ICED Evidence Library

Digital opportunity in cities: Actions for donors

Tags: Economic Growth, Programme Design, Digital, Urban, Infrastructure

Developing countries cannot view the digital transition as a luxury, but as a necessity if cities and countries wish to be a part of the new global economy. To support this transition governments, donors and the private sector each have a role to play, with key actions for each stakeholder group as set out in the ICED report 'Urbanisation in a digital world'. In this paper we therefore set out key actions for donors as they consider how they can best harness the digital opportunity for developing country cities.

For further context and information please consult the <u>full report</u>, and accompanying papers available on the <u>ICED website</u> or contact the ICED Facility at <u>connect@icedfacility.org</u>

Actions for Donors

1 – Capacity – In order to help developing countries leverage the digital opportunity, donors need to build their own skills and awareness of the policy, project and business models innovations that digital and 4IR solutions will drive. In particular, donors need to foster sectoral expertise that can ensure they promote real innovation, and agile, human-centred design skills that are critical to developing robust digital solutions.

2 – Digital Readiness - Donors can work with governments and policy makers to define national and local policy, priorities, delivery strategies and projects which enable digital solutions to transform urban economies, infrastructure and governance. Support could range from development of cyber-security and online privacy policy, to development of Smart City strategies, or the integration of digital solutions into city governments or utility providers.

3 – Solution Design – Donors can bring knowledge of global solutions, and design skills to support co-creation of locally appropriate services which meet user needs. In particular, donors should support governments in human-centered design of services that meets the needs of women, youth and the disabled to ensure that the digital future is inclusive.

4 – Supporting public-sector leadership - Donors can help ministries and agencies lead the way in leveraging digital solutions, through innovative public procurement which actively creates a demand for digitally enabled solutions, supporting creative public-private partnerships which harness data and digital platforms to effectively manage service delivery and by championing open data, open source and open platform solutions.

5 – Enabling private-sector innovation – Donors have a strong role to play in fostering local innovation ecosystems, through support to R&D institutions, business and technology accelerators, by providing patient capital for piloting and scaling of emerging solutions, and

by supporting city challenge processes that enable urban managers to find the right solution.

6 – Fostering digital skills – Increase in supply side availability of digital solutions needs to be met with demand-side support for improved digital skills, especially for excluded groups such as vulnerable women and the disabled. These would range from basic use of mobile phones, to creative use of information, web-based service and more complex data modelling and coding skills. Such support will be critical to ensuring the digital dividend is inclusive and does not exacerbate existing inequalities. In addition, significant support is needed in building the capacity of city and elected officials to develop effective policy frameworks and manage the often-complex projects that will enable governments to truly benefit from digital solutions.

7 – Managing donor collaboration – In such an emerging space it will be critical for donors at global, regional and local level to co-ordinate efforts in order to promote synergies and avoid duplication. There are sadly numerous examples of un-sustained or incompatible technology based initiatives and only effective local collaboration can ensure that digitally disruptive initiatives add value.