



EU Aid for Trade and Digitalisation

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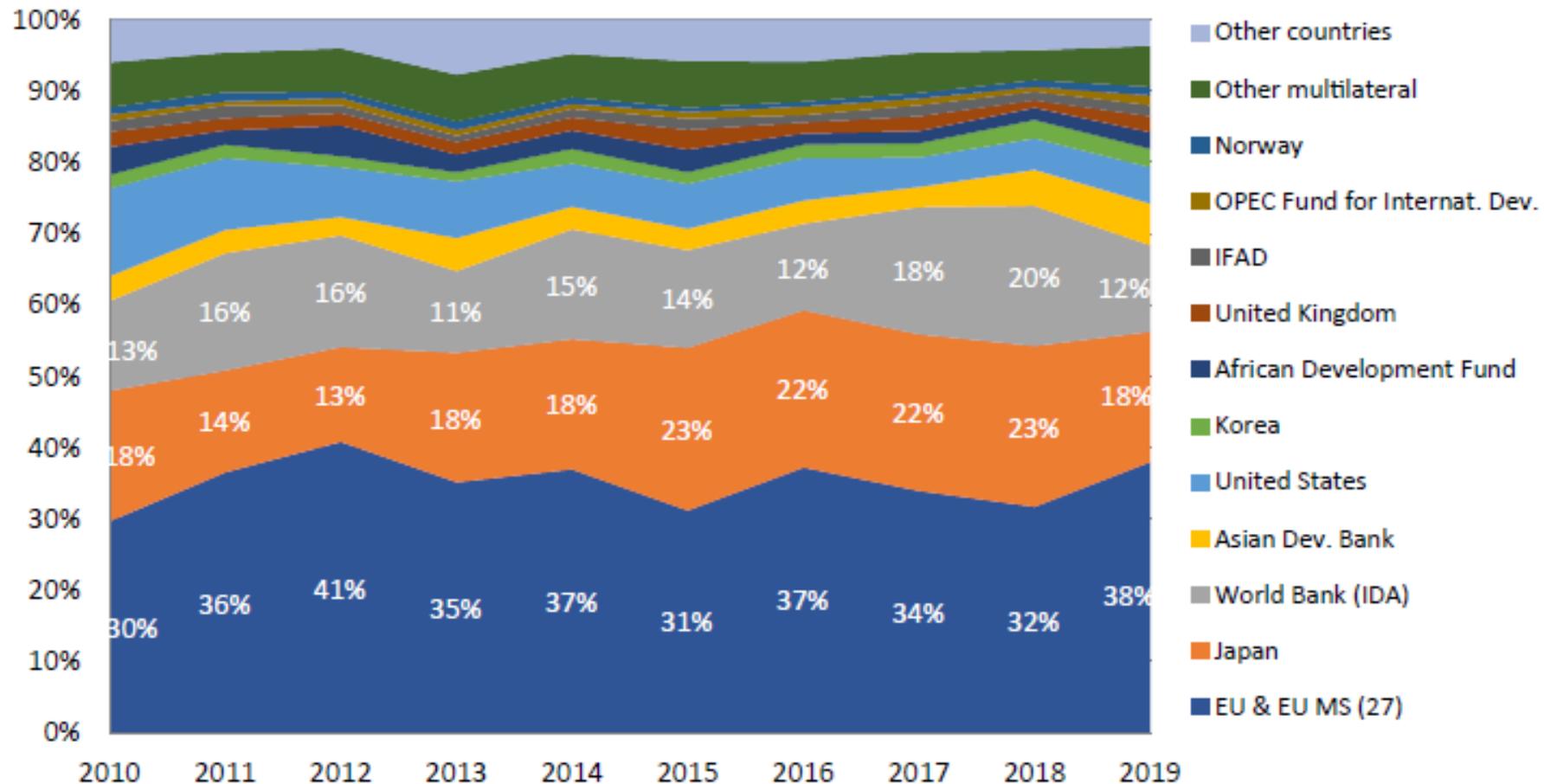
Trade and Employment

WTO AfT Workshop 7 February 2022

Agenda

1. Digitalisation as a key priority for the EU and how it is integrated in Aid for Trade
2. Implications of the Covid-19 Pandemic on Aid for Trade and Digitalisation
3. Focus on Digital4Development

More than 1/3 of global Aid for Trade in 2019 was from the EU & EU 27 Member States (EUR 17.9 billion)



Digitalisation as a key EU priority

- Digitalisation one of the **six priorities of the current European Commission, 2019-2024**
- The **NDICI-Global Europe** Regulation “shall promote the use of digitalisation as a powerful enabler for sustainable development and inclusive growth”
 - Features in over **80% of the Multiannual Indicative Programmes (MIPs)**
- The **Global Gateway** foresees EUR 300 bn investments in five key infrastructure areas - digital connectivity being one



Digitalisation a key factor in the EU AfT Strategy from 2017

- Growth of **trade in services, GVCs and digitalization** are closely connected and present challenges for developing countries
- In the implementation of the EU AfT strategy, we shall encourage:
 1. **investment in digital technologies and services,**
 2. **computerisation, e-Government and e-commerce logistics, and**
 3. **technical assistance for governments to establish policies and favourable frameworks to cross-border e-commerce**



The Covid-19 pandemic, digitalisation and AfT

- The pandemic has accelerated demand, e.g. for:
 - **digital trade facilitation** measures,
 - **SMEs to enter e-commerce** platforms, and
 - **logistics and supply chains** improvements

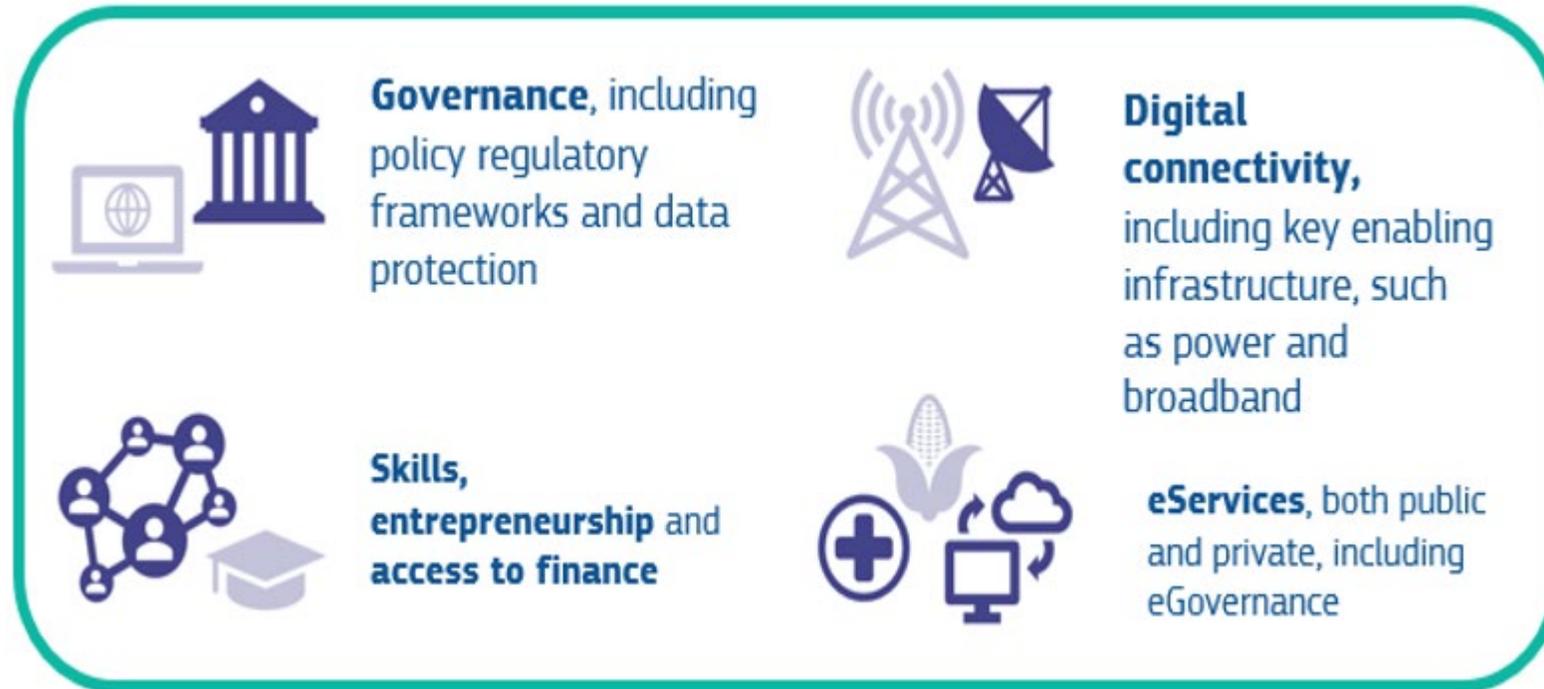


- **Many EU AfT programmes were amended at the beginning of the pandemic to reallocate priorities, activities and funds to support increasing digitalisation**

Digital for Development D4D



The Four-Pillar Approach of Digital4Development (D4D)

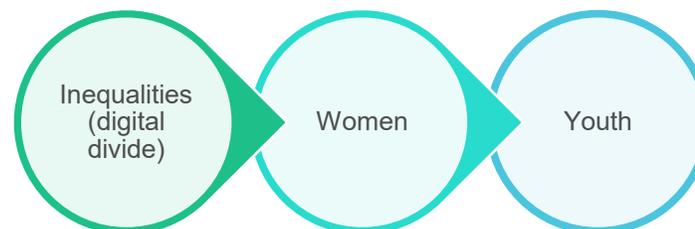


2017

- European Consensus on Development
- Digital for Development

2018/2019:

- Africa-Europe Digital Economy Partnership
- Report of the AU-EU Digital Economy Task Force
- EU-Central Asia Strategy
- Connecting Europe and Asia Strategy
- EU-Latin America and the Caribbean strategy



Digital in programming

Assessment of the State of play of programming on digital for Sub-Saharan Africa:

- Digital addressed in programmes for 37 out of 48 countries (77%);
- Digital Entrepreneurship, Connectivity, Green, e-services, Skills

The **private sector is the key driver** of employment, growth, investment, trade and innovation and it has a central role to play in achieving poverty reduction, sustainable development and inclusive growth.

Purpose of engaging with the private sector: working as a **Team (Europe)** to foster digital transformation, and promote European values and interests worldwide, by **reinforcing public-private dialogue and coordination**, GREEN and sustainable and inclusive growth.

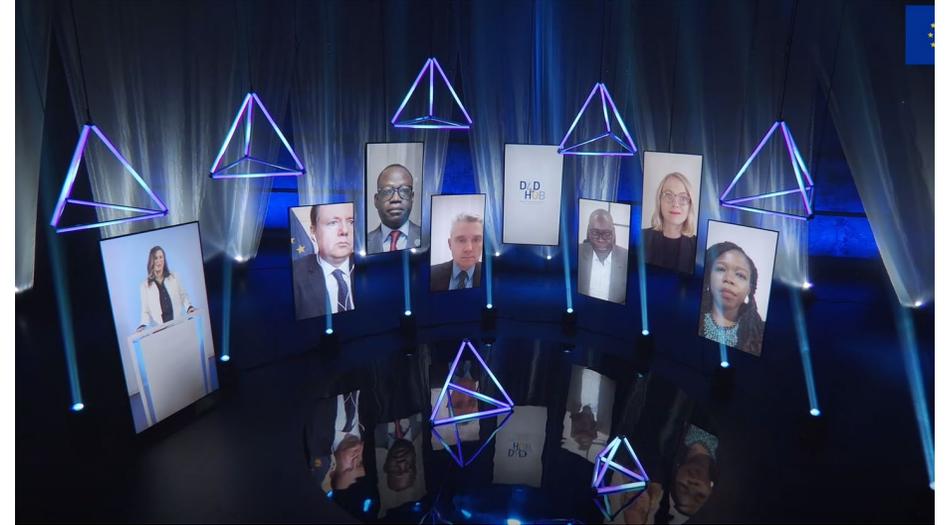


**We are
stronger together**



D4D Hub Launch

- Successful high-level launch on December 8th, 2020, with participation of EU COM President von der Leyen and EU MS Heads of States, private sector and civil society
- During the German EU Council Presidency, **11 EU Member States** joined the D4D Hub through a Joint Letter of Intent



The Global Gateway

- **EU offer** to partner countries to accelerate their **twin transitions**
- A **sustainable offer** to meet **infrastructure needs**
- Anchored in
 - **2030 Agenda for Sustainable Development**
 - **Paris Agreement**



Builds on the achievements of the
2018 EU-Asia Connectivity Strategy

Global Gateway...

- ...an EU plan for major investment in infrastructure development around the world post-COVID & post-COP26.
- ...will be under the overall steer of President von der Leyen.
- ...projects will be developed through Team Europe.
- ...will be a priority for discussion in upcoming international Summits and multilateral fora.

Digital GG - what

- **International Connectivity - Connecting Europe to other continents;** This includes submarine cables (99% of international connectivity links) and satellite connectivity; replacing old with new submarine cables to serve demand with capacity; diversifying international links to decrease dependencies on specific infrastructures; increasing overall resilience of connections;
- **Regional Connectivity – Tackling the digital divide and fostering traffic volumes** among EU partner countries and regions; This includes supporting the development of regional terrestrial backbones and the connection of missing links between countries;
- **Data Infrastructures and Open Internet - Ensure secure and free internet connectivity.** This includes data storage and processing in line with EU values and standards by investing in data infrastructures (IXP, Content Delivery Networks, data centres) and upgrading and deploying internet standards (IPv6 and QUIC).
- **National Connectivity – serving the underserved.** de-risking high-risk investments or providing incentives for last mile solutions (e.g., blending). This level entails both terrestrial backbone infrastructures and Internet connectivity (e.g. IXPs) and last mile connectivity (Wi-Fi, Satellite, DSL, etc.) for individuals, public institutions, businesses, etc.
- **Secure and trusted connectivity:** hardware and software, policies and regulations in line with EU and international values and standards (cybersecurity, 5G toolbox, GDPR, etc.)

Conclusions

- Strong policy support for integrating digitalisation in EU AfT and substantial project experiences
- The Covid-19 pandemic has strengthened demand for support in this area
- But: a recent survey for EU Delegations identified that only 25% of respondents felt that promoting e-commerce or digitalisation has been either 'extremely', or 'considerably' important as an enabling factor in their AfT programmes
- It requires a holistic approach: bottlenecks are in a range of policy areas, we need to rely on a range of skills, and thematic expertise areas

Thank you



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