

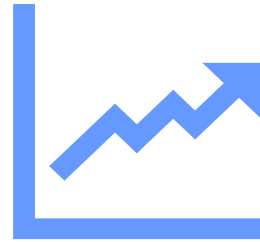


Digital Disruption and Digital Economy Development

The digital economy is transforming the development landscape



In 2016, the global Digital Economy was worth \$11.5 trillion, 15.5% of the world's GDP.



It is expected to reach 25% of the world's GDP in less than a decade.



Today, of the world's 10 largest companies by market capitalization, six are technology companies.



The “digital economy [...] is the single most important driver of innovation, competitiveness and growth, and it holds huge potential for [...] entrepreneurs.” (EC, 2015)



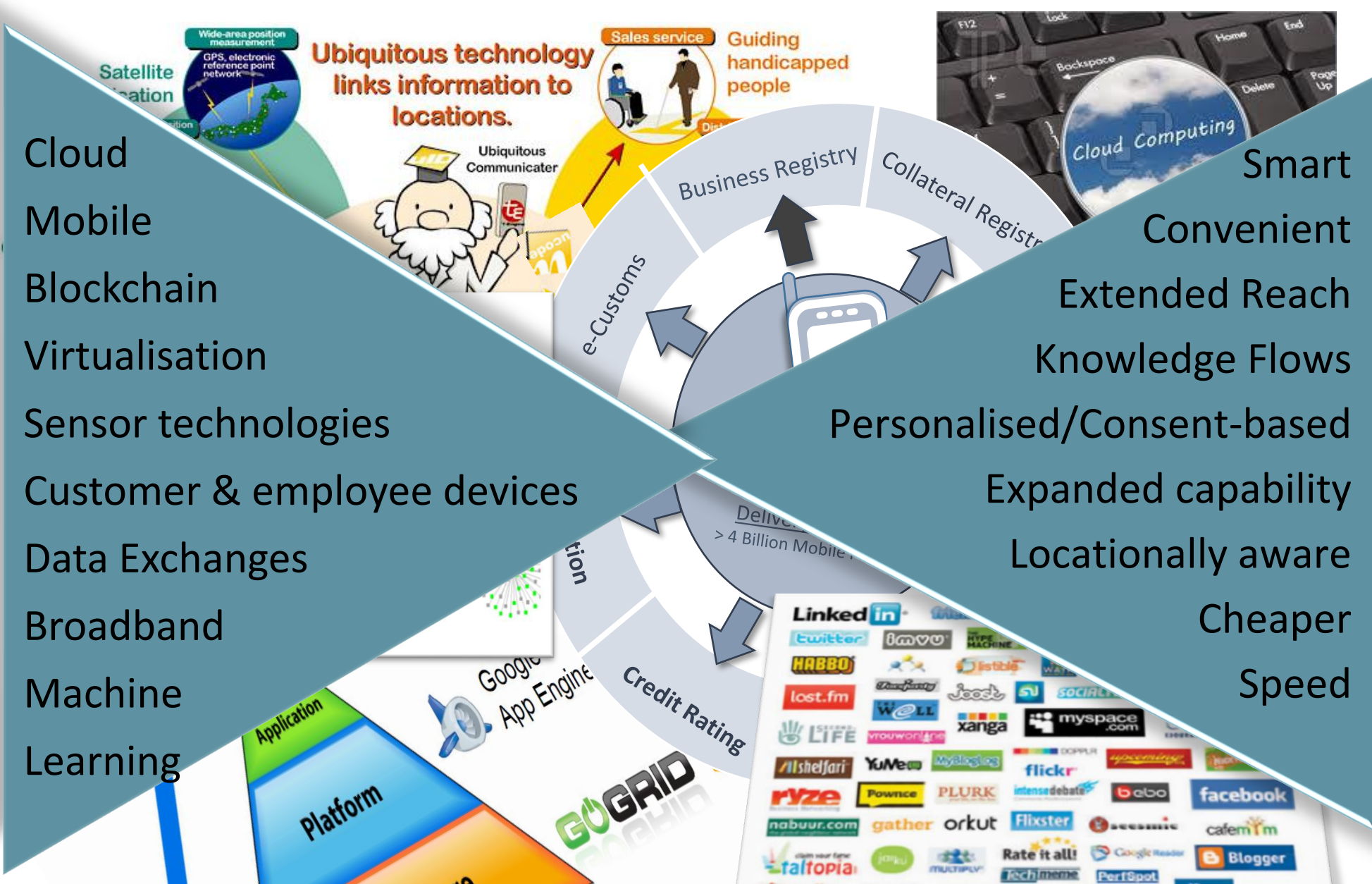
Youth entering the job market must be equipped with the right skills to access new job opportunities.

And yet, these promises will remain unrealized for the 3.5B people still missing out due to lack of connectivity

Countries all over the world adopt Digital Economy programs and strategies



Technologies and Platforms are challenging the ways things are done - everywhere

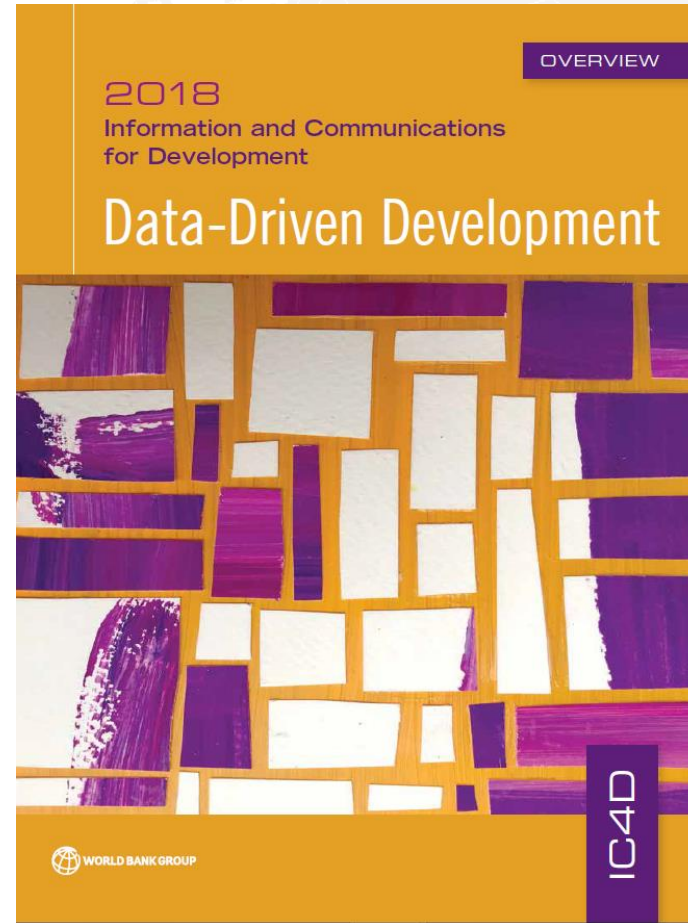


Cloud
Mobile
Blockchain
Virtualisation
Sensor technologies
Customer & employee devices
Data Exchanges
Broadband
Machine Learning

Smart
Convenient
Extended Reach
Knowledge Flows
Personalised/Consent-based
Expanded capability
Locationally aware
Cheaper
Speed



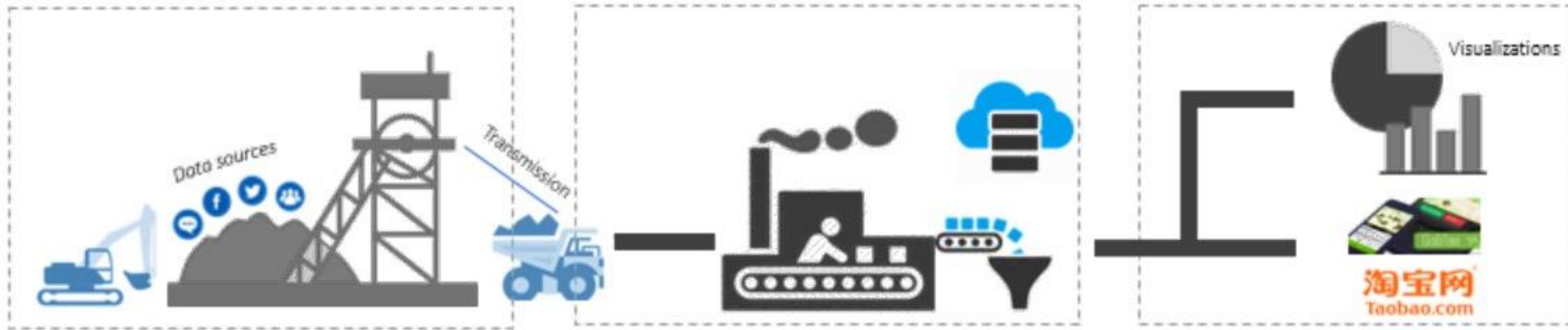
Data as the Fuel of Digital Economy



Digital Economy is a Data Driven Economy



Data is the oil of 21st Century



Data mining and extraction

Gathering and extracting data from different sources: Internet, mobile, satellites, digital payments, information systems, administrative data, etc.

Data refining, storage and use

Transferring, securing, cleaning, structuring, analyzing and using

Data products

Analytical products for data-driven decision making, digital goods and services



Where are governments now?

Public sectors throughout the world are being ‘modernised’; ‘transformed’; ‘digitised’; made ‘lean’ and citizen centred
Innovation, and data, are the fuel for a stronger economy and enriched society

Governments + companies+ community sector + media + academia have big stakes in what happens

BUT

- the ‘system’ is fragmented and costly
- Customer/citizen focus is ‘conditional’
- Same old processes deliver same old results
- Demand for better performance & >r productivity is increasing
- Available \$\$\$ ↓↓↓↓
- Trust in institutions is declining
- Government along with other industries, is being disrupted by technology



Government as a Platform



1. **Data currency.** Data is the foundation of public-private collaboration around service delivery, economic and social development, and innovation.
2. **Connective tissue “the glue”.** Common services, technology architecture and governance create efficiencies that streamline user experiences for one-door service.
3. **Network effect.** Consumers and producers collaborate in a virtual “marketplace,” creating value for each other, which means better outcomes for citizens and society.
4. **Scale multiplier.** Agencies scale impact without investment as organizations tap others’ skills, ideas and distribution networks—no ownership required.

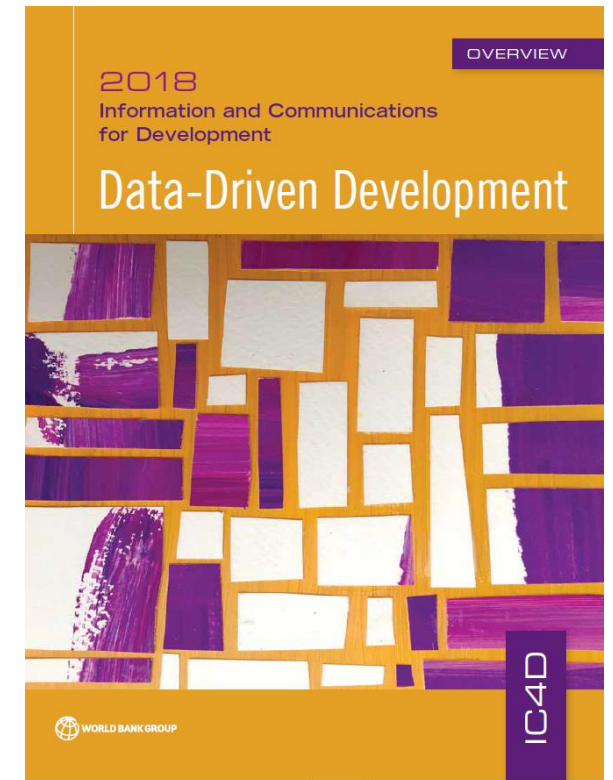


How does the World Bank support digital economy development in our client countries?



Lending + Convening + Knowledge sharing

Leadership & capacity development





Leapfrogging experience + disruptive technologies to deliver accelerated results – establish the baseline of outcomes and see how technology can help close the gap



✓ World Bank Doing Business 2017



✓ UN E-government Development Index –



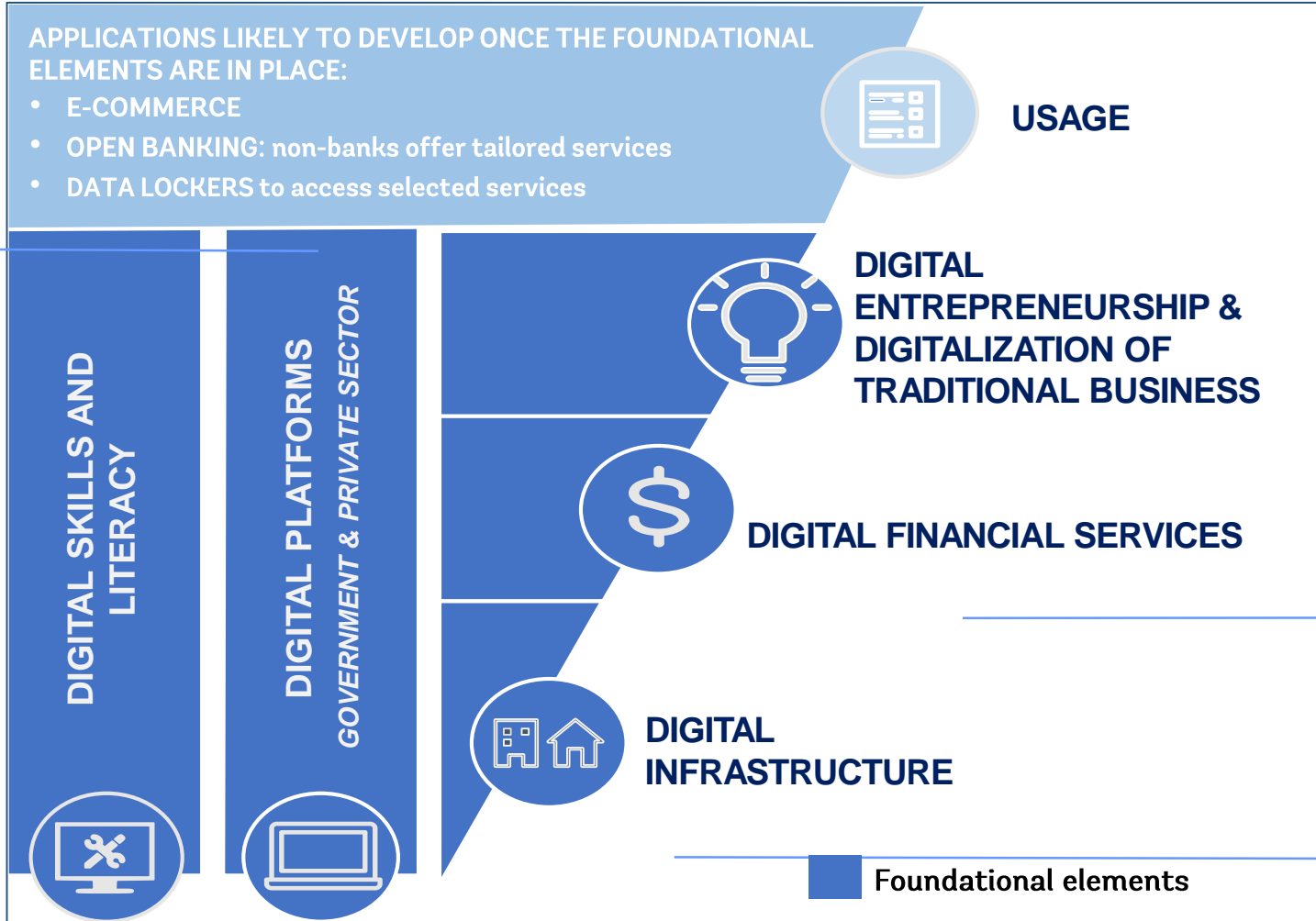
✓ ITU Information Society Index –



✓ WEF Network Readiness



Priority areas for Digital Economy support



India
Moldova
Kazakhstan
Malawi
Senegal

Bangladesh
Nigeria
Kosovo
Indonesia

East Europe

Somalia
Kenya

15 X African countries in Cyber Security
Peru
Pacific Islands
Afghanistan

Digital Development Team is co-leading many digital investment projects led by other GPs: some examples



Project Name	country	Project ID	Co-TTL at DD	Lead GP	Amount	Board
Somalia Capacity Advancement, Livelihoods and Entrepreneurship, through Digital Uplift Program (SCALED-UP)	Somalia	P168115	Axel Rifon	FCI	\$ 20m	FY19
Georgia National Innovation Ecosystem (GENIE) Project	Georgia	P152441	Siddhartha Raja	FCI	\$ 40m	FY16
Modernization of Government Services	Moldova	P148537	Sandra Sargent	Governance	\$ 20m	FY18
Digital Economy Project	Lebanon	P167643	Samia Melhem	GOV, FCI	\$ 200m	FY19
Financial Inclusion and Digital Economy (DPL)	Morocco	P168587	Carlo Rossotto	FCI, MTI, Poverty	\$ 500m	FY19
Enabling Digital Governance in Serbia	Serbia	P164824	Juan Navas Sabater	GOV	\$50m	FY19
Gambia State Owned Enterprises Restructuring Project	Gambia	P166695	Naomi Halewood	Governance	\$ 10m	FY19
Smart Villages for rural growth and digital inclusion	Niger	P167543	Tim Kelly, Axel Rifon	FCI	\$ 35m	FY19
West Africa Unique Identification for Regional Integration and Inclusion (WURI) Program	Cote d'Ivoire, Guinea	P161329	Marc Lixi	SPL, FCI, Health	\$ 122m	FY18
Kenya Digital Transport Solutions Project	Kenya	P164086	Jennifer Gui	Transport	\$ 200m	FY20
West Africa Unique Identification for Regional Integration and Inclusion - Phase II	Niger, Benin, Burkina Faso	P169594	Marc Lixi	SPL, FCI, Health	\$ 195m	FY20

Digital Development Team also provides co-TTLship in ASAs led by other GPs: some examples



Project Name	country	Project ID	Co-TTL at DD	Lead GP	Completion
Digital Economy Armenia	Armenia	P165913	Oleg Petrov	FCI	FY18
ICT Solutions for DRM	Global	P158796	Siou Chew Kuek	SURR	FY18
Senegal Digital Sources of Growth Study: Productivity and Inclusion Opportunities from Adoption of Digital Technologies	Senegal	P168247	Tim Kelly	FCI	Active
Open Data Technical Assistance for Digital Vietnam	Vietnam	P164025	Seunghyun Kim	DEC	Active
Enabling District Service Delivery	Indonesia	P159598	Natasha Beschorner	GOV	Active
Korea-WB Smart City Partnership Program	Global	P166893	Seunghyun Kim	SURR	Active

Our Challenges



- Stubborn **Digital divide** and risks for **deeper inequality**
- Weak regulatory capacity, underinvestment in cyber-resilience and constant race against technology to innovate and deliver
- Disruption of business models, development paradigm, regulation (telecoms, markets, data sharing), ethics, institutions etc., that are constantly evolving due to hyper-connectivity and information flows
- Digital mindset /maturity needed
- Coordination and architecture challenges to avoid fragmentation and potential costly legacy of solutions/projects to clients
- Rigid instruments not suitable for technology – fast-paced next generation changes
- Challenges for staying ahead of the curve and need for external collaboration and new models/skills/methods to skill up for design and delivery
- With technology-infused disruption affecting every industry and organization, how does WBG deal with such disruption for its own business?

Thank you!

Digital Development Global Practice, World Bank