

HOSTED BY:



NEDBANK-NBF NETWORKING FORUM

Expanding digital readiness: Supporting the development of digital infrastructure in the SADC region

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Summary report
April 2022

PRESENTED BY:



SIEMENS



Deloitte.



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Introduction to the Nedbank-NBF Networking Forum

About the Nedbank-NBF Networking Forum

The Nedbank-NBF Networking Forum is a private-sector-led platform that attracts high-level government officials and business executives to deliberate on topical issues related to the NEPAD objectives and Africa's growth and development. The event provides a conducive environment for the exchange of ideas among pan-African individuals. It was initiated in 2011 and is jointly hosted by the Nedbank Group and the NEPAD Business Foundation (NBF).

About the NEPAD Business Foundation

NBF is a non-profit organisation that co-ordinates private sector efforts aimed at Africa's economic growth and development. The objective of all the programmes the NBF is involved in is to support public-sector-endorsed plans and projects by mobilising private sector resources (finance, expertise and information).



About Nedbank

Nedbank Group Ltd is a bank holding company that provides personal, commercial, corporate and merchant banking, fund management and related financial services throughout South Africa. In addition, Nedbank operates internationally through offices in London, Isle of Man, and subsidiaries and associates in sub-Saharan Africa.



Why focus on ‘Expanding digital readiness: Supporting the development of digital infrastructure in the SADC region’

Importance of Digital Infrastructure

‘Digital technologies and the digital economy will have a transformative impact on development. Today’s economy is being driven by digital transformation across all sectors and digital technology is increasingly at the centre of people’s daily lives. Indeed, several sustainable development goals (SDGs) require information and communication technologies (ICTs) as an enabler, notably to achieve universal identification, more efficient delivery of government services, financial inclusion, and job creation.

Furthermore, digital transformation will impact key sectors of the economy, such as health, agriculture, education and trade, among others, and will support the needs of people, governments, and the private sector resulting in an essential tool for people’s access to rights and services as well as better governance. Underlying these goals is SDG Target 9.c: to significantly increase access to information and communications technology and strive to provide universal and affordable access to the internet in least developed countries (LDCs) by 2020.

While some progress has been made in this regard, there is a danger that in Africa, where many of the LDCs are located, this target will be missed, both in terms of access and affordability. Home to some 1,2 billion inhabitants, the continent will need to act quickly and boldly, or risk being left behind as the rise of digital technologies and the digital economy offers a once-in-a-generation chance to take advantage of digital transformation to accelerate the achievements of the SDGs. Achieving universal affordable and good-quality broadband access across the whole of Africa requires a sustained and committed effort from all stakeholders.’

Source: Connecting Africa Through Broadband A strategy for doubling connectivity by 2021 and reaching universal access by 2030

Executive summary

This Nedbank-NBF Networking Forum summary report provides key highlights and recommendations from the event themed 'Expanding digital readiness: Supporting the development of digital infrastructure in the SADC region'. The event was hosted virtually on Tuesday, 5 April 2022.

Objective

The purpose of this engagement was to investigate key digital infrastructure, access and connectivity themes that are critical to expanding digital readiness within the SADC region. With these insights we aim to establish a Digital Infrastructure Working Group to support the development of a SADC Regional Digital Infrastructure Masterplan, regulatory harmonisation, and many other supporting interventions.

Recommendations

The main recommendations from the discussions include the need to create work streams that focus on regional bulk or trunk or backbone infrastructure, enabling regulations and policies, rural connectivity and the presence of a single digital market in Southern Africa. We recommend that these work streams are supported by the private sector and are anchored around key regional initiatives such as SADC Secretariat's Digital SADC 2027 and Enhancing Governance and Enabling Environment in the ICT Sector (EGEE ICT) programmes, and Digital economy for Africa related programmes, anchored by Development Financial Institutions (DFIs).

Next steps

The next steps for the NBF are to convene an exploratory Steering Committee with key stakeholders to further define the needs, interest and priorities of a regional digital infrastructure initiative. The outcomes will be used to generate a work plan, resourcing requirements and needs for the NBF to drive proactive public-private collaboration in the regional digital sector.

Executive summary - *continued*

Speakers

The following industry experts shared their knowledge on the latest digital infrastructure developments and opportunities within key industries such as financial services, telecoms and technology in the region.

- Peter Varndell – Chief Executive Officer, **NEPAD Business Foundation**
- Amos Hadebe – Executive Head: Group Stakeholder Relations and Public Affairs, **Nedbank**
- Harsha Desai – Associate Director, **Deloitte**
- Charmaine Houvet – Senior Public Policy Director, **Cisco Africa**
- Dr Lucienne Abrahams – Director and Senior Lecturer, LINK Centre, **Wits University**
- Dr Towela Nyirenda-Jere – Head of Economic Integration, **AUDA-NEPAD**
- Isabel Neto – Digital Development Practice Manager for Eastern and Southern Africa, **World Bank**
- Dr George Ah Thew – Directorate of Infrastructure, **SADC Secretariat**
- Mike Peo – Head: Infrastructure, energy and telecoms, **Nedbank Corporate and Investment Banking**
- Ms Sabine Dall'Omo – Chief Executive Officer, **Siemens, Southern Africa**
- Juanita Clark – Chief Executive Officer, **Digital Council Africa**

Welcome and purpose of the forum

Amos Hadebe, Executive Head of Group Stakeholder Relations and Public Affairs at Nedbank Group welcomed all the participants and outlined the role of the Nedbank-NBF Networking Forum and its purpose as an important platform for public-private dialogue and engagement for Africa's development.

Peter Varndell, Chief Executive Officer at NEPAD Business Foundation (NBF) gave a brief overview of the NBF highlighting that 2022 marks its 20 years of existence. Consequently, NBF has repositioned itself to align with regional and global needs and will focus on climate change or green transition, digital transition and trade facilitation.

Harsha Desai, Associate Director at Deloitte facilitated the event's programme and cited the purpose of the discussions as to explore the available mechanisms to close the digital infrastructure gap in the region.



AMOS HADEBE
Executive Head | Group
Stakeholder Relations and
Public Affairs



'This Forum, in partnership with the NBF, on digital connectivity in SADC is aligned to Nedbank's vision of partnering with like-minded organisations to provide thought leadership on issues of regional importance.'



PETER VARNDELL
Chief Executive Officer



'We look forward to establishing a Digital Working group where we can action key activities that are needed to unlock the digital transition and drive regional digital infrastructure development and rural connectivity.'



HARSHA DESAI
Associate Director



'Digital Transformation is no longer something we are anticipating, it is here with us, and it is here to stay. It has become so ubiquitous that some of the transitions we've made as a globalised society have seemingly been undertaken undetected.'

Context setting

Charmaine Houvet, Senior Public Policy Director at Cisco Africa shared key insights from the Cisco Digital Readiness Index (DRI) and the 2022 Cisco Broadband Index. According to the DRI, Botswana and South Africa rank 76th and 78th respectively out of 82 countries.

Dr Lucienne Abrahams, Director and Senior Lecturer at LINK Centre at the University of the Witwatersrand highlighted that investing in the African digital economy, required communications and financial-services infrastructures.



CHARMAINE HOUVET
Senior Public Policy Director
– Cisco Africa



‘Over the past two years we have seen that internet connection has become one of the sole factors that determine essential access to healthcare, education, and social services. Those without the right connectivity, digital infrastructure, and remote-work technologies are left behind – whether it is their ability to continue education, access healthcare, keep a job, or run their business online fully. We must remove these barriers; now is the time for critical public-private co-ordination. Working hand in hand with governments, we each have a role to play.’



DR LUCIENNE ABRAHAM
Director of the LINK Centre



‘All economic and social sectors are experiencing, to a greater or lesser extent, digital adoption, innovation or enablement. Greater, more affordable, more creative forms of digital access (as opposed to mobile communications, the internet and aggregated platforms) can make a big difference to greater economic participation, particularly among small and medium enterprises, which are a large proportion of African business, and for schools, where a large proportion of the next generation of African digitally-skilled workers, professionals and entrepreneurs are learning for the future.’

Digital infrastructure master plans

Dr Towela Nyirenda-Jere, Head of Economic Integration at African Union Development Agency-NEPAD shared information about the Digital Transformation Strategy for Africa. The strategy's objective is to harness digital technologies and innovation to transform African societies and economies to promote Africa's integration, generate inclusive economic growth, stimulate job creation, break the digital divide, and eradicate poverty for the continent's socio-economic development and ensure Africa's ownership of modern tools of digital management.

Dr George Ah Thew of the Directorate of Infrastructure at the SADC Secretariat explained that the Digital SADC 2027 is the ICT chapter of the Regional Infrastructure Development Master Plan (RIDMP), which is the regional blueprint for ICT Infrastructure development and integration. Further, he shared that the Enhancing Governance and Enabling Environment in the ICT Sector (EGEE-ICT) programme aims to support the growth of the ICT sector and deepen regional integration in the EA-SA-IO region. NBF recommends that the private sector support these programmes to advance digital infrastructure development in the region.



DR. TOWELA NYIRENDA-JERE
Head of Economic
Integration

'The private sector must not look only at ICT, but zoom into large infrastructure projects and identify the digitalisation opportunities that lie in these infrastructure projects.'



**DR. GEORGE PATRICK
AH-THEW**
Senior Programme Officer ICT
in Directorate of Infrastructure

'Investment in the SADC ICT sector will be a catalyst for post Covid-19 recovery of SADC's economy development. Partners from the private sector are encouraged to come on board.'

Private sector perspectives

Mike Peo, Head of Infrastructure, energy and telecoms at Nedbank Corporate and Investment Banking, Juanita Clark, Chief Executive Officer at Digital Council Africa and Ms Sabine Dall'Omo, Chief Executive Officer at Siemens Southern Africa engaged in a panel discussion about the implementation challenges and opportunities available to support the development and financing of the digital infrastructure sector.



MIKE PEO
Head: Infrastructure | Energy | Telecoms



'Digital Infrastructure is the most significant enabling technology required to create the interconnectivity that unleashes the 4th Industrial Revolution through the adoption of the Internet of Things. It creates the path to the liberalisation of power, education, health and agriculture on the continent, which ultimately becomes the catalyst for sustainable economic growth. Nedbank has long been a pioneer in this space and will continue to fund projects that have sustainability at their heart.'



JUANITA CLARK
Chief Executive Officer



'Africa has a long way to go towards ubiquitous access and the only way to ensure that we achieve it, will be through the adoption of uncomplicated, transparent and non-discriminatory policies that encourage investment.'



MS SABINE DALL'OMO
Chief Executive Officer



'The region's industrial application of the Internet of Things is an opportunity to participate in the global supply chain and become globally competitive.'

Key highlights from the discussions

ICT infrastructure development and integration

- SADC Secretariat's Digital SADC 2027 is the ICT chapter of the Regional Infrastructure Development Master Plan (RIDMP), which is the regional blueprint for ICT infrastructure development and regional integration as guided by the Regional Indicative Strategic Development Plan (RISDP) and SADC's Vision 2050. It constitutes of hard ICT infrastructure projects as well as soft ICT projects relating to policy, regulatory and institutional capacity building.
- SADC Secretariat's Enhancing Governance and Enabling Environment in the ICT Sector (EGEE-ICT) programme aims to support the growth of the ICT sector and deepen regional integration in the EA-SA-IO region. It will contribute towards digital infrastructure in the SADC region and also provide strategic framework, policies and regulation for consensus building in policy development among public and private sectors and promote private sector investment in ICT infrastructure.

Opportunity for a Southern Africa single digital market

- The World Bank's Eastern Africa regional digital integration program was set to increase access to broadband and digital services through the development and integration of digital markets in the Eastern Africa region. Similarly, a single digital market in the Southern African region offers the opportunity for additional growth, and the development of the digital economy can unlock opportunities through the African Continental Free Trade Area (AfCFTA).

Harmonisation of policy, frameworks and standards

- A regional approach to policy harmonisation is important to support connectivity to the extent that it unlocks and creates a digital economy. This will give effect to the AfCFTA as it ensures that best practices are propagated throughout the region, creating economies of scale, opportunities for cost-sharing, and leveraging the full potential of ICTs to support regional integration.

Key highlights from the discussions - *continued*

Investment approach

- Infrastructure investments should be considered holistically in terms of understanding the implications from a more broader connectivity perspective taking into account various sectors. For instance, digital infrastructure should be connected to physical infrastructure that is connected to energy supply or power networks.
- Investments should aim to unlock economic growth, job creation and in tandem drive skills development and reskilling in the areas of emerging technologies.
- ICT as an enabler of social development should ensure that technologies are accessible and affordable for all citizens in the SADC region, including rural and isolated populations, thereby enhancing competitiveness, maximising economic development, and reducing the cost of doing business in the region. Consequently, the region will be better able to address its overarching objective of reducing poverty.

Climate change response

- Digital infrastructure and services have a significant role to play in reaching a net-zero world. According to the World Economic Forum, digital technology itself has the potential to cut global emissions by 15%*. Therefore, digital transition needs to be done in tandem with the region's climate change response.

*Source: World Economic Forum, 2019. Digital technology can cut global emissions by 15%. Here's how

Recommendations

From the discussions it is clear that there is strong alignment between the regional initiatives driven by the World Bank, SADC Secretariat and AUDA-NEPAD agency. Given that the digital sector is predominantly private-sector-driven, it is important to involve the private sector in the execution of these regional programmes. The NBF recommends establishment of a private-sector-led Digital Infrastructure Working Group through which the following core workstreams are proposed:

- Regional bulk or trunk/back-bone infrastructure
- Simplified, harmonised and enabling regulations and policies
- Southern Africa single digital market
- Rural connectivity

It is further proposed that the activities of the working group are co-anchored around the following programmes in partnership with the private sector:

- SADC regional digital infrastructure and services master plan, anchored by the SADC Secretariat's Digital SADC 2027 and Enhancing Governance and Enabling Environment in the ICT Sector (EGEE-ICT) programmes.
- Digital economy for Africa related programmes, anchored by Development Financial Institutions (DFIs) such as the World Bank, African Development Bank (AfDB), European Investment Bank and International Finance Corporation (IFC).

Conclusion

In conclusion we are pleased to have created an ecosystem of a network of players in the digital space that are keen to grow the sector for the benefit of our economies and our people across the region. To support this the NBF will convene an exploratory Steering Committee with key stakeholders to further define the needs, interest and priorities of a regional digital infrastructure initiative. The outcomes will be used to generate a work plan, resourcing requirements and needs for the NBF to drive proactive public-private collaboration in the regional digital sector.

Resources

Forum recording

- **Watch** the Nedbank-NBF Networking Forum recording [here](#).

Presentations

- **Download** the SADC ICT Infrastructure Strategy presentation by Dr George Ah Thew, Directorate of Infrastructure, SADC Secretariat [here](#).
- **Download** the World Bank Initiatives presentation by Isabel Neto, Digital Development Practice Manager for Eastern and Southern Africa, World Bank [here](#).
- **Download** the 'Investing in the African digital economy: Communications and Financial services infrastructures' presentation by Dr Lucienne Abrahams, Director and Senior Lecturer at LINK Centre, Wits University [here](#).

Reports

- **Access** the 'Attracting Investment and Accelerating Adoption for the Fourth industrial revolution in Africa' report by Harsha Desai, Associate Director, Deloitte [here](#).
- **Access** the Cisco Digital Readiness Index (DRI) [here](#), and the Cisco Broadband Index [here](#), cited by Charmaine Houvet, Senior Public Policy Director, Cisco Africa.
- **Access** the Digital Economy for Africa Initiative cited by Isabel Neto, Digital Development Practice Manager for Eastern and Southern Africa, World Bank [here](#).

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