging diverse expertise across different domains.

2.1 Cooperation for Data and Al Governance

The GDC emphasises the establishment of international standards and interoperable frameworks for data governance, particularly for secure cross-border data flows. Such collaboration is aimed at protecting privacy and human rights while facilitating safe and equitable data exchanges that support the Sustainable Development Goals (SDGs). This does not rule out data localization policies that many countries have and can establish while exercising their sovereign rights over data (1). The GDC recognizes the need for strengthened cooperation for data governance at all levels with the effective, equitable and meaningful participation of all countries and in consultation with relevant stakeholders to unlock the full potential of digital and emerging technologies. This will require capacity-building for developing countries and the implementation of data governance frameworks that are aligned with the local needs and realities of countries.

Similarly, the GDC also advocates for cooperative Al governance that aligns with international human rights and ethical standards. It proposes the setting up of an Independent International Scientific Panel on Al and a Global Dialogue on Al Governance (para. 57). The GDC further recognises that international cooperation is required to promote coordination and compatibility of emerging Al governance frameworks (para. 51), as well as to support developing countries in building Al capacities. Reference is also made to the need to address potential negative impacts of emerging digital technologies on labour, employment and on the environment (para. 53).'

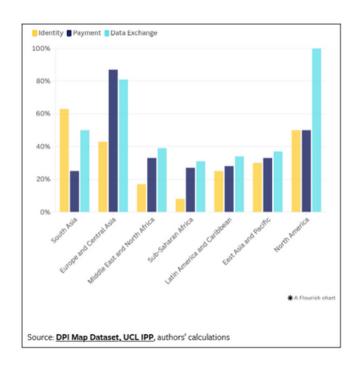
2.2 Cooperation in Digital Public Goods and Digital Public Infrastructure

There is significant focus in the GDC on enhancing the adoption and use of digital public goods and digital public infrastructure (DPI) through international cooperation. While there is no common definition for either concept, they are generally understood to encompass digital tools and platforms that can be used for the delivery of digital services, fostering digital inclusion, reducing inequalities, and enhancing the implementation of sustainable development solutions, especially in developing countries. Under the Indian

Group of Twenty (G20) Presidency in 2023, the outcome document of the G20 Digital Economy Ministers Meeting described DPI as "a set of shared digital systems that should be secure and interoperable, and can be built on open standards and specifications to deliver and provide equitable access to public and/or private services at societal scale and are governed by applicable legal frameworks and enabling rules to drive development, inclusion, innovation, trust, and competition and respect human rights and fundamental freedoms."

As an evolving technological concept, DPI can be tailored to the needs and circumstances of countries undertaking their own digital transformations. For example, some researchers have classified DPIs found in developing countries into <u>3 categories</u>, namely identity systems, payment systems and data exchange systems (see Figure 1). Expanding these systems for effective digital inclusion and governance remains an important challenge in developing countries.

<u>Figure 1. Prevalence of systems meeting DPI criteria</u> <u>across global regions</u>



Source: ODI

With this backdrop, the GDC has made reference to the need for multi-stakeholder cooperation for the development, dissemination and maintenance of safe and secure open-source models and standards that benefit society as a whole. It also encourages the "formation of partnerships that bring together governments, the private sector, civil society, technical and academic communities and international and regional organizations to design, launch and support initiatives that leverage digital public goods and digital public infrastructure to advance solutions for the SDGs" (para. 17). It further calls for increasing investment and funding towards the development of digital public goods and digital public infrastructure, especially in developing countries.

2.3 Cooperation for Capacity-Building and Technology Transfer

As mentioned, the GDC underscores the need for international cooperation and providing support for building digital capacity within developing countries. This involves, among others, technology transfer 'on mutually agreed terms, skill development, and resource mobilization to promote digital literacy, governance, and digital public infrastructure. This is clearly recognised by the GDC, which notes the need to enhance partnerships to ensure the provision of the required means of implementation to developing countries (para. 12). However, the GDC does not contain any obligation for developed countries to transfer technology or engage in capacity building, which will depend on voluntary actions by their governments and other stakeholders.

The GDC also calls for the development of interoperable digital competency frameworks and training standards to facilitate pooling of training resources, the mobilization of public and private funds in support of capacity-building and its continuous adaptation to address rapid technological change and the prevention of brain drain (para. 13(g)). This is important but, again, it is only a call without material commitments.

For the GDC, increased capacity-building could help "ensure the safe, secure and resilient functioning of digital systems, networks and data in digital transformation efforts" (para. 21(j)), better utilise data and statistics from all sources (para. 45(a)); and support the development of international partnerships on the use of AI to "develop education and training programmes, increase access to resources including open artificial intelligence models and systems, open training data and compute, facilitate artificial intelligence model training and development, and promote the participation of micro-, small and mediumsized enterprises in the digital economy" (para. 60). Enabling effective access to AI systems and digital solutions for developing countries is a necessary first step in this regard.

2.4. North-South, South-South and Triangular Cooperation

The role of various stakeholders from global South countries in implementing South-South and Triangular cooperation initiatives for expanding the adoption and use of digital technologies has been recognized in areas like building digital financial services, investing in digital infrastructure, setting up digital knowledge hubs, among others. The GDC accordingly encourages North-South, South-South and Triangular cooperation as modalities that should be enhanced, including among universities, research institutes and the private sector, to accelerate digital knowledge development and access to research capacity (para. 21(g)).

The GDC also commits to promote these cooperation modalities to support the development representative high-quality data sets, compute resources, local solutions that reflect linguistic and cultural diversity and entrepreneurial ecosystems in developing countries (para. 62). This also echoes the role for such cooperation as emphasised in the referred to Res. 78/311 which called for bridging "the Al and other digital divides between and within countries, and to enhance international cooperation on capacitybuilding in developing countries, including through North-South, South-South and triangular cooperation, with full consideration of the needs, policies and priorities of developing countries...".

PAGE | 05

3. Countries' Engagement with the GDC

A number of countries and regions from the global South have already taken actions aligned with the GDC or engaged with the implementation of its outcomes. For instance, on the African continent, the African Digital Compact (ADC) was adopted by the African Union (AU) Executive Council in July 2024, presented as 'Africa's common position on digital transformation' seeking to accelerate Africa's digital transformation. The ADC builds alignment with the GDC, while addressing Africa's unique challenges and opportunities. The ADC is also anchored in the AU Agenda 2063 and the AU Digital Transformation Strategy for "shaping a connected and resilient Africa that is poised to lead the digital revolution with inclusivity and innovation at its core".

The ADC encapsulates "Africa's common vision and one voice that charts Africa's digital future and harnesses the transformative potential of digital technologies to foster sustainable development, economic growth, and societal well-being throughout Africa" In addition, initiatives like the Protocol on Digital Trade to the African Continental Free Trade Agreement (AfCFTA) have the potential to contribute to building the capacities of African firms to harness digital business solutions and make use of greater interoperability and harmonized digital standards across African countries.

India has also taken steps towards fulfilment of the GDC, through measures for creating a "safe digital and inclusive future", ensuring access to accurate information and participation in the digital economy. This includes initiatives like Bharat Net, which is a project of rural broadband connectivity aiming to provide high speed internet to all villages in the country. Other initiatives include promoting digital literacy and education to at least one member of each rural household, reaching approximately 40 percent rural households. India has also committed a \$1.25 billion investment in Al projects, including to develop computing infrastructure and for the development of large language models. India's G20 Presidency in 2023 also put a spotlight on the role of DPI, which is prominently featured in the GDC. This initiative has been supported by the following G20 Presidencies of Brazil and South Africa (see box).

Box - Recent G20 Initiatives

Under India's G20 Presidency initiative, it was recognised that digital public infrastructure can be "built on open standards specifications to deliver and provide equitable access to public and/or private services at societal scale and are governed by applicable legal frameworks and enabling rules to drive development, inclusion, innovation, trust, and competition and respect human rights and fundamental freedoms"; emphasising on the role of DPI as "a 'safe, secure, trusted, accountable, and inclusive' driver socioeconomic development across the globe".

This was carried forward in 2024 under the Brazilian G20 Presidency, where the G20 Inclusion for All, adopted in September 2024 highlighted the commitment to work together to promote international cooperation and further discussions on Al for inclusive sustainable development and inequality reduction. The G20 Troika (India, Brazil and South Africa) also issued a Joint Communiqué on 'Declaration on Digital Public Infrastructure, <u>Al and Data for Governance'</u> which stresses that "well-designed digital public infrastructure augmented by artificial intelligence can enable the use of data for development, creating new jobs and delivering better health education outcomes. Their adoption by G20 countries more widely has the potential to radically transform the lives of citizens thereby renewing their faith in vibrant democratic principles".

Under the current G20 Presidency of South Africa, Artificial Intelligence, the deployment of DPI on the African continent, building Digital Innovation Ecosystems to support Micro-, Small and Medium-sized Enterprises (MSMEs), and measures to further advance universal and meaningful connectivity are being discussed towards advancing the objectives of the GDC, the ADC and the AU Continental Strategy on Artificial Intelligence for promoting digital transformation on the African continent.

In Latin America, Brazil has committed \$4.07 billion for an Al investment plan that is aimed at developing sustainable and socially-oriented technologies in the country. Uruguay has been active in using DPIs for its healthcare digitalization, where it ensures secure and timely access to patients' medical records, regardless of the service provider. The system has processed "over 212 million clinical documents, 160 million consultations, and more than 4.6 million documents exchanged", enhancing patients' access to services while strengthening data security.

China has also aligned itself with the goals of the GDC through actions such as the Global Initiative on Data Security, the Global Al Governance Initiative, and the Global Cross-Border Data Flow Cooperation Initiative which are aimed at promoting global digital governance and responding to challenges in areas such as cybersecurity and Al governance. China has also proposed the 'Al Capacity-Building Action Plan for Good and for All', and has called for stepping up investments in Al capacity-building in developing countries.

As more countries and institutions increase their efforts for implementing the GDC, it will be important to share their and other relevant experiences and digital solutions among developing countries for bridging the digital divide and accelerating sustainable development.

4. Considerations for the Future

The GDC recognizes the importance of financing to unlock its full potential, noting that successful implementation will require the pooling of investment from public, private and multilateral resources. The GDC also calls for the development of innovative voluntary financing options for Al capacity-building. However, without binding financing commitments by countries, as well as financing pledges by the private sector and philanthropic actors, the resources required to implement the GDC and bridge the digital divide will remain unmet. Further actions are required to raise the financial resources for this purpose. The upcoming 4th international conference on Financing for Development (FfD4) could be an opportunity to mobilise the financial resources necessary for inclusive digital transformation and implementation of the GDC in developing countries, though the conference outcomes in this regard are uncertain.

The GDC has recognized cross-border data flows as a critical driver of the digital economy and committed "by 2030, to advance consultations among all relevant stakeholders to better understand commonalities, complementarities, convergence and divergence between regulatory approaches on how to facilitate cross-border data flows..." (para. 47). Future work in this area should focus on sharing practices and understanding legal frameworks, while countries must retain their ability to regulate (including through data localization) cross-border data flows, recognising that all countries have a stake in the digital economy.

Another significant challenge will be the regulation of big-tech firms and their outsized influence in different spheres of society and the digital economy. With the rapid advancement in Al, evolving a harmonized multilateral regulatory framework to limit the possible harms of AI, including by way of misinformation and disinformation, will be critical. While the GDC calls on "digital technology companies and social media platforms to enhance the transparency accountability of their systems", as well as to "develop solutions and publicly communicate actions to counter potential harms, including hate speech discrimination, from Al-enabled content" (para. 36), the test of its effectiveness will lie in its enforcement, especially in developing countries. Increasing effective mutual legal assistance and cooperation between authorities for better enforcement across jurisdictions will be vital to this effort.

The GDC has envisaged the UN system and other international organizations playing an important role for capacity-building in responsible and interoperable data governance, and more financial resources need to be provided in this context. Some commentators have also noted that "the GDC can help with capacity building and with South-South and North-South collaborations in the development of digital public goods... [while] the GDC may not result in a paradigm shift in the world's governance of digital technologies but it can facilitate significant and tangible outcomes if member states take it seriously". Greater digital uptake, technology transfer and resource mobilisation for implementing the GDC in developing countries therefore remains essential.

In conclusion, the GDC has created a framework for countries to work together for a global digital transformation that could benefit everyone, everywhere, while keeping the priorities of developing countries and the implementation of the SDGs at its core. Deepening cooperation among all relevant stakeholders can help ensure that future technological advancements, especially in AI, are harnessed for good, bridge the digital divide and achieve the 2030 Agenda for Sustainable Development.

Author: Danish is Programme Officer of the Sustainable Development and Climate Change Programme (SDCC) of the South Centre.

Copyright © 2025 South Centre, All rights reserved.

SOUTHVIEWS is a service of the South Centre providing opinions and analysis of topical issues from a South perspective.

The views contained in this article are attributable to the author(s) and do not represent the institutional views of the South Centre or its Member States.

For more information, please contact Anna Bernardo of the South Centre: Email <u>abernardo@southcentre.int</u>, or telephone +41 22 791 8050.