Interview Series on the Future of International Development Cooperation in the Digital Age

In January 2021, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH conducted a series of interviews as part of a strategic foresight project. We spoke to 13 digital development experts from academia, think tanks, foundations, the private sector as well as international and non-governmental organisations. Our goal was to get a diverse range of global perspectives on the following questions:

- **How is digitalisation transforming development cooperation?**
- **What do these changes imply for development organisations and their role?**

This summary presents our key takeaways from the interview series.

The GIZ is a federal enterprise with worldwide operations. We support the German government in the field of international cooperation for sustainable development. We are also engaged in international education activities around the globe. Through our work we assist people and societies in shaping their own future and improving living conditions.

Digitalisation is a paradigmatic shift across all areas of the economy and society

> *It's not about doing digital development. It's about doing development in a digital age.*

Digitalisation is more than just a new set of tools and technologies. It permeates all aspects of public and private life and requires a shift in mindset. Development actors need to meet this challenge and gain a deeper understanding of the principles of digital transformation and their implications for sustainable development. This is key to capitalise on the opportunities of digitalisation and mitigate its negative effects.

Digitalisation is not a panacea; social change remains analogue

> *Development organisations must ask themselves: Are we in the business of setting up digital platforms or in the business of sustainable human development?*

Going digital is not an end in itself, nor is it necessarily more effective or sustainable. The introduction of new technology can have drawbacks and unintended consequences.

Development actors should cut through the noise and hype surrounding digital technologies and focus on their actual benefits.

This involves asking questions like: What problems in my sector can technology help solve? Where does digital truly add value? What are the risks and how can they be mitigated? How do we measure whether digital solutions have a meaningful impact?

Digital solutions must be designed with knowledge of local ecosystems and culture

> *Having a local sense is crucial.*

Sustainable socio-technical change requires an understanding of the cultural context in which a digital intervention takes place. Social acceptance determines the extent to which technological solutions are adaptable and scalable. Region-specific knowledge is thus necessary to design beneficiary-centred interventions. The local private sector is a crucial partner in building digital ecosystems; it is a driver of sustainable growth and can positively influence political decisions. Development actors should create conducive digital governance and regulatory infrastructure in which public and (local) private actors can interact.

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Digital development is inextricably linked to geopolitics

> *In many countries, the window of opportunity to influence positioning in the digital geopolitical conflict is closing.*

Increasing geopolitical competition for digital dominance is leading to a decoupling of technological platforms, norms, and standards. As governments and technology companies align along geopolitical fault lines and competing national and regional data and digital ecosystem models emerge, development actors may face new limitations in their access, reach, and cooperation capacity.

Countering digital divides remains a central challenge for the development community

> *The role of development agencies is to protect the poorest and most vulnerable from the harms of digitalisation.*

For all its potential, the digital economy also perpetuates structural inequalities and power dynamics. To achieve sustainable progress in digitalisation, it is often necessary to first invest in the overall operating environment and infrastructure. Without good digital governance, sectoral measures fall short of their potential and may result in unintended social consequences. Development organisations have a responsibility to engage in the conversations around marginalization and polarisation that stem from digitalisation to ensure that no one is left behind.

Strengthening institutional capacity and governance is key to data sovereignty

> *You need to convince people that data is not a commodity.*

Current legal frameworks, especially in partner countries, are inadequate to counter the commercialisation of private data. New regulations and models for data storage, access and use are urgently needed (e.g. data commons) to foster digital self-determination. Development actors play an important role in championing the importance of digital policy topics and empowering partners through regulatory capacity building. Globally, work is needed to set standards and ensure the interoperability of data economies while avoiding any form of "data colonialism". In addition, personal choices regarding the use of information and data privacy need to be protected.

New partnerships are needed to address development challenges in the digital age

> *Citizens' experiences with digital services offered by the private sector are raising their expectations vis-à-vis public services.*

Through new alliances with the private sector, public actors can leverage digital innovations and gain access to platforms, specialised digital skills, and data to achieve impact at scale. Technology companies, in turn, benefit from the trust and legitimacy of collaborating with traditional development actors. Yet these partnerships often involve bureaucratic hurdles (e.g. data sharing) and trade-offs like reputational risks and divergent interests (e.g. open vs. proprietary data) that must be weighed carefully. Apart from engaging with large tech players on a policy level, development actors should also collaborate with local firms as incubators of digital innovation for the common good.

Development organisations must change or risk losing relevance

> *The future is already here – it is just unevenly distributed.*

As partner countries become increasingly digitally-savvy, development actors must embrace change to remain relevant. This involves systematically building expertise of digital ecosystems and data governance challenges. Changes are also needed in project logic models: away from rigid log frames and towards adaptive learning and feedback loops that enable data-driven decision-making. As the world becomes more complex and interconnected, much uncertainty remains around doing development in a digital age. More peer learning is needed to understand the success factors behind scaling pilots, the best metrics for meaningful impact, and what roles development actors can play to ensure that digitalisation advances sustainable development for all.