Strengthening ICT Connectivity and Digital Inclusion of LLDCs

Side Event at the World Summit on the Information Society (WSIS) Forum

4:30pm – 6:15pm, 8 April 2019

Venue: Geneva- ITU headquarters - Room H2

Concept Note

The 32 landlocked developing countries (LLDCs) face unique development challenges derived from their geographical positioning. They lack direct territorial access to the sea, are remote and isolated from world markets and depend on neighbouring and coastal countries for access to undersea cables and international internet bandwidths, and for their communication connectivity. Long routes, complicated administrative transit procedures, multiple border crossings and inadequate infrastructure all substantially increase the transport and trade transaction costs incurred by LLDCs. ICT plays a particularly valuable role in helping LLDCs tackle these issues.

Thus, improved ICTs are paramount for connecting LLDCs more effectively to international markets, facilitating trade transactions, enhancing the competitiveness of enterprises and fast-forwarding customs and border procedures. ICTs are powerful enablers for the three pillars of sustainable development, and they play a major role in enhancing countries’ competitiveness. Connectivity, access and use, ICT infrastructure growth, and broadband provide great development opportunities for the LLDCs.

The ITU 2018 annual report on Measuring the Information Society\(^1\) which features key ICT data and benchmarking tools to measure the information society, and includes valuable information, data and analysis on the LLDCs shows that more than half of the world’s population is now online. At the end of 2018, 51.2 per cent of individuals, or 3.9 billion people, were using the Internet. This represents an important step towards a more inclusive global information society. In developed countries, four out of five people are online, reaching saturation levels. In developing countries, though, there is still ample room for growth, with 45 per cent of individuals using the Internet in which the LLDCs also fall under. We need to bring the LLDCs online and “Ensuring that no one is left behind” and that no one is left offline to achieve the 17 SDGs.

The digitalization of many logistics services and regulatory border controls increases the efficiency and the ease of doing trade. Technologies like computerised facilitation systems, automated single windows, cargo tracking and e-payments at borders reduce the cost, time and bureaucracy often associated with LLDC border crossings.

ICTs can assist the LLDCs improve the efficiency and competitiveness and to exploit economies of scale and network effects, to raise labour and capital productivity, and to access global value chains. They make it easier for businesses or consumers to connect with potential trade partners and get information about regulations and standards as well as about consumer preferences. Increased flows of information have tremendously improved access to knowledge about trade opportunities, thereby reducing the cost of entry into the market, in particular for SMEs. Goods and services can increasingly be purchased or delivered through digital platforms. For example, global market places such as Amazon, eBay, and Alibaba are empowering firms in developing countries to scale up their production and engage in international markets.

Digital connectivity presents an important opportunity for the LLDCs to increase their share of trade through e-commerce. According to the OECD and UNCTAD², while digital connectivity opens new markets, physical connectivity can still be an important constraint for countries and firms wanting to trade it is therefore important that good transport systems be adopted so that the goods that are ordered online digitally are able to reach the customers through physical connectivity. Leveraging e-commerce offers an unprecedented opportunity to expand the trade capacity of LLDCs; but it must be supported by an efficient trade and transport system as well as an effective ICT4 connectivity.

ICT in the form of e-government, online education, agricultural mobile apps, e-health and others can increase the accessibility and quality of services that contribute to economic and social development.

The importance of ICT for LLDCs is highlighted in Priority 2(b) of the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014-2024 (VPoA). This priority relates to the development and maintenance of energy, information and communications technology infrastructure. Specifically, the VPoA calls on LLDCs to make broadband policy universal, promote open and affordable internet access for all and actively engage to address the digital divide.

According to ITU data³, the LLDCs have made promising strides in ICT connectivity since the VPoA was adopted, mobile telephony subscription rates per 100 inhabitants increased from 81.4 in 2013 to 90.4 in 2017. However, the LLDCs as a group lag significantly behind both developed (128) and developing countries (102). The average internet users increased in LLDCs from 21 per 100 people in 2013 to 29.6 in 2016. However, compared to other groups, the LLDC group lags behind developed (79.5) and developing countries (42). On average, the LLDCs experienced a growth in fixed broadband subscriptions from 3 per 100 inhabitants in 2013 to 4.6 in 2017. However, as with mobile subscriptions, the LLDCs continue to lag behind other categories of countries.

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Despite the growth experienced by LLDCs in ICT connectivity, they continue to face a number of constraints which prevent them from fully harnessing the developmental potential of ICT and digitalization. These include infrastructural gaps, relatively high cost of ICT services, in particular broadband services, low digital literacy rates, poor quality regulation and the high cost of accessing submarine cables. Fixed-broadband is particularly difficult for LLDCs to develop because of its relatively higher price in LLDCs as compared to coastal areas. Furthermore, not many people in LLDCs own ICT equipment such as computers and televisions. ITU data on this is available only for 20 LLDCs. On average in these 20 countries, only 29% of households own a computer in 2015. In developed and developing countries, the average computer ownership figures for 2015 were 80% and 33% respectively. In consequence, the digital divide between LLDCs and the developed countries remains substantial and need to be addressed.

National backbone infrastructure and international Internet connectivity are critical building blocks to drive broadband demand, access, and use. Growth in broadband subscriptions is accompanied by continuous growth in national backbone capacities and international Internet bandwidth. Data collected by ITU on the deployment of ICT transmission capacity shows that by the end of 2016, more than 10.1 billion km of fibre and microwave backbone transmission networks from 378 operators was available worldwide and highlights the important expansion of and investments in international backbone infrastructure. However, the route metres of fibre and microwave backbone networks per capita remain low in Africa at 0.4 and Asia Pacific at 1.1 where many LLDCs are located. Route metres of fibre and microwave backbone networks per capita are highest in Europe at 4.0.

As the LLDCs and their partners prepare to undertake the Comprehensive Midterm Review of the VPoA, it is important to identify ways of addressing the aforementioned constraints in order to facilitate digital transformation in the LLDCs.

Objective
This meeting aims to provide an opportunity for different stakeholders, including LLDCs, transit countries, development partners, private sector, and the United Nations system to take stock of progress and share best practices in promoting ICT connectivity and digitalization of LLDCs, identify constraints and suggest recommendations to help increase the connectivity of LLDCs, to support their efforts towards achieving the SDGs; and bridge the digital divide between the haves and the have-not.

The meeting is expected to yield recommendations which will feed into the preparations of the Midterm Review of the VPoA for the LLDCs. This side event will also seek to identify potential collaboration opportunities between partners on increasing ICT connectivity of the LLDCs.

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4 ITU, Spanning the Internet Divide to Drive Development Chapter 5 of WTO, OECD, 2017, Aid for Trade Global Review 2017 "Promoting Trade, Inclusiveness and Connectivity for Sustainable Development”
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**Issues to be discussed:**
1. What are the successful experiences and innovative approaches to strengthening digital connectivity for LLDCs since the Vienna Programme of Action was adopted in 2014? What are the challenges and opportunities?
2. What areas of capacity building are needed to strengthen ICT connectivity and digitalization in LLDCs?
3. What are country and regional experience in the area of e-commerce and how can e-commerce and digital trade in LLDCs be further advanced;
4. What are the means and what need to be done collectively to ensure connectivity in the LLDCs?
5. What are priority actions needed to include in the Midterm Review of the VPoA?

**Expected outcome:** the expected outcome of the meeting will include:
- The international community will be sensitized on the importance of prioritising connectivity, access and use, ICT infrastructure growth, and broadband that provide great development opportunities for the LLDCs.
- Identification of priority areas, policies and development initiatives for LLDCs at national, regional and global levels.
- Contribution to the substantive preparation of the Midterm review of the VPoA.
- Develop effective partnership among stakeholders in particular public private and people centered partnerships (PPPPs – the 4Ps) for increased ICT connectivity of the LLDCs.

**Format:**
- The event will kick-off with introductory remarks followed by short and concise presentations by each panellist. A short video could be presented, followed by an interactive discussion. The meeting will be closed by remarks from the co-organizers.

**Participation:**
The event will be attended by participants attending the WSIS forum along with other stakeholders.

**Partners/co-hosts:**
ITU/UNOHRLLS. (We can reach out also to UNCTAD and a private sector)

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