



Digitalisation and economic development

The digital transformation is opening up new opportunities and prospects for developing countries. Digital technologies help to achieve development goals faster and more efficiently as well as to make development more sustainable. Digitalisation empowers people and businesses in developing countries to become a part of global trends and markets, provides access to knowledge and vital information and brings about new opportunities for employment.

However, the fast pace of digital transformation makes it difficult for developing countries to keep up with more advanced economies. Digitalisation is also associated with risks for which many developing countries are insufficiently prepared, including cybercrime, cyberattacks and the spread of misinformation.

Closing the digital divide

The “digital divide” refers to unequal access to modern information and communication technology. This divide exists on the regional, national and international levels, with roughly half of the world’s population still not connected to the internet. Either the digital infrastructure is lacking or too expensive, or people do not have the knowledge to use digital technologies. Poorer segments of the population, people in rural or remote areas, and women in particular are thus prevented from taking advantage of the opportunities offered by digitalisation. That’s where SECO’s activities come in and help to close the digital divide.

Digitalisation in economic development cooperation

Switzerland’s international cooperation strategy 2021–2024 identifies digitalisation as a priority and vital driver of sustainable development. Switzerland’s development cooperation uses digital applications as a means to an end, with the objective of enabling partner countries to tap into the potential of digitalisation and benefit from technological progress.

SECO supports digitalisation initiatives that promote economic growth and sustainable prosperity. In its work, it systematically takes into account the opportunities arising from digital progress. At the same time, it helps mitigate risks such as lack of data privacy and protection as well as illicit financial flows.

SECO priorities

SECO supports its partner countries in designing and implementing digital solutions. At the same time, it promotes their digital governance, that is, efficient regulation of digitalisation and the digital economy. This support enables partner countries to develop reliable economic policy framework conditions while also driving private sector initiatives.

SECO sets four priorities in the area of digitalisation:

GovTech encompasses technologies that increase productivity and transparency in the public sector. In this area, SECO is working to accomplish the following:

- Improve access to services for people and businesses
- Simplify the processes of public tax administrations and ensure data security
- Strengthen financial controls to fight corruption
- Modernise and efficiently regulate customs practices to promote international trade
- Enable sustainable urban planning and development.

FinTech facilitates easier access for people and businesses to financial services and resources. SECO supports partner countries in these areas in particular:

- Defining and implementing the regulatory and supervisory provisions for service providers in the FinTech sector
- Strengthening financial supervisory authorities and central banks, allowing them to monitor developments in the financial market (e.g. cryptocurrencies) and counter risks
- Promoting access to finance for small and medium enterprises (SMEs) and advancing the financial inclusion of women and people without access to banking services
- Nurturing the development of local technology start-ups.

E-Trade supports SECO partner countries in integrating into the global economy. SECO helps to accomplish the following:

- Supporting the digital integration of SMEs to make them more competitive and allow them to take their place in international value chains
- Better tracking of products and goods and improvement of product standards
- Building of a credible and sound intellectual property system.

Skills promotes market-oriented professional skills in SECO partner countries by:

- Equipping people to use digital technologies in their work
- Using digital technologies to make training programmes more accessible and more efficiently managed.

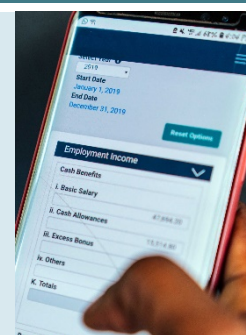
Sustainability of digital applications

In its activities, SECO is guided by the **Principles for Digital Development**. These nine guiding principles support the design of projects with digital components. They require that digital initiatives take into account people's needs, incorporate the existing technological and regulatory environment, and be scalable and sustainable, among other things. On this basis, partner countries can help shape the digital transformation and reap the benefits of technological progress over the long term.

Project example: Financial Inclusion for Growth

Country: Ukraine
Project partner: International Finance Corporation (IFC)
Duration: 2019-2023
Budget: CHF 5'870'000 million (SECO-Anteil: CHF 2'717'000 million)

Goals: The project increases access to financial services such as loans, savings accounts and cash withdrawals for the population and SMEs in Ukraine and helps people use financial services more responsibly. By promoting digital solutions such as mobile bank accounts and cashless zones as well as by improving the regulatory system for digital financial services, the project helps to make financial services more inclusive, especially in regard to underserved populations in remote areas. It also supports general education on financial literacy and an efficient and transparent credit information system while also furthering public-private dialogue on digital solutions. The project thus contributes to sustainable economic growth and creates new jobs. The project is being implemented by the IFC.



Further information:

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