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Global Challenge Program

Accelerating Digitalization

Approach Paper

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LIST OF ACRONYMS

A2F	Access to Finance
ADB	Asian Development Bank
AFE	Eastern and Southern Africa
AFW	Central and Western Africa
AIIB	Asian Infrastructure Investment Bank
AML/CFT	Anti-Money Laundering and Combating the Financing of Terrorism
APIs	Application Programming Interfaces
B2B	Business to Business
CCG	Climate Change Group
CDD	Community-Driven Development
CDD	Customer Due Diligence
CREI	Communication and Renewable Energy Infrastructure
CRVS	Civil Registration and Vital Statistics
DEC	Development Economics Vice Presidency
DMRV	Digital Measurement, Reporting, and Verification
DPFs	Development Policy Financing
DPI	Digital Public Infrastructure
DPOs	Development Policy Operations
EAP	East Asia Pacific
ECA	East Central Asia
ECR	External and Corporate Relations
EFS	Early Stage Funds
EU	European Union
EVC Plus	Electronic Voucher Card Plus (mobile money transfer service in Somalia)
FCS	Fragile and Conflict-Affected Situations
FCV	Fragility Conflict and Violence
FDI	Foreign Direct Investment
FinTech	The confluence of 'finance' and 'technology'
GCP	Global Challenge Program
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GNI	Gross National Income
GPE	Global Partnership for Ethiopia
GPs	Global Practices
GSMA	Global System for Mobile Communications Association
HICs	High-Income Countries
IBRD	International Bank for Reconstruction and Development

IDA	International Development Association
IFC	International Finance Corporation
IFI	International Financial Institution
IPF	Investment Project Financing
ITU	International Telecommunication Union
KYC	Know Your Customer
LAC	Latin America and the Caribbean
LICs	Low-Income Countries
Mai	World Banks' OpenAI's ChatGPT
MDB	Multilateral Development Bank
MICs	Middle-income countries
MIGA	Multilateral Investment Guarantee Agency
MNA	Middle East and North Africa
MNOs	Multinational Operators
MOU	Memorandum of Understanding
MPA	Multiphase Programmatic Approach
OECD	Organisation for Economic Co-operation and Development
P4Rs	Program for Results
PAYGO	Pay As You Go
PBCs	Performance based contracts
PCE	Private Capital Enabling
PCM	Private Capital Mobilization
PE Funds	IBRD/IDA Lending Operation
PPPs	Public-Private Partnerships
PRG	Partially Risk Guarantees
PRI	Policy Risk Insurance
PSW	Private Sector Window
R&D	Research and development
SaaS	Software as a Service
SAR	South Asia Region
SDGs	Sustainable Development Goals
SMEs	Small and Medium Enterprises
SOE	State Owned Enterprise
SOP	Standard Operating Procedure
SPVS	Special purpose vehicle/entity
SWAT	Especially trained team
UNCTAD	United Nations Trade and Development
UNDP	United Nations Development Programme
WTO	World Trade Organization

OVERVIEW OF THE GCP

GOAL: RESPOND TO DIGITAL OPPORTUNITIES AND CHALLENGES			
WHY	WHAT	HOW	IMPACT
<ul style="list-style-type: none"> Digitalization is the transformative and leapfrogging development opportunity of our time. Digital technologies are general-purpose and defy national borders, enabling global access to development solutions and resources like education. Digitalization is recognized for accelerating progress towards the 2030 SDGs, benefiting 70% of the goals. The value of the internet increases with the number of users, driving data accumulation that enhances network effects and spillover productivity. Digitalized markets increase employment probability, firm performance, and reduce poverty, supporting job creation, inclusion, resilience, and sustainability. Digital technologies improve government efficiency, transparency, and accountability. 	<p>Three Strategic Focus Areas:</p> <ol style="list-style-type: none"> Affordable, quality broadband and data hosting capability Interoperable and safe data platforms High-impact digital services <p>Innovative Solutions:</p> <p>To pilot and evaluate several promising solutions to tackle existing and emerging barriers to digital inclusion and transformation:</p> <ul style="list-style-type: none"> Affordable digital devices Development of the in-demand digital skills <p>Contributions to other GCPs and thematic priorities:</p> <ul style="list-style-type: none"> Contribute to the outcomes of other GCPs through accelerating the deployment of high-impact digital applications and services. Promote the inclusion and empowerment of women and youth. Deploy digital solutions in FCV affected countries through an FCV-sensitive approach. Lower the climate footprint of digital infrastructure investments and ensure they are climate resilient. Leverage digital technologies for climate mitigation and adaptation in collaboration with other sectors. 	<p>Embedding incentives for countries to join the GCP:</p> <ul style="list-style-type: none"> Prioritized access to SWAT teams Economies of scale and efficiencies Global visibility Enhanced access to concessional finance <p>Connecting countries to innovation, real-time learning and evidence:</p> <ul style="list-style-type: none"> Partnerships with private sector Data-driven innovation Peer learning Streamlining procurement Impact evaluations <p>Program of Programs:</p> <ul style="list-style-type: none"> Program applying WB regional and country programmatic instruments Global Digital Public Infrastructure (DPI) Program One WBG Joint Program 	<ul style="list-style-type: none"> People using digitally enabled services [Total, Female, FCS] People using broadband internet [Total, Female, FCS] Total private capital enabled (\$) [Total, FCS] Total private capital mobilized (\$) [Total, FCS]
VALUE PROPOSITION	<p> Content / Offering</p> <p>Package Solutions (innovative financing solutions) Harmonization of policies/regulations/standards Partnerships with private sector on innovative technology/AI solutions</p>	<p> Results</p> <p>Replicate & Scale up proven/tested approaches Aggregate headline results aligned with CSC with focus and prioritization Global Progress to drive scale and impact</p>	<p> Process</p> <p>Programmatic approach to provide speed and flexibility Evidence/Data-driven design and adjustments Collective learning of cutting-edge technologies and policies</p>

1. Rationale and Value Added (“Why”)

1. **The Accelerating Digitalization Global Challenge Program (the “GCP” or the “Program”) seeks to respond to digital opportunities and challenges by enhancing the speed, scale, and impact of World Bank Group’s (WBG) financing and knowledge.** The proposed GCP builds on the unique WBG value proposition in the digital space and deploys package deals solutions in an increasingly complex world that can crowd in private capital through IBRD/IDA loans and guarantees, IFC financing and MIGA de-risking solutions, WBG long-term financing, while leveraging its convening power to bring about the policy and regulatory reforms as well as catalytic public funding needed to enable such capital flows. Aligned with the new Knowledge Compact, the GCP also expands and upgrades the World Bank Group’s knowledge, learning, and partnership platforms to support the new Evolution Roadmap. To improve the scalability, replicability, and efficacy of its interventions, the GCP will embed innovative data collection, evidence generation, and knowledge transfer throughout the project cycle. In addition, the GCP will build new knowledge platforms and a global network of digital academies to facilitate knowledge sharing and capacity building in client countries.

2. **The disruptive and fast-evolving nature of digitalization can be a game changer that accelerates development progress, but at the same time, requires this GCP to be agile, innovative, and flexible.** The breakthroughs in areas such as generative Artificial Intelligence (AI), cloud computing, and Internet of Things (IoT) have the potential to enable low- and middle-income countries (LICs/MICs) to leapfrog conventional growth pathways by adopting cutting-edge solutions without undergoing lengthy and costly transitions. Disruptive technologies can unlock unprecedented opportunities and drive inclusive, resilient, and sustainable economic growth. A 10 percent increase in broadband penetration increases GDP by 0.25 percent [\[link\]](#). However, the rapid advancement of digitalization also brings new challenges and uncharted risks, including the widening digital divide, increased cybersecurity and data protection risks, and the need for robust legal and ethical frameworks to govern digital technologies—including AI—and their use. This rapidly changing landscape tests governments, businesses, and people to remain adaptable and forward-looking. Agility, creativity, and flexibility become crucial for governments in embracing technological opportunities while mitigating risks.

3. **The scale of the opportunities, the complexities of the challenges, and the urgency to act, all demand that the WBG reimagines its approach, forges new types of partnerships to co-create digital solutions, and supports safe, inclusive, and sustainable digitalization in client countries.** By bringing together diverse stakeholders, including governments, private sector, academia, civil society organizations, and local communities, the WBG can leverage collective expertise, resources, and networks to respond to the strong client demand and political commitment—testified by the IDA20 Dakar Call to Action and the African Union 2030 Digital Transformation Goals—ultimately achieving the scale and speed needed to close the digital divide. Collaboration with, and enabling of, the private sector can drive innovative digital technology solutions to these development challenges. Academic institutions can also play a crucial role by facilitating evidence-based policies, strategies, and interventions. Broad engagement with researchers, civil society, and local communities is also important for ensuring that digitalization empowers users—including marginalized and vulnerable groups—and safeguards people’s data and privacy.

1.1 Context

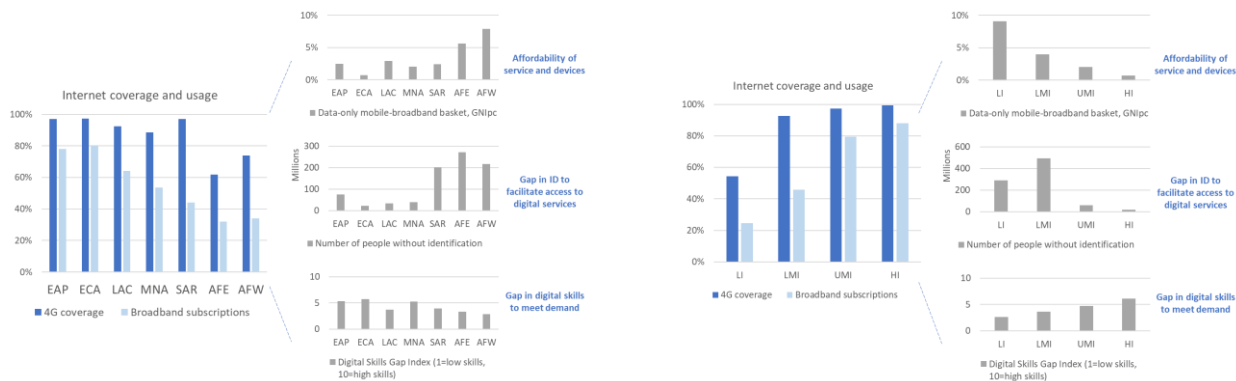
4. **Digitalization is the transformative development opportunity of our time, including through its network and spillover effects.** Digital technologies are general-purpose technologies and defy national

borders by nature. A student in a rural village in Nigeria is able to access online education resources provided by universities in the United States. The booming of the digital economy is closely associated with the positive network effect—that the value of internet increases with the number of users. The network effect also drives the accumulation of a tremendous amount of data, which can be further utilized to improve individual and business productivity and the efficiency of public service delivery. Within a context where only 15 percent of the 2030 SDGs and their 169 associated targets have been achieved, digitalization is recognized to have a key role for accelerating progress and amplifying solutions. The role of digitalization is beneficial for 70 percent of SDGs, and research has demonstrated that countries with a higher level of digitalization have made 40 percent more progress towards achievement of the SDGs than peers in the same income group (ITU/UNDP, 2023 [\[link\]](#)).

5. **As crises multiply and prolong, digitalization has proven to be a critical tool for supporting job creation, inclusion, resilience, and sustainability.** In digitalized markets, the probability that an individual is employed increases by up to 13.2 percent, employment per firm increases by up to 22 percent, and firm exports nearly quadruple (Hjort and Poulsen, 2019 [\[link\]](#)). 3G coverage has been linked to a 10 percent reduction in extreme poverty in Senegal (Masaki et al., 2020 [\[link\]](#)), and a 4.3 percent reduction in Nigeria (Bahia et al., 2020 [\[link\]](#)). Analytics and data-driven decision making can boost SMEs’ sales and help them establish a competitive advantage (Bar-Gill, Brynjolfsson and Hak 2023 [\[link\]](#)). Digital technologies also help governments to improve the efficiency and effectiveness of their operations and public service delivery, and to increase transparency and accountability.

6. **Digitalization is critical to tackling global challenges, such as building climate resilience, health emergency prevention, preparedness and response, gender inequality, as well as fragility, conflict and violence (FCV) in innovative and more effective ways.** Digital technologies have the potential to reduce emissions in energy, mobility, and manufacturing by up to 20 percent by 2050 (World Economic Forum, 2022 [\[link\]](#)). During the COVID-19 pandemic, countries that had digital ID and data systems reached three times more people with cash transfers [\[link\]](#); firms with greater digital readiness were twice as resilient in their sales. Countries with higher levels of digital adoption prior to COVID-19 had lower COVID-19 cases per million population and fewer COVID-related deaths (Heinrichs et al., 2022 [\[link\]](#)). Instead of being driven primarily by productivity and efficiency gains, digitalization in fragile situations also arises from the need to adapt and find development solutions amidst a challenging environment. In Somalia, for example, EVC Plus, a mobile money service, has played a significant role in facilitating financial transactions where banking services are otherwise very limited. Similarly, through a mobile app, the Government of Ukraine was able to connect 19 million citizens with 120 plus government services.

Figure 1. Gaps Between Regions and Income Groups on Digitalization



7. **Embracing digitalization is an imperative, yet the digital divide remains stark and multidimensional (figure 1):** 2.6 billion people were still offline in 2023. While more than 90 percent of the population in high-income countries (HICs) used the internet in 2022, only one in four people in LICs did so. Affordability of internet services and of devices remains a critical issue. Access to an affordable smartphone presents, according to industry stakeholders including mobile operators and GSMA, the single most critical barrier for reducing the usage gap, particularly for low-income groups. In LMICs, entry-level mobile devices cost 16 percent of monthly incomes on average, but this increases to 44 percent for the poorest 40 percent and 55 percent for the poorest 20 percent (GSMA 2023 [\[link\]](#)). Even when smartphones are provided, data services often remain unaffordable for the poor. About 850 million people lack official identification and 3.3 billion live in countries without official forms of digital identification to sign into online services. These people are denied access to services and economic opportunities, whether in-person or online (World Bank, 2022 [\[link\]](#)).

8. **The digital divide has become synonymous with a development divide, impeding growth and deepening inequalities in development.** In 2021, only 58 percent of adults use digital payments globally, and less than 25 percent of firms used online banking for payments in Ghana, Bangladesh, Ethiopia, Burkina Faso, and Senegal (World Bank Digital Progress and Trends Report 2023 [\[link\]](#)). Fewer than 40 percent of countries have transactional online public service portals ([\[link\]](#)), and the vast majority of FCV-affected countries — where digital technologies have tremendous potential to increase the reach of public services — have weak foundations in place to support digital transformation ([\[link\]](#)). Essential drivers of development, such as health, education, and financial services require digitalization, as well as key economic sectors such as agriculture and trade.

9. **Digitalization is hampered by a substantial and growing investment gap to close the digital divide.** An estimated US\$ 428 billion of investments are needed for minimum quality universal broadband by 2030 according to ITU ([\[link\]](#)). While private investments in digital infrastructure are projected to grow by 7-14 percent annually through 2030, the digital investment gap for both broadband connectivity and data hosting infrastructure is growing even faster, requiring more of both public and private financing. Similarly, the ICT industry accounted for 6 percent of global GDP in 2022, yet around 80 percent of the value-added is concentrated in the top six countries (Digital Progress and Trends Report 2023 [\[link\]](#)). There is also a significant investment gap in digital public services across sectors, and in the adoption of legal and regulatory reforms needed to effectively and comprehensively govern digital data and its use.

1.2 Barriers this GCP aims to address

10. **Accelerating digitalization will require a renewed and coordinated effort to address stubborn policy barriers and to catalyze more private investment and innovation.** An emphasis will be placed on measures that are needed to ensure universal, high quality and affordable broadband access, establishment of cross-cutting digital public infrastructure (DPI)—including digital identity, digital payments, and trusted data sharing—as the ‘rails’ for digital service delivery and commerce, and empowering individuals, businesses and institutions to productively use data and digital tools in a secure and trusted manner. The WBG is uniquely placed to mobilize the private sector on capital intensive building blocks of digitalization (quality broadband and data hosting) through a PCM/PCE approach (see Annex 1).

11. **To tackle the digital divide and investment gaps, Governments must play an active role in setting the foundations for inclusive and trusted digitalization across the private and public sectors.** These include removing barriers to market entry and competition in broadband markets (e.g., licensing, spectrum management, interconnection, open access, SOE reform), reducing the cost of digital connectivity and data infrastructure deployment (e.g., infrastructure sharing, device and data

affordability, fees, streamlined planning permissions/rights of way), developing digital services and e-commerce domestically and across borders (e.g., e-signatures, digital finance), and promoting digital safeguards (e.g., data protection and privacy, cybersecurity) and broader frameworks for the governance of digital data. It also includes adopting and strengthening the legal frameworks to facilitate private investments and PPPs, such as investment policies and measures to facilitate FDI flows to digital foundations under the Investment Facilitation for Development framework led by WTO,¹ ensuring policy and regulatory stability and efforts to harmonize policy regimes across borders to unlock cross-border investments and economies of scale.

12. Governments can also act as catalysts and demand drivers to bridge financing gaps and invest in key digital public infrastructure and platforms to increase positive externalities. Even with an optimized enabling environment, a significant gap will remain in the coverage and quality of digital infrastructure in rural areas and in the affordability of digital services and equipment for small businesses and low-income consumers.² Governments can work in partnership with the private sector to address market inefficiencies through a combination of: (i) viability gap financing and PPPs; (ii) aggregating demand and reducing risks through smart use of public spending and guarantees to enhance private sector deployment of essential digital infrastructure needed to power government digital operations and services, including connecting classrooms, health clinics, and community centers. Governments can also create pathways to usage by being a key user of digitalization, and catalyzing investments in DPI and digital public services, and by targeting subsidies and skills development programs to close the affordability and capability gaps for target groups. Finally, governments need a holistic approach, for example, offering combined connectivity and energy services to institutions, and ensuring connectivity plans follow last mile electricity access to power networks and devices.

13. The private sector can provide the necessary capital, innovation, commercial discipline, develop sustainable business models, and enable the emergence of robust digital ecosystems and a workforce with skills that match and evolve with these ecosystems. The private sector leads the expansion of digital ecosystems by investing in and helping startups grow, strengthening and making mature companies more competitive, providing risk capital, offering technical expertise, leading in innovation through R&D and taking risks. It can also play a vital role in developing and expanding digital services, through the creation of financially viable platforms and applications to cater to specific needs, such as e-commerce, telemedicine, and digital education solutions. Lastly, the private sector can drive the emergence of a skilled workforce through employment and by partnering with educational institutions to develop curriculum focused on digital skills. Technology companies can, for example, establish coding academies or apprenticeship programs to nurture talent and bridge the skills gap.

14. Knowledge and evidence-informed policymaking and implementation approaches, rooted in good practices among global stakeholders, are needed to translate digitalization into growth, inclusion, and well-being. Governments need to catch up with technological advances and the new dynamics of the digital economy. Tackling the multifaceted development challenges requires innovative thinking, holistic assessment, and coordinated action from different government agencies and the private sector, including a reconceptualization of the fundamentals of *how* governments work. The inherent interconnectedness and interdependence of the global digital economy also makes cross-country, cross-sector collaboration and experience sharing critical (UNCTAD 2021 [\[link\]](#)). Through collaborative knowledge platforms, the

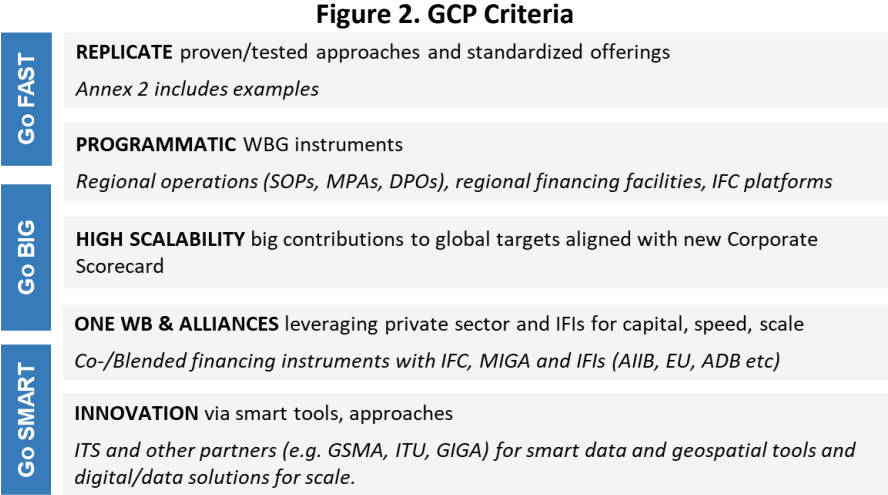
¹ See WTO Investment Facilitation for Development, available at https://www.wto.org/english/tratop_e/invfac_public_e/invfac_e.htm

² This is true even in the most competitive and developed markets such as the United States and Europe, where governments are spending billions to close the digital divide. It is doubly true in developing markets with much lower income consumer base and higher cost structures due to less developed supply chains and capital markets.

WBG can harness the collective knowledge of diverse stakeholders to develop cutting-edge approaches to address emerging issues effectively and implement more targeted interventions that yield tangible development outcomes.

2. The Global Goals and Focus Areas (“What”)

15. **The GCP will focus on select replicable and scalable areas and combine the most suitable WBG instruments that can be deployed in a sequenced and integrated manner to achieve speed, scale and impact.** The criteria summarized in Figure 2 are aligned with those included in the September 2023 Development Committee paper expanding on the GCP selection. They are also used as a filter to inform the “How” in Section 3.



16. **Accelerating digitalization at scale requires more financing, knowledge, innovation, and partnerships from both the public and private sectors.** The WBG, in partnership with the private sector and development agencies, plans to increase its financing over six years to achieve global results by 2030 in alignment with the [new Corporate Scorecard indicators](#). This initiative will focus on expanding the use of broadband internet and the rollout of digitally verified ID, which are critical for accelerating the delivery at scale of high-impact digitally enabled services to a significant number of people. For digitalization to play a catalytical role in addressing global challenges in the new digital era, operationalizing a digital ecosystem approach bringing together the supply and the demand sides is needed to achieve global results and help accelerate the progress towards meeting SDGs by 2030.

2.1 Focus Areas and Menu of Options

17. **The GCP is structured around three strategic focus areas (figure 3) and a “menu of options” (table 1) organizing the Program’s offering to client countries.** Tailored to align with specific development goals, contextual needs, and varying levels of digital maturity, this approach offers customized digital development solutions for client countries and flexibility to address regional and country-specific challenges and constraints. Low- and middle-income countries as well as FCV-affected countries have different needs, reflecting different maturity levels within each of the focus areas. Participating countries can, based on findings from country digital diagnostic and other relevant diagnostics, frame their digital strategies, develop action plans, and select components from the menu with unifying results metrics that contribute to shared aspirational global results. This menu of options is supported by toolkits and good practices collected across countries and regions that enable countries to effectively navigate their unique

constraints and foster digital transformation in a manner that is adaptable to local contexts. Countries can also join to collectively harmonize efforts under regional initiatives to promote single digital markets. The menu of options includes new initiatives that address bottlenecks to digitalization in innovative ways as well as existing, tested initiatives that will be scaled up in a faster, bigger, and smarter manner. Robust legal and regulatory frameworks that enable and safeguard the development and use of digital infrastructure, data, systems, services and transactions are essential across the focus areas. Institutional capacity development and change management are also relevant for all three strategic focus areas.

Figure 3. GCP Framework and Aspirational Global Results by 2030

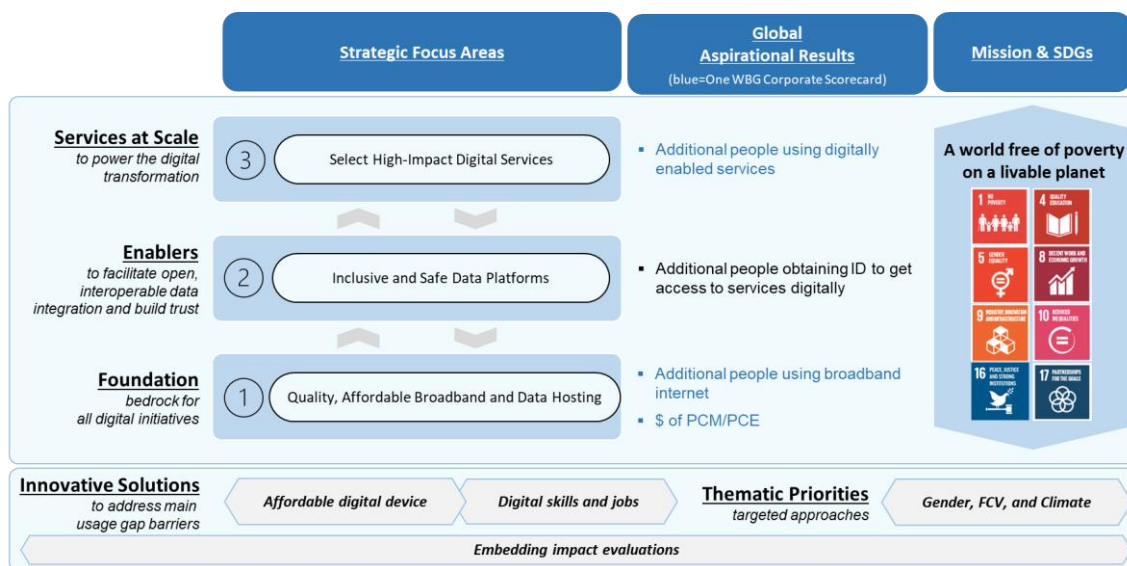


Table 1. Strategic Focus Areas and Menu of Options

Foundations	<p>Ubiquitous, reliable, and affordable broadband connectivity, and access to modern data hosting solutions and cloud services are the foundations for individuals, firms, and governments to use the internet productively. Data hosting/cloud provide the data computing resources needed to create new digital solutions and deploy digital services at scale.</p> <p>Focus Area 1: Affordable, Quality Broadband and Data Hosting Capability. Focuses on</p> <ul style="list-style-type: none"> Expanding essential good quality broadband infrastructure and services, with a special emphasis on rural and underserved regions. Supporting the development of cloud and data hosting markets and enabling investments into modern data hosting facilities that offer scalable and adaptable data computing and storage solutions and efficient handling of the growing amount of digital data. 	<i>Addressing supply side constraints</i>
Enablers	<p>Key horizontal layers—digital public infrastructure (DPI), open data platforms and an enabling environment for trusted and safe digitalization—are essential for digitalization across the public and private sectors. They provide shared and re-usable resources to achieve economies of scale, the frameworks and platforms to safeguard and build trust in digital transactions.</p>	<i>Addressing supply and demand side constraints</i>

	<p>Focus Area 2: Interoperable and Safe Data Platforms. Focuses on</p> <ul style="list-style-type: none"> • Deploying DPI including shared, interoperable, and reusable digital building blocks—such as digital identity,³ digital payments, and trusted data sharing platforms and protocols, which can be led by both the public and private sectors—to enhance efficiency and enable innovation in both the public and private sectors. • Developing cross-cutting open data platforms that enable collection, re-use, and value creation of data. • Building robust frameworks, institutions, and capacity for data protection and privacy, cybersecurity, and broader data governance as key digital safeguards. <p>These efforts move away from siloed government and private-sector systems to more interoperable frameworks, and safeguards to facilitate innovation, cost-effective scaling up of digital solutions, and rapid deployment of new high-impact services across sectors. Moreover, they allow sectoral services and applications- from the public and private sectors to be built on top, leveraging common platforms.</p>	
<p>Services at Scale</p>	<p>High-impact digitally enabled applications and services to help either fundamentally or incrementally alter economic and social activities with increased reach, improved efficiency, coordination and/or strengthened value proposition, including enhanced transparency and accountability. At scale, they act as a pathway to digital transformation, translating advances into downstream development outcomes.</p> <p>Focus Area 3: High-Impact Digital Services⁴. Builds on the digital foundations and enablers:</p> <ul style="list-style-type: none"> • Unlocking opportunities to digitalize high-impact services, acting as a pathway to digital transformation across private and public sectors, including the growth of new companies offering innovative solutions to drive more equitable and affordable digital services. • Such services will need to (i) be aligned with the Principles on Digital Development (emphasizing inter-alia interoperability), (ii) be built on sectoral standards and digital systems such as registries and Management Information Systems, and (iii) be integrated with DPI efforts.⁵ • Supporting user-centric Government front-end shared solutions for multi-channel delivery of key public services, built upon Government Enterprise Architecture, simplified digitally enabled back-end processes, and whole-of-government digital coordination. 	<p>Addressing demand side constraints</p>

³ Here, digital identity refers to systems that facilitate digital verification or authentication of a person’s official identity. This includes strengthening digitalization within foundational ID systems (e.g., national ID or civil registration systems), other federated or decentralized models of digital identity (such as verifiable credentials), and broader trust services such as e-signatures.

⁴ High-impact digital services prioritized for this GCP include Social Protection, Financial Services, Health, Agriculture, Tax administration, and Trade, business and investments facilitation services. For example, digitalization plays an important role in supporting domestic resource mobilization through enhanced tax administration and capacity.

⁵ Such qualifier is being further developed for all high-impact services under the first and second phase of the GCP. These criteria should incentivize WBG projects that finance digital solutions to improve interoperability and data governance of the digital ecosystem at the country and sectoral levels.

2.2 Innovative One WBG Solutions

18. **The GCP will pilot and evaluate several promising solutions to tackle existing and emerging barriers to digital inclusion and transformation.** These are areas of engagement for the WBG with less tested and proven models for achieving results at scale. The pilots will involve close collaboration across the WBG, including joint analytics and stakeholder consultations and complementary deployment of various financing instruments to encourage policy reforms, unlock private sector investment and innovation, and to accelerate implementation and results. The GCP will develop mechanisms to promote real-time learning and cross-fertilization of ideas. This learn-by-doing methodology has the advantage of producing quick lessons about what works from implementation experiences and will help one WBG teams pivot towards the more successful approaches. Additionally, a robust and rapid impact evaluation approach will be embedded into pilot solutions to scale up the most successful models and achieve impact.

19. **The first set of one WBG pilots will focus on affordable digital devices—a critical barrier for the 38 percent of the global population covered by a mobile broadband signal but not yet using it ([link](#)).** Interventions will include: (i) de-risking and credit enhancement platforms to encourage expansion of consumer financing for devices and to lower device costs;⁶ (ii) subsidy schemes to reach the population segments which cannot afford the full cost of a device even with credit options available, linked to specific use cases; and (iii) targeted data services that enhance the economic or social value of the devices. This could be pilots pairing subsidized devices with social protection programs, or making devices available to households through pay-as-you-go (PAYGO) home solar system and consumer device bundles (lighting, appliances). The pilots will emphasize a One WBG Approach, enabled by dialogue and workshops hosted by GCP leadership, and opportunities to mobilize private capital while minimizing market distortions and to establish credit history of recipients to enhance longer-term bankability. Partnerships to bundle the device interventions with digital literacy schemes, low-cost data bundles and ‘zero rated’ applications (e.g., health and education platforms) will also be explored in collaboration with multinational operators (MNOs), device manufacturers, and other organizations active in this space.

20. **The second set of pilots will focus on development of the in-demand digital skills needed to drive digitalization across the public and private sectors and to prepare workers for jobs in the new digital era.** It will aim to crowd in investment and create a broader and self-reinforcing ecosystem of high-quality digital skilling providers, job ready graduates, and employers seeking digital talent that is currently missing in most developing markets. The approach could include use of performance and outcome-based financing instruments to encourage private sector skills providers to invest and expand their offerings. It aims to incentivize skills providers and employers to co-design curriculum, collaborate to deliver training and create hands on work experience opportunities, ensuring alignment of the supply of these skills with market demand and improved success rates of graduates (especially women, youth and persons with disabilities) finding new or enhanced jobs. This will be complemented by a continued scale up of IFC investments in digital skilling and HR tech providers looking to expand to new markets and support for start-up accelerators and growth investments in digital firms that are critical to accelerate job creation and provide the services and innovation needed to drive digital transformation across the public and private sectors.

2.3 Thematic Priorities and Contributions to Other GCPs

⁶ For example, IDA/IBRD first loss guarantees for consumer credit to population segments that are currently unbanked or lack credit history, IFC financing for bulk device procurement by MNOs at longer tenors and expansion of credit schemes to pre-paid subscribers, MIGA guarantees.

21. **The GCP will integrate an emphasis on closing gender gaps across the three strategic focus areas.** At the foundations level, the GCP will explore a range of promising approaches designed to increase women’s access and usage of broadband infrastructure and services. These include public access centers designed to meet the needs of women; innovative financing schemes that help women obtain devices without large upfront costs; community/spouse sensitization sessions to build buy-in and reduce the risk of household conflict; as well as complementary digital literacy programs that prioritize hands-on training/learning-by-doing, female role models, mentoring, and peer learning. With respect to the digital enablers, increasing women’s access to identification and account ownership is key to enhance women’s empowerment. For instance, the GCP will explore simplifying application and registration procedures; developing efficient and predictable processes to help reduce travel times and potential costs; and establishing community-based services or mobile campaigns to alleviate time, distance, and mobility constraints for women. To boost women’s account ownership, other measures include directing payments to women in their own accounts; facilitating access to mobile phones; supporting women’s digital financial capability; and testing social norms interventions that help increase women’s financial autonomy. A gender lens will also be incorporated across the various high-impact digital services, including social protection, health, and agriculture, among others.

22. **Digital technologies are critical for FCV-affected clients** as they can facilitate economic growth, enhance access to essential services, and strengthen institutions, thereby fostering stability and resilience. Digitalization in fragile situations is also viewed as a means to overcome systemic constraints and find solutions amidst a challenging environment. Despite such benefits, Fragile and Conflict-affected States (FCS) lag as evidenced by limited access to electricity, lower internet access and smartphone penetration rates, and low maturity in digital public services. Conflict, insecurity, and political instability divert resources from development to more immediate needs, discourage private sector investments, affect institutional and technical capacity, increase the costs and the affordability gap for citizens, and result in fewer investments in the infrastructure and reforms needed for safe and inclusive digitalization that addresses the digital divide and inequalities ([\[link\]](#)). Several topics covered by the GCP can be deployed and scaled in FCV settings, through an FCV-sensitive approach⁷, including extending the reach of good quality broadband infrastructure and improving digital identity and civil registration to enable fully remote transactions and protection against loss of documents, and e-learning solutions, as well as financial inclusion schemes leveraging on mobile money. The GCP will ensure that interventions do not increase or create digital divide, especially in societies with significant divisions and tensions.

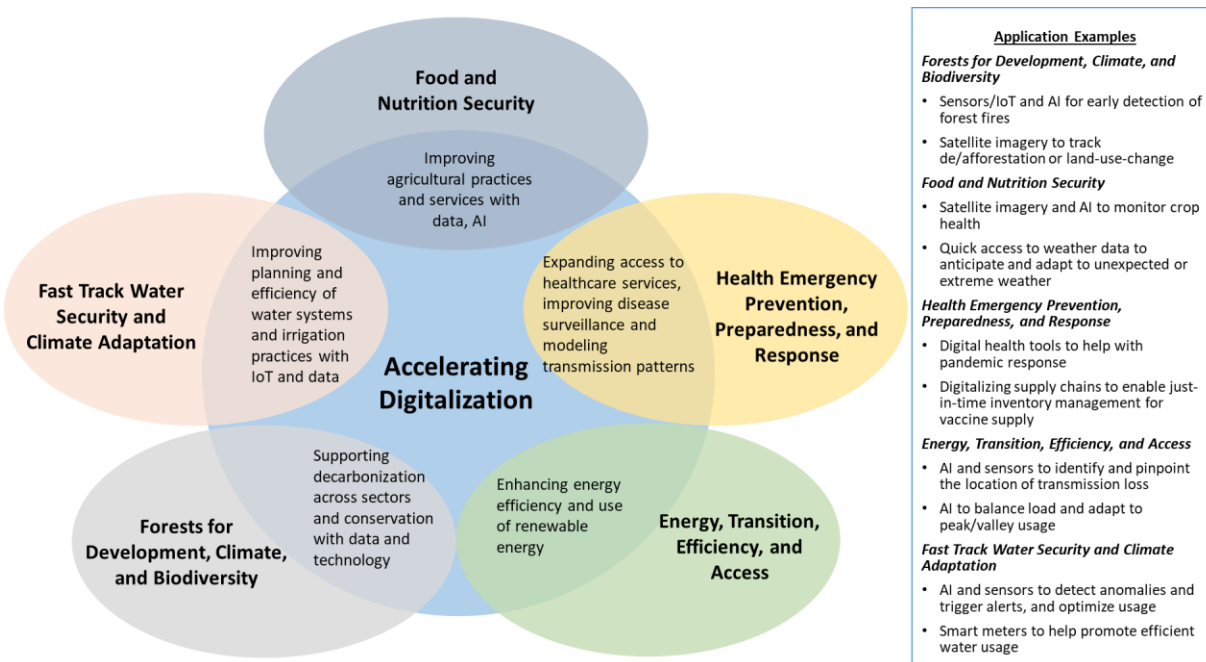
23. **Digital technologies are both part of the climate problem—contributing** between 1.5-4 percent of global emissions —as well as part of the solution, supporting decarbonization across sectors, adaptation to gradual effects of climate change, and building resilience to shocks. The enabling role of the digital sector for climate action is also important for other GCPs. However, as digitalization expands in reach and depth (including AI), the digital footprint is expected to grow and strain energy resources. To lower the climate footprint of the digital sector investments in digital infrastructure and services will aim to maximize energy efficiency, use of renewable energy and e-waste management. This will include use of the IFC EDGE green data center certification. In addition, digital investments need to be protected from climate change hazards. Resilience by design principles will be integrated to maximize uptime and quick recovery of critical digital infrastructure in the wake of climate events or natural disasters. Opportunities to leverage digital technologies and data for climate solutions across mitigation and adaptation use cases

⁷ The following are the key principles of FCV-sensitive approach to digitalization: (1) ensuring that interventions do not increase or create digital divide or do 'harm', especially in societies with significant divisions and tensions, (2) view digitalization as a mean to overcome systemic constraints and to foster resilience, in addition to approaching it as a catalyst for growth, (3) consider privacy and the vulnerability of women, children and marginalized groups, ensuring that ethical and legal considerations are in place to protect their data.

will be explored in close partnership with other GPs and CCG. Examples include supporting digital enablers for early warning system, and linking investments in digital ID systems with digital payments and emergency cash transfers to ensure the right people are identified and receive support in the aftermath of climate events.

24. **The enabling role of the digital sector is also ingrained in other GCPs.** This GCP will lay digital foundations for and directly contribute to other GCP objectives, including working together to deploy digital solutions under the Enhanced Health Emergency Prevention, Preparedness and Response GCP, Fast-Track Water Security and Climate Adaptation GCP and the Energy Transition, Efficiency and Access GCP.

Figure 4. Linkages to Other GCPs



3. Implementation (“How”)

3.1 Key lessons to inform the GCP design (details in Annex 2)

25. **Digitalization heavily relies on economies of scale and network effects, and benefits from integrated markets across borders.** The first generation of World Bank digital, regional integration projects played a crucial role in equipping countries with essential broadband connectivity and pro-competition legal and regulatory frameworks. From 2007 to 2022, a cumulative investment of US\$1.4 billion was made in seven regional projects spanning five regions, benefiting 38 countries, including eight FCV settings and five landlocked countries. These projects facilitated new or improved access to digital to broadband internet for 112 million people, with a particular emphasis on supporting gender equality, as half of the beneficiaries were female. Additionally, these initiatives resulted in a 76 percent decrease in retail broadband internet prices. IFC’s financing to shared regional digital infrastructure providers currently support connectivity to 91 million users. To further advance regional digital market integration, additional efforts through a second generation of regional digital programs can be made to build a robust digital data infrastructure and establish policies standards and interoperability to facilitate a trusted cross-border flow of data and digital services, leveraging the benefits of economies of scale and network effects.

26. **Cross-cutting and interoperable digital systems improve the inclusivity and scalability of digital public and private sector services.** Digital public infrastructure (DPI), for example, including digital identity, digital payments, and trusted data sharing, provides stacks of re-usable “building blocks” for digitalization. Rather than building each of these systems in silos for each service, both the public and private sectors can leverage the shared architecture and functionality of the DPI stack. This approach allows government agencies and firms to focus on their core competencies and applications, resulting in efficiencies and innovations to deliver digital services at scale. Although there is no ‘one size fits all’ approach, it is important that individual DPI building blocks are designed to work together and with focus on use cases and user needs and experiences. Successful DPIs are demand-driven, and can avoid some of the pitfalls of supply-driven efforts that—without the proper attention to interoperability, reusability, and consultation with end-users—can result in systems that are not scalable or fit-for-purpose. More than 60 countries have requested the World Bank’s support to build or improve their DPIs.

27. **The virtuous supply-and-demand cycle of digitalization that was accelerated by the COVID pandemic is enabling the scale of impact in developing countries.** Since 2020, social and economic activity has increasingly moved online, leading to gains for individuals, firms, and governments. Governments that made investments in digital service delivery were able to respond more efficiently to needs that arose throughout the pandemic while firms and individuals were able to access services and transact online like never before. The private sector is adapting its business models to respond to these new opportunities in developing countries by: (i) delivering integrated offerings within digital infrastructure (e.g., Edge Data Centers + Tower Cos) and across sectors (e.g., FinTech + Health Tech); (ii) transitioning to cloud-based, service oriented solutions; and (iii) investing in demand enablers such as DPI and digital skills (OECD, 2022 [\[link\]](#)). These trends are making it possible to push the digital economy further into the virtuous cycle of mutually reinforcing demand and supply and scale its impact in more sectors and markets.

28. **While technology plays a critical role in digitalization, the most challenging aspects of transformation processes are often related to non-technological factors.** Global experience shows that digital tools are necessary but not sufficient for success. True transformation requires taking into consideration both the internal impacts of digitalization on the organizations as well as external ones impacting users, and ensuring that migration to digital services does not exacerbate existing digital divides (World Bank, 2022 [\[link\]](#), World Bank 2002 [\[link\]](#)); IFC [\[link\]](#)). Approaches that emphasize user-centric front-end service provision, support for cross-cutting and robust legal and regulatory frameworks, institutional strengthening (including whole-of-government digital coordination), capacity building, and change management are critical. Success also hinges on leveraging the sectoral expertise of Bank GPs and IFC and MIGA industry teams for the effective implementation of digitalization in any sector, leading to improved service delivery.

3.2 Embedding incentives for countries to join the GCP

29. **The GCP is integrating strategic focus areas aimed at achieving global goals and enhancing operational effectiveness.** These enhancements focus on broadening access to financial and knowledge resources, optimizing economies of scale, and reinforcing the program’s global influence and visibility:

- **Prioritized access to SWAT Teams:** Participating operations and investments will have access to a dedicated SWAT team, composed by select members from the Bank’s relevant GP global and regional teams, IFC’s Global Infrastructure, Telecom, Media & Technology and Disruptive Technology teams, and MIGA’s structuring and coverage teams focusing on Infrastructure. The SWAT team will strengthen and expedite project preparation by providing early design inputs through quality assurance and hands-on support, enabling the exchange of insights gained from other GCP projects.

- **Economies of Scale and Efficiencies:** The GCP harnesses economies of scale, reducing costs through regional bulk purchasing and access to pre-designed financing toolkits. Additionally, it utilizes de-risking facilities to unlock consumer financing for digital devices, making technology more accessible to a broader audience. This approach significantly lowers costs and broadens access to digital technology and services. In bringing together foundational connectivity, cross-sectoral enablers efficiently, more downstream digital services can be delivered at scale, helping to unlock the achievement of results.
- **Global Visibility:** The GCP aims to gather global leaders around common goals in achieving digitalization ambitions, offering early participants opportunities to demonstrate leadership in digital transformation and influence new approaches. Access to global fora to showcase impactful results help enhance the visibility of reforms and progress achieved by participating countries. Systematic publication of results stories to communicate on impacts will be encouraged by the Program.
- **Enhanced Access to Concessional Finance and Co-Financing:** The GCP taps into IDA funding, including its regional window and the IDA PSW, providing vital concessional financial support. The possibility of accessing concessional IBRD funding through the Livable Planet Fund and the new IBRD Framework for Financial Incentives is being explored, broadening the financial scope of the program. It also leverages trust fund resources to conduct diagnostics, strengthen and expedite project preparation.⁸ Furthermore, in the past year, the World Bank has signed Memorandums of Understanding (MoUs) with other MDBs, emphasizing digitalization as a key priority. This focus is particularly evident in the agreements with the Inter-America Development Bank, the Islamic Development Bank and the Africa Development Bank, opening systematic and regular discussions on co-financing opportunities.

3.3 Connecting countries to innovation, real-time learning and adaptation

30. **One of the unique WBG value propositions is its global knowledge and implementation experience.** This GCP is underpinned by global platforms being established under the Knowledge Compact that enable countries to access global knowledge and partnership opportunities, connect and share good practices and technology resources. The Program puts a strong emphasis on real-time learning and adaptation, given the rapid evolution of digital technologies and associated institutions, policies, and investments. Among the Knowledge Compact initiatives (see Annex 3 for details), this GCP will focus on the following activities to build a global community to champion acceleration of digitalization for development:

- **Partnerships with Private Sector:** emphasizes the collaboration with private sector entities in developed and emerging markets to harness their expertise and innovative capabilities. The goal is to foster the co-creation of innovative digital solutions using the unique insights and technological advancements provided by the private sector. These partnerships are vital for developing cutting-edge digital approaches to effectively tackle development challenges.
- **Data-Driven Innovation:** focuses on harnessing data for driving innovation. The GCP recognizes the importance of leveraging open data, geospatial tools, and emerging technologies such as AI for scalability. Close collaboration with Data Group, ITS and technology companies is essential to develop innovative approaches to leverage the power of data. Market mappings, assessments and sandboxing will play a crucial role in identifying markets with similar gaps, enabling more efficient diagnosis and

⁸ The GCP is expected to facilitate fundraising efforts for relevant TFs, including DDP 2.0 (and associated Cybersecurity MDTF), ID4D and GP2x MDTF, and Project FASTT, which will be accessible to participating projects to support country diagnostics, technical assistance, and project preparation and implementation. The GCP will also leverage financing partnerships such as PPIAF, GIF and QII.

customization of policy and financing solutions. Examples to be explored through the GCP include the Livable Planet Open Data Initiative which aims to support scalable data registries, cloud services, and Application Programming Interfaces (APIs) to access location-specific (in-situ) data to facilitate services such as Early Alerts (e.g., flood risks) and Digital Measurement, Reporting, and Verification (dMRV) for climate action.

- **Peer Learning:** promotes learn-by-doing, knowledge exchange, and cross-fertilization of ideas between peers, especially among developing countries and across private sector engagements. By utilizing the Network of Digital Academies, that are being established in regional hubs, and other online and offline platforms, this aspect of the GCP aims to enhance capacity building and facilitate the sharing of good practices, practical experiences, and solutions to implementation challenges. Such networks foster a collaborative and collective learning environment. An increasing number of countries from the Global South have become innovators and leaders in the digital space and are well-positioned to share their learning in a context similar to other developing economies.
- **Streamlining Procurement:** to reduce the time and complexity of procurement, the GCP will develop tools and innovative approaches to make the acquisition of software and other technologies faster and simpler, and to improve outcomes through greater flexibility and interoperability. This includes developing and utilizing template terms of reference and promoting appropriate output-based requirements and Software as a Service (SaaS) models. Furthermore, the GCP can pilot Bank-facilitated procurement and/or market marketplace models based on the successful experiences in high-capacity economies like Australia, Singapore and the UK.
- **Impact Evaluations:** Embeds a series of impact evaluations in selected projects and activities to assess their effectiveness, scalability, replicability, and sustainability. The findings provide critical insights and knowledge that inform future strategies and initiatives. Knowledge transfer to project teams and clients will be done through early-stage, multi-country workshops to integrate existing evidence into project designs and identify evidence gaps, as well as regular capacity building workshops to institutionalize new data and learning systems with clients. Annex 4 provides more details.

4. Operationalization, Results and Program Management

4.1 Operationalization and Indicative Pipeline

31. **The GCP is a Program of programs, and the operationalization of this GCP is led by the regions, with the support by relevant GPs and coordinated by the new Digital VPU.** Scaling digitalization work at the WBG started in July 2022 in Africa in response to the Dakar Call to Action where IDA countries called for intensified efforts to accelerate digital development, aiming at achieving universal access to broadband connectivity by 2030. The GCP's first phase spans between FY23 and FY25 where enabling digitalization has become one of the eight global challenges articulated in the September 2023 Report to Governors on the World Bank Evolution and the approach, based on country demand, is being formalized through this Approach Paper. Annex 5 provides additional details on the estimated financing volumes and the phased approach.

32. This GCP will be operationalized through **three programs:**

1) **Program applying WB regional and country programmatic instruments**

Notwithstanding the One WBG philosophy underlying the entire GCP, this GCP also envisions using several existing WB programmatic instruments at the regional level (e.g., SOPs, Horizontal MPAs, DPOs, and P4Rs) and country level (e.g., Vertical MPAs) to accelerate the preparation and implementation of follow-on phases. Importantly, such instruments will help crowd-in private sector

participation. The regional approach helps to: (i) scale-up impact by bringing countries together with the regional and continental bodies under one coordinated umbrella to increase economies of scale through regional digital integration, offering the private sector increased opportunities to expand in bigger markets, mobilizing different pools of concessional financing; (ii) facilitate innovation and sharing of solutions across countries towards addressing similar problems, leveraging a standardized menu of interventions; and (iii) build platforms that can support integrated digital markets (e.g., DPI and open data) through regional data sharing, regulatory harmonization and cooperation. Similarly, vertical MPAs allow different states or provinces to join the program in phases and/or implement focus areas in phases.

Based on lessons learned from the first generation of regional projects (Annex 2), the second generation of regional digital programs will apply a tailored set of interventions to address the gaps and opportunities for digital development in the specific region (see Table 2). For example, in Eastern and Southern Africa, the proposed regional MPA would focus on Internet access gaps, increasing Internet usage, while in South Asia, the emphasis would be on full DPI implementation for both the public and private sectors. In East Asia, the MPA would focus on middle and last mile infrastructure to ensure secure digital connectivity towards resilience. Analytical work is underway to inform potential future regional projects including in the Central Africa region to identify the specific constraints in digital infrastructure; and in the Western Balkans to examine approaches for the countries to collectively achieve the objectives and targets set in the EU’s Digital Decade Policy Programme 2030 (Digital Compass) and join the EU single digital market. Work is also advancing in other countries in the ECA region to accelerate digitalization, including helping Eastern Partnership countries to join the EU single digital market.

Table 2. Indicative Pipeline of WB Programmatic Projects

FY23-25	FY26+
<p>AFE:</p> <ul style="list-style-type: none"> • Approved: Regional SOPs: Eastern Africa Regional Digital Integration SOP Phase 1 (Somalia**#, S Sudan**#, EAC, IGAD – P176181) and Phase 2 (Ethiopia**#, Djibouti# – P180931) • Approved: Kenya Digital Acceleration Vertical MPA Phase 1 (P170941) # • FY24Q4: Inclusive Digitalization in Eastern & Southern Africa (IDEA), MPA# (P502532, DRC**# and Angola#) 	<p>AFE:</p> <ul style="list-style-type: none"> • FY26+: Future phases of the IDEA MPA • FY26-27: Kenya Digital Acceleration Vertical MPA Phase 2
<p>AFW:</p> <ul style="list-style-type: none"> • Approved: Regional SOP: Western African Regional Integration SOP Phase 1 (Mauritania, Guinea, Gambia, Guinea-Bissau; ECOWAS, AU, Smart Africa – P176932) • FY25: Phase 2 (Sierra Leone and Liberia – P500628) 	<p>AFW:</p> <ul style="list-style-type: none"> • FY26: Regional SOP/MPA: Central African Regional Integration Program – ASA/pre-pipeline: CAR*, Cameroon*, Congo*, Chad*, Gabon.
<p>EAP:</p> <ul style="list-style-type: none"> • FY25: Regional MPA/High-scalability: Pacific* Infra Resilience MPA (PICRAR) (P502852) 	<p>MNA:</p> <ul style="list-style-type: none"> • Regional program for Digital Acceleration, with focus on Improved DPI and high-impact digital service delivery across countries.
<p>ECA:</p> <ul style="list-style-type: none"> • FY25: Operational Engagements in Central Asia 	<p>ECA:</p> <ul style="list-style-type: none"> • Series of projects under development for Western Balkans and other ECA countries • Digital acceleration to foster near EU digital maturity

<p>SAR:</p> <ul style="list-style-type: none"> • FY25: Reimaging Inclusive Services and Empowerment through Digitalization in South Asia Program (RISE): Regional SOPs (Phase 1: Nepal) • FY25: ACCESS Accelerating Trade and Transport (Bhutan) 	<p>SAR:</p> <ul style="list-style-type: none"> • FY26: RISE SOPs (Phase 2: Bangladesh and Sri Lanka) • Digital India Vertical MPA
<p>LAC</p> <ul style="list-style-type: none"> • FY25: Brazil country programmatic operation on DPI, digital skills, and digital service delivery. Pre-pipeline. 	<p>LAC:</p> <ul style="list-style-type: none"> • FY26: Regional digital MPA with a focus on DPI and high-impact digital services

Note: * are FCS countries; # are operations with rural inclusion interventions.

2) Global Digital Public Infrastructure (DPI) Program

Given its main objective of accelerating digitalization, this GCP sees safe and inclusive DPI ecosystems as a priority investment and will establish a Global DPI Program, building on the work under the cross-GP ID4D and G2Px initiatives and others such as Project FASTT, as well as increasing collaboration with IFC and MIGA to crowd-in private sector involvement and use. The Program will draw on successful experience in existing initiatives to connect global knowledge, convening, and country action, while leveraging other components of the GCP—including high-impact digital services—to multiply the impact of DPI by focusing on end-to-end digitalization and links across use cases. The DPI program will also deepen partnerships with good practice countries to share experiences and solutions. It will incorporate international good practices and innovations on inclusion, interoperability, personal data protection, trust, and cybersecurity. With respect to inclusion, this Program will prioritize accessibility and usage of DPI for women and youth, refugees, people in remote areas, stateless persons, and other vulnerable populations—this can be game-changing for access to services and economic opportunities.

Following the elevation of DPI as a global priority in 2023 through the G20 and United Nations bodies, there is significant demand from clients for more investments and advisory services, with at least 30 country operations in FY23-25 alone (e.g., Brazil, Jordan, Samoa). The new Global DPI Program will enable effective response and further scaling up of this demand.

3) One WBG Joint Program

Working as One WBG will be critical to delivering on the ambitions of the GCP – this will require a strong definition for what counts as a One WBG initiative, new ways of cooperating across organizations, and tracking a One WBG portfolio at regional/sector level. The GCP process deepened dialogue across WB, IFC, and MIGA and led to the identification of two key parameters that make up a One WBG Initiative in the digital space. These include (i) initiatives that require the blending of various WBG financial instruments into a package solution (either simultaneously or sequentially) without which the project would not be viable and / or (ii) initiatives that require sustained joint engagement with public and private stakeholders and partners to address ecosystem and political economy barriers to implementation and achievement of outcomes. Finding new ways to cooperate to support rapid ramp-up and responsiveness to client needs will require early and coordinated engagement to align on project requirements (i.e., technology, market, and financial feasibility), streamlined approvals and processes, and standardized financing mechanisms that combine WB, IFC, and MIGA.

The GCP will engage regional WBG teams, client countries, and the private sector to identify countries (or groups of countries) that show readiness and willingness to deploy a One WBG Approach for any of the initiatives that fit the GCP framework and that can test interventions and approaches that go beyond business-as-usual. A few examples of a One WBG Approach in the digital space already exist

(e.g., Ethiopia Telecom and Philippines Tower [see Annex 6 for details]), yet the aim of the GCP is to be more systematic and proactive in the development and deployment of One WBG initiatives. Further, fostering partnerships with global and regional private sector and technology companies and MDBs/IFIs will help enhance access to capital at the project and program level, expedite implementation, and enable scalability. In this regard, tapping into IFC's network of partners, funds, and clients can be a source of valuable knowledge on critical issues. Finally, the GCP will develop systems to track a One WBG portfolio to support robust and responsive reporting.

Promising One WBG initiatives have been identified leveraging the GCP's more proactive and systematic approach. These initiatives include learning from and replicating the "Internet para Todos" model from Peru to support rural connectivity, landing subsea cable investments in smaller markets in Sub-Saharan Africa, developing a package approach that links renewable energy to data centers, piloting device financing solutions with NBFIs (e.g., micro lending institutions and FinTechs), and supporting digitalization of public services as a pathway to usage. There are also notable examples of One WBG pre-pipeline initiatives and dialogue across all regions. In Africa, the GCP aims to deliver a One WBG approach to scaling rural connectivity through hybrid PPPs, wholesale cross-regional backbones, regional data center and cloud hubs, fiber/tower spin-offs, and recycling idle fiber infrastructure through PPPs. In East Asia, there are efforts to support digitalization and access to finance for MSMEs in the Philippines and supporting shared tower infrastructure to deliver connectivity to remote and low-density areas. SOE reform and privatization are under discussion in Central Asia, while in Europe, ongoing dialogue aims to foster digital acceleration and achieve near EU digital maturity, both with a One WBG lens. In the MNA region, there are several countries that would benefit from One WBG support to address various aspects of the digital infrastructure landscape (e.g., tower infrastructure and data centers in Egypt). In addition, One WBG support would also help fiber rollouts in Türkiye. Finally, various global initiatives are being pursued by IFC that could achieve further scale if developed through the lens of a One WBG approach and include submarine cable roadmaps for LICs (including FCV-affected countries), green data center policy and investment, programmatic and regional data center engagements, and digital skills through hybrid PPPs.

33. **Complementarity to country programs.** World Bank and IFC regional teams would identify priority countries with good potential for *making substantial contributions to global goals* in complement to the programmatic instruments fostered by the GCP. These country operations (IPFs/PfoRs/DPOs) and IFC advisory/investment could support (a) 'digital acceleration' that addresses selected strategic GCP focus areas, namely: universal broadband access for all, scaling up inclusive and safe data platforms, building digital skills for jobs, and enhancing the delivery and adoption of digital services through Government front-end shared solutions for multi-channel service delivery for key public services; combined with/or (b) sectoral operations including digitalization components within the strategic focus area of high-impact use cases in line with country priorities addressed by the CPF that aim to reach a large number and/or percentage of digital users. Key sectors to be digitalized of the first phase of the GCP (during the FY23-25 period) include social protection and financial services.

34. **Policy Compact.** Investments will be complemented with a digital policy compact (to be supported by DPOs or policy components in PBCs in P4Rs/IPFs, as well as policy dialog and knowledge engagements) to strengthen institutional, policy, legal, and regulatory frameworks and implementation needed to support accelerated digitalization. These frameworks need to be up-to-date, flexible, incentive-based and market driven to establish the digital foundations and enablers to facilitate private investment and foster the emergence of regional digital markets under the Cascading approach. Based on analytical work, core digital reforms for governments to pursue include: (i) affordable quality broadband, (ii) interoperable and safe data platforms; (iii) coordinated public sector digitalization; (iv) broader digital economy

development; and (v) high-impact sectoral digital services (see the reference policy matrix in Annex 7). A harmonized approach to policy, legal, and regulatory reforms at regional level can support the emergence of single digital markets, and associated opportunities for private capital mobilization.

4.2 Risks

35. **The implementation and operationalization of the GCP faces several potential risks, many of which are being mitigated upfront through the design of the three strategic focus areas, as well as through broader WBG efforts.** Unreliable power sources and energy infrastructure can challenge progress as it disrupts the functioning of digital systems and leads to service interruptions. The WBG has a strong energy program and a parallel GCP on energy. Additionally, low institutional capacity amongst the digital public institutions (e.g., Ministry in charge of digital/ICT, telecom sector regulators, digital government authorities, data protection authorities, cybersecurity authorities), complex and unpredictable regulations can make investment and procurement challenging.

36. **FCV-affected countries present a diverse set of development challenges, necessitating context-specific, adaptable, and sensitive approaches for digital interventions.** These challenges range from ongoing high-intensity conflict to subnational pockets of insecurity or institutional and social fragility, making FCV-affected countries unattractive destinations for investments, particularly for broadband infrastructure and data centers. Digital tools can also exacerbate grievances on issues such as wealth disparity and inequality, while crime or terror groups, and extremists can benefit from increasing digital capabilities. On the other hand, well-designed digital tools can promote transparency and accountability, as well as address root causes of fragility, such as unequal access to services and economic opportunities. For example, real-time geospatial data platforms can help to monitor and ensure projects are reaching intended beneficiaries. Conventional approaches to digitalization are unlikely to effectively mitigate these risks and unlock these opportunities and hence new and different methods will be explored under this GCP, including to leverage partnerships with non-government actors and innovations to strengthen personal data protection and cybersecurity and to unlock access to data infrastructure offshore (e.g., data embassies).

37. With digital transformation, it is important to also be mindful of the associated risks including issues related to **weak data protection and privacy frameworks, cybersecurity, ethical concerns surrounding automated decision-making, and the potential for unintended consequences arising from the use of technology (e.g., complexity and algorithmic bias in AI systems).** These concerns can create real risks of harm to people (including online abuse and gender-based violence) and increase complexity, costs and reluctance to use digital services. The trust agenda is therefore a central part of the GCP and will be implemented through the focus area on interoperable and safe data platforms, including scaling World Bank support for data governance, data protection and privacy, cybersecurity, and user-centric DPI that puts people in control of their data. Additionally, digitalization and AI have the potential to automate tasks traditionally performed by humans, leading to job change, displacement, and in some cases unemployment. Yet, akin to the industrial revolution, the advent of innovation will alter the landscape of required skills. By investing in up- and re-skilling, the GCP is expected to help workers and learners adapt to the advances in technology that are changing the labor market. Lastly, the global macro context, with increased uncertainty and geopolitical risks, may impact future performance and service uptake. Continued vigilance and monitoring are necessary to understand and mitigate the risks and effects in different regions and sectors.

4.3 Results and Program Implementation Support

38. **An Accelerating Digitalization GCP Program Team will be established to oversee the implementation of the Program and manage the day-to-day oversight and provide support to participating projects.** The Program Team will be established in the new Digital VPU and include staff and members from sponsoring VPUs as well as colleagues representing corporate functions. The Program Team's main responsibilities include:

- Resolve and facilitate common issues/actions pertaining to standardizing and/or simplifying procurement, ESFs, scaling up access to concessional resources.
- Help identify opportunities for participation in peer-learning and accessing SWAT team resources.
- Lead on tracking and reporting, including by developing and maintaining the GCP portfolio and results dashboard and compiling the annual GCP progress report to senior management.
- Manage partner platforms and external outreach, in close coordination with relevant Umbrella TF teams, to engage with external stakeholders, and leverage trust fund resources for the GCP.
- Coordinate communications efforts to disseminate the GCP's results and impacts, including by managing an external website, compiling results stories, videos, issuing a newsletter and other communications assets.
- Ensure coordination with Gender, FCV, and Climate experts to identify entry points and opportunities, and collaborate across teams and clients.

39. **The GCP's progress will be monitored and reported globally through a systematic M&E mechanism, contributing to the new Corporate Scorecard.** The goal of the GCP is to support LICs and MICs to select relevant components from a menu of options to achieve a set of unifying results metrics to be monitored and reported by the Program globally. The GCP Program Team will aggregate results across indicators from country and regional activities that contribute to the global targets in line with the new World Bank Group Corporate Scorecard, mission and select SDGs as illustrated in [the GCP results framework](#) in Annex 8. These indicators and other metrics will be used to oversee and monitor the implementation of activities and provide ongoing insights into the Program's progress and results.

40. **The GCP Program Team will establish an automated Portfolio and Results Dashboard** hosted by the new Digital VPU. This automated tool will serve as a centralized platform where data from projects contributing to the GCP and to the global aspirations will be available. This dashboard will play an aggregating role, ensure consistent data collection and tracking. The aggregation of project-level data will constitute the bottom-up approach to validate the various aspirational global targets and update actual progress. The tool will include the tracking of digital measures in development policy operations (DPOs).

41. **The GCP Program Team will conduct annual progress reporting**, including quantitative (i.e., indicators update) and qualitative (i.e., progress narrative) aspects of participating projects' pipeline and portfolio. This approach will provide regular updates on the progress and challenges faced by the Program, allowing for responsive adjustments and strategic decision-making. This will also facilitate timely communications with the Sponsor VPs and Senior Management, the Board, and external audiences.

42. **Integral to assessing the GCP's effectiveness and informing future programming are systematic impact evaluations.** The GCP is working with DEC and IFC to identify evaluations that can provide evidence-based insights into the effectiveness of specific program interventions, emphasizing a learn-by-doing methodology to quickly adopt the practices that have proven effective and scalable (see [Annex 4](#) for an initial plan). A [mid-term Program review](#) could also play a crucial role, evaluating the program's progress, identifying areas for improvement, and making necessary mid-course adjustments. These evaluations and reviews will feed the learning and knowledge agenda, and will be essential for collective learning, adaptation, and refining the program's directions to ensure that the GCP remains relevant and responsive to changing needs and conditions.

43. **Relevant tools, technologies and platforms will be utilized to support effective implementation and strategic communications of the Program.** These resources are instrumental in facilitating an efficient and effective flow of knowledge and expertise across the organizations, as well as enhancing our capacity for innovation, collaboration and strategic communications:

- Harnessing internal AI tools (e.g., Mai and ChatIFC) and knowledge management platforms to enhance decision-making, streamline operations and generate valuable insights.
- Leveraging existing sector-specific tools (such as the one developed by Social Protection and Jobs) for evaluating sectoral digital system with links to DPI.
- Developing new digital learning platforms to promote an environment of continuous learning and strengthen workforce competency through digital learning modules about the GCP focus areas.
- Utilizing communications platforms: To develop a strategic communications plan with ECR teams and external media partners to proactively share real-time insights and knowledge, and communicate progress and results.

44. **Successful implementation of this GCP requires investments in enhancing staff capacity to design and implement digital initiatives.** The scaling up of digital activities under the GCP and beyond demands specialized skills that the WBG may not readily have. To avoid a shortage of expertise leading to suboptimal utilization of digital technologies, insufficient technical assistance on policies and regulations, and the inability to structure innovative financing, the WBG needs to rapidly enhance its staff capacity through a combination of new recruitment, retraining, development assignments (including tapping into the expertise of ITS staff in digital technologies), secondments, outsourcing, and external partnerships. For the WB, the launch of the Digital Vice Presidency will enable the strengthening and expansion of the cadre of specialized staff, as well as enhancing collaboration with staff from other GPs, IFC and MIGA with sectoral expertise in the digital transformation process to support unlocking opportunities to digitalize high-impact services. The GCP will sponsor training programs and knowledge events to help lift the overall digital skills and expertise of WBG staff working on digitalization initiatives.

Annex 1. Private Capital Mobilization (PCM) and Private Capital Enabling (PCE) Approaches

World Bank Digital projects and technical assistance engagement have long been supporting reform measures and investment approaches that lead to private capital investment, particularly under the broadband connectivity agenda, but increasingly in other key areas, such as data hosting and inclusive and safe data platforms. These fall under two closely related categories:

Private capital mobilization (PCM) interventions include private co-financing explicitly as part of the project design and overall financing envelope of the investment. PCM has typically been achieved through the following approaches, which will be scaled up under the GCP, with added emphasis on opportunities for One World Bank Group collaboration and solutions.

- (i) Competitive, ‘reverse subsidy’ auctions to provide gap financing for private sector led expansion of digital infrastructure in areas without sufficient commercial business case without public intervention, particularly for rural or semi-rural areas or wholesale, open access backbone networks.
- (ii) Demand aggregation and bulk purchase of connectivity or cloud services across government entities – creating virtual networks and government cloud environments utilizing private sector infrastructure – meeting demand for connectivity and data services for public administration, schools, health centers, etc. while serving as an anchor client for private digital infrastructure investment,
- (iii) PPP structures and private sector participation in/for public infrastructure assets, with capacity for the WBG to provide blended finance and support to PPPs, management contracts and other private sector participation frameworks (special purpose vehicles, joint ventures, infrastructure sharing).

Since FY22, a total of US\$282 million of private capital has been mobilized through Digital IPFs. FY22 was the first year that PCM was officially measured in the portfolio, though similar approaches have been utilized and refined over many years.

Private capital enabling (PCE) interventions feature reforms that support the wider enabling environment for private investment supported through a variety of instruments including DPFs and IPFs. Typically, these are structural reforms that ease market entry and operation, foster competition, reduce private sector operational costs, lower policy, regulatory or market uncertainty, address sector and overall market failures, and reduce barriers to firm and digital market expansion, and therefore play a vital role in boosting private investment in the digital sector.

These tried and tested approaches will be scaled up under the GCP, complemented by the following:

1. A stronger integration of our instruments within WBG: i.e., package deals offering loan financing, IDA/IDA Private Sector Window/blended finance and guarantees to projects with high development impact, attachment of IFC/MIGA indicative term sheets to WB programs, establishment of specific guarantees or regional funds to promote new business models (e.g., lower cost deployment for rural areas, satellite, or renewable energy to power the data centers and base stations), stronger leverage of Political Risk Insurance (PRI) and Partial Risk Guarantees (PRG) to backstop the governments’ or SOEs’ commitments to private sector investors in PPPs or SPVs, or commercial banks’ lending to the private sector investors in infrastructure roll-out;
2. The deployment of new innovative financing instruments developed for scale, e.g., regional funding facilities to attract investments in critical cross-border connectivity links, regional partnerships with funds and financial institutions to de-risk financing in fiber optics connectivity, data centers, and affordable device financing; and
3. A stronger approach and regional lens to policy engagement, e.g., programmatic approaches including DPO series and new instruments (including Policy Compact) at the regional level to address policy and regulatory hurdles to enable private investment.

Annex 2. Replicable and Scalable Lessons Learned

This GCP will replicate and scale up the following mechanisms and key building blocks across regions and countries given their foundational and enabling nature, based on lessons learned:

Regional Integration

Between 2007 and 2022, the Digital Development GP supported seven regional programs (consisting of 27 sub-projects as well as seven additional financing operations) benefitting 38 countries in five regions (AFE, AFW, EAP, ECA, LAC), amounting to a cumulative commitment of US\$1.4 billion. These projects contributed to providing new or enhanced access to 112 million people, half of whom are female, 57,000 km of fiber optic network built, and a 76% decrease in retail broadband internet prices, which covered eight FCV countries and five landlocked countries.

The experience from these projects informs the next generation of regional projects with focusing on digital market integration, addressing difficulties in project environments, and enhancing private sector engagement and regional coordination. Lessons learned include the effectiveness of a regional, programmatic approach in including IDA and FCV countries for equitable broadband market development, and the necessity of regional digital market integration to build economies of scale and unleash spillover. Additionally, strong political commitment and regional body support are vital for fostering reforms and achieving common objectives. Improvements on approaches to maximize private capital, such as reverse auctions, new PPP models, and government pre-purchase of internet bandwidth, have been refined, with private sector feedback, to better serve the fast-evolving digital sector.

Data Hosting and Data Centers

Since 2011, WB and IFC have made several investments in the Data Center space, through components in Digital Development projects (WB) and by directly investing in Data Center companies (IFC) in LMICs. The WB has 31 active investment projects with components that support data center development, accounting for over US\$450 million in volume. IFC has invested in 8 companies, accounting for over US\$230 million in Own Account commitments. MIGA is currently working on a proposed project with a key global investor in Africa for the design, finance, construction and operation of a series of data centers across multi countries in East, West and Southern Africa.

Key lessons emphasize the necessity of modernizing digital government data strategies and regulatory frameworks are needed to embrace cloud computing, enabling scalable and sustainable digital transformation. Public sector cloud adoption, enabled through risk-based data hosting policies based on data classification, can provide demand to anchor private investment. Innovative PPP approaches can minimize the reliance on concessional financing to build dedicated government data centers, while simultaneously developing local and regional markets. For small and fragile countries with limited implementation capacity and commercial attractiveness, cross-border initiatives can be particularly relevant, with innovative legal and technological approaches, such as data embassies, helping allay sovereignty concerns for sensitive data.

Digital Public Infrastructure (DPI)

Across sectors, transactions—from enrolling in a social program, to opening and using a bank account, to paying taxes, to gaining employment as a ride-share driver—rely on basic functions, including identity verification, re-use and sharing of data, and making and receiving payments. Rather than building each of these functions in a silo for a particular service, a DPI approach develops cross-cutting, interoperable resources that serve both the public and private sectors. Given the World Bank’s goal of accelerating digitalization, DPI is a priority investment to quickly replicate and scale up high-impact digital services through developing these re-usable building blocks.

The WB has been providing financing and technical assistance to countries to design and modernize their DPI, including their legal and organizational foundations. This includes foundational ID and civil registration systems as well as digital identity and trust services (e.g., public key infrastructure, e-signatures, and verifiable credentials), digital payments, and trusted data sharing. The existing DPI portfolio extends across over 70 countries with investments totaling more than \$2.5 billion, and the WB has exercised its intellectual and operational leadership to support global initiatives on DPI, such as India’s G20 Presidency in 2023.

Key lessons highlight the importance of: (i) realizing a whole-of-country approach to remove organizational, technological, and informational siloes across government agencies, regulators, and the private sector; (ii) adoption

of open standards, tailored to local contexts, to promote interoperability, country ownership, and vendor and technology neutrality; (iii) focusing on user experience and human centered design to ensure maximum accessibility and inclusion; and (iv) re-imagining methods of acquiring or developing the technology, given that conventional public procurement rules are not conducive to the evolving nature of software. It is also essential that efforts to build DPI are accompanied by strong legal and regulatory frameworks for data protection and broader data governance, increased cybersecurity capacity, and the adoption of both privacy-by-design and inclusion-first approaches.

User-Centric Front-End Shared Solutions for Multi-Channel Delivery of Key Public Services

This approach included in the first phase involves transforming government interactions with individuals and businesses using digital technologies to be universally accessible and citizen-centric. It encompasses multiple components including shared front-end solutions, sectoral data digitalization, IT systems, back-office business process reengineering, Government Enterprise Architecture, policy reforms and change management. As of October 2022, 13 active projects across various regions are underway with future plans to expand the reach to millions by FY28. It is a needed complement to the digitalization of sectoral services (see below).

Key lessons learned emphasize the importance of user-centricity to ensure digital service uptake and inclusion, addressing both technical challenges like IT integration and non-technical challenges such as political and legal obstacles. This approach aims to prevent widening digital divides and promotes trust and confidence in digital public services, highlighting the need for multichannel service delivery, simplification and end to end digitization of key public services, and comprehensive whole-of-government digital coordination.

In terms of **Sectoral Digital Services**, the GCP will prioritize social protection and financial services in the first phase (during the IDA20 period) and focus on other critical services in the second phase (starting FY26).

Social Protection

Digitalization of social protection aims to support the achievement of SDG 1.3 and others by providing digital payments to beneficiaries. Establishing dynamic social registries, integrating these with other administrative systems (e.g., taxation, vehicle, land, and health insurance registries) and digitalizing the social protection delivery chain (assess, enroll, provide, and manage) will increase efficiency, accessibility, and identification of the needy, while reducing costs and improving response to emergencies. About 50 countries have a social registry, but many are static, non-interoperable and have low coverage. The aim is to have dynamic social registries in 80 countries by 2030. Leveraging DPI will be key to achieving these aims.

Financial Services

The goal of digitalizing financial services is to fulfill SDGs 8.10.2 and 10.c.1 by increasing the use of digital payments and remittances, which are crucial for achieving broader financial inclusion. Under the GCP, this initiative includes investments in DPI and other infrastructure, including payments and KYC/CDD utilities, and regulatory reforms and policies for remote account opening and non-bank payment services. The objective is to build upon the Universal Financial Access targeting no country below 50 percent account ownership (currently 40+ economies) and raising digital payment usage to 75 percent of adults (currently 58 percent) globally by 2030.

45. **Other critical digitally enabled services** that will be considered to scale up in the second phase (FY26-28) include Health, Agriculture, Tax administration, and Trade, business and investments facilitation services. In the meantime, the GCP will support GPs to (1) further define the key services to be digitalized; (2) identify how they will leverage DPI; (3) summarize lessons learned through existing operations or analytical work; and (4) take stock of baseline portfolio and pipeline (IDA20-25), including contributions to the “digitally enabled services” indicator by each project and cumulatively by each sector. Sectors that become ready earlier can be brought forward to the first phase.

Annex 3. Knowledge Compact Initiatives on Digitalization

To implement the new Knowledge Compact, the Digital Development Global Practice, in partnerships with IFC, MIGA, DEC, ITS and other GPs, has started to build three inter-related global platforms (Figure 4) to ensure that countries can continuously connect to a wealth of global knowledge, tools, share public goods and partnership opportunities, as well as evolve their thinking based on the latest data and insight, in order to address collectively complex digital challenges globally.

Figure 5. Knowledge Platforms



The Analytics Platform serves as a rich repository of data, diagnostic initiatives, analytics and insights conducted by the WBG on digital topics. This platform includes a global digital transformation database and an annual report on digital progress and trends to periodic updates on essential technology, market, and policy trends on various dimensions of the digital ecosystem. It also includes several research programs and impact simulation tools covering topics such as shared telecom infrastructure, submarine cables, data centers, handset affordability as well as the impact of regulatory and policy reforms in the telecom sector. This platform aims to close the knowledge gap in understanding demand-side issues (e.g., what people and firms use the internet for, digital skills, barriers to technology adoption, and trust in digital transactions). These resources can help in shaping digital strategies and guiding effective policy development and targeted interventions.

The Platform for Collective Learning creates a dynamic learning environment for sharing knowledge, lessons, and good practices to drive innovation and capacity building. It facilitates peer-to-peer exchange through a systematic Digital Academy, tapping into digital leaders and influencers in the digital domain. The GCP will generate new operational knowledge and initiatives, and this learning platform make lessons accessible throughout the GCP lifecycle to inform operations and offering models for effective replication and scaling.

Partnership Platforms catalyze strategic alliances and collaborative efforts. Examples include Policy Compact—which can help develop cohesive digital policies and momentum for reforms—and Partnership on Data Mapping—that enhances collaborative efforts in data utilization and integrated planning for digital initiatives. Establishing an MDB/IFI working group can facilitate joint investments and coordination in digital infrastructure projects. Partnership opportunities with sector stakeholders such as GSMA, ITU and UNDP to exchange information that help improve a collective understanding, disseminate this combined intelligence and engage with the private sector are also envisaged to design solutions to address digitalization challenges through de-risking and optimization of financing and technology resources.

Specifically for the digital sector and this GCP, partnerships will play a crucial role in its success, particularly in the areas of convening, financing, and innovation. These partnerships will further enhance collaboration and dialogue with key public and private sector actors, MDBs, and the donor community, to gather insights on industry trends,

business models for rural connectivity and enabling data center investments in small markets, and broad sector stakeholder' plans for low-cost deployment models and emerging technologies.

Table 3. Partnerships

Partnership	Description	Key partners
Convening	<ul style="list-style-type: none"> ▪ In addition to regular dialogue with key stakeholders, the GCP will convene round tables at the annual Mobile World Congress and the annual Digital Summit to ensure that public sector reforms and incentives are in line with private sector realities and priorities and will help deliver the GCP initiatives. These will be critical for new initiatives (e.g., affordable device financing) and initiatives with private sector potential but challenging economics (e.g., connectivity of rural / remote areas or of social infrastructure, or development data center and cloud markets). 	GSMA ITU UNDP UN Broadband Commission
Financing	<ul style="list-style-type: none"> ▪ MOUs with MDBs/IFIs will help operationalize the GCP by leveraging our partners' reach and financing capabilities. An example is the MOU signed by the presidents of the WB and IDB on August 31, 2023, which lays out a new operating model of collaboration on scaling up digital infrastructure financing and accelerating select sectoral impacts in digitalization (e.g., to reverse learning loss). ▪ Engagements with Private Sector Funds will also be pursued to leverage their expertise, market intelligence, and financing capabilities. IFC may pursue co-investment opportunities and innovative mechanisms to leverage Funds' balance sheets and extend the One WB market reach. ▪ Engagement with donors, foundations, and philanthropies may make additional concessional funds available (e.g., Blended Finance for MICs). 	MDBs/IFIs PE Funds (e.g., Digital Bridge), bilateral and multilateral donors, foundations, philanthropies.
Innovation	<ul style="list-style-type: none"> ▪ Partnering with technology companies may help speed efforts such as mapping broadband desert zones or population clusters, and support planning and deployment of GCP initiatives. ▪ Additionally, partnering with ITS and DEC Data teams helps the GCP develop smart approaches to leveraging data and deploying data solutions. 	DEC/ITS, Tech companies UNICEF / ITU

Annex 4. Impact Evaluations

To boost the scalability, replicability, and effectiveness of interventions, the GCP will embed rigorous impact evaluations throughout project lifecycles. This entails the following activities: (1) Holistic knowledge transfer to project teams and clients through early-stage, multi-country workshops to integrate existing evidence into project designs and identify evidence gaps. (2) Enhancing client data systems from paper-based to digital processes to allow automated data generation for better monitoring, real-time reporting, early course-correction, and evidence-based policy making. (3) A series of impact evaluations will be built into the lifecycle of selected projects and activities to generate causal evidence on the effectiveness and development outcomes of interventions. (4) Analytical capacity building workshops for stakeholders in client countries, focusing on data collection, analytical capability, and research design, to institutionalize new data and learning systems with clients.

Below are a few potential impact evaluation questions:

1. What kind of financing schemes are most effective in reducing cost barriers to smartphone ownership?
2. Do women-centered methods (including trainers, role models, and peer groups) help increase women's uptake of digital literacy skills and internet usage?
3. Does digital skills training improve participants' probability of being employed, income, and job satisfaction?
4. How does digital ID ownership affect women and girls' asset ownership, financial autonomy, decision making in the household, and economic participation?
5. How does access to high-speed internet affect business productivity and global value chain integration?

Annex 5. Financing Estimates and Phased Approach

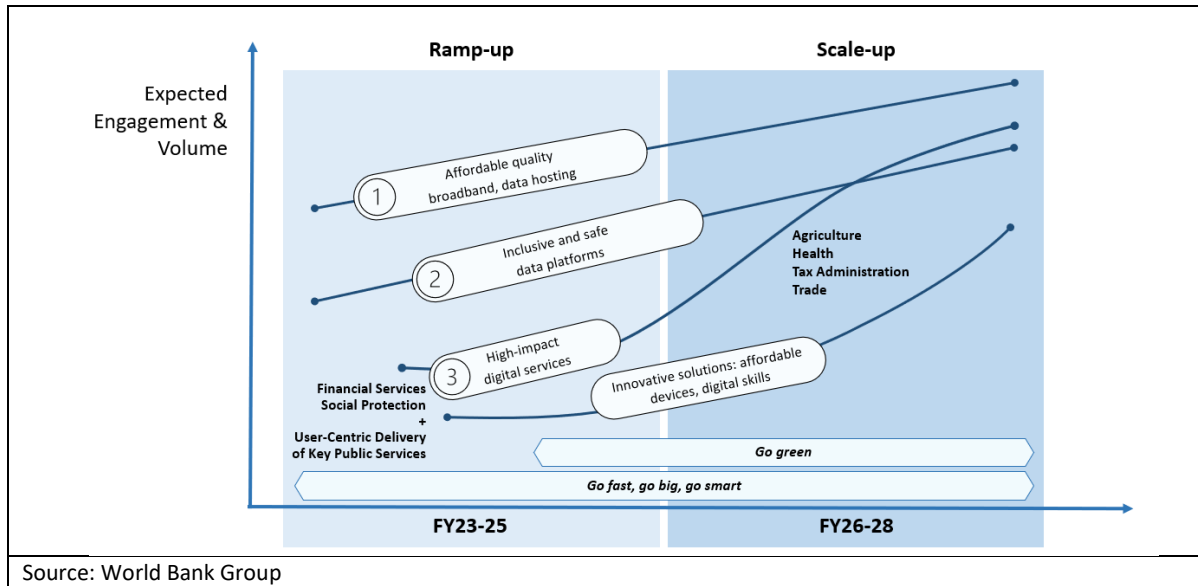
The WBG has a solid track record in supporting digitalization; the Digital GCP aims to accelerate digitalization building on these strong foundations. Since FY20, the WBG has delivered a rapidly growing program of support to help digitalize social, economic, and public sector activity in developing countries, accounting for US\$ 3.1 billion in commitments by the World Bank, US\$ 5.3 billion in commitments and mobilization from IFC, and US\$ 1.2 billion in gross exposure by MIGA. Building on these strong foundations, the Digital GCP will accelerate and scale up the current pipeline, through global, regional⁹ and country-level programmatic approaches (e.g., horizontal and vertical MPAs, SOPs, Platforms) and engagements that are in early stages of development and reflect support for the three focus areas of the GCP. Leveraging existing relationships and clients who have regional and global reach can also help the GCP replicate initiatives across markets, scale its impact, and innovate efficiently. This will help speed implementation, secure some early wins, and give the GCP the time to learn about what works. In later phases, the GCP can work on developing new products and investment approaches to reach new clients and market segments.

Accelerating the existing WBG pipeline will lead to a rapid increase of activity during the first phase of the GCP with substantial scale up expected in forthcoming years. Teams across the World Bank Group already started working together in FY23 to strengthen the design of a pipeline of World Bank MPAs/SOPs, DPOs, and IPFs, IFC Investments and Advisory, and MIGA guarantees to deliver quick-wins and build country and client champions through which the GCP can achieve its ambitions. The design of innovative solutions, such as on affordable devices, are already being discussed with key private sector clients, convening partners, and governments and are expected to be rolled-out soon.

To deliver on its ambitions, it will be critical for the GCP to adopt a phased approach to quickly ramp-up implementation and scale impact. Strategic focus areas 1 and 2, which cover affordable, quality broadband, and data hosting and inclusive and safe data platforms have a higher initial engagement and volume levels given the maturity of the programs and the extent of the existing pipeline and dialogue with client countries and corporates. Strategic focus area 3 may initially require some calibration but is expected to scale-up substantially after the ramp-up phase. During this initial phase, the GCP is prioritizing high-impact services in areas where there is already a substantial program reaching large numbers of beneficiaries and users of digital services, namely, digital social protection programs and digital finance. Phasing high-impact digital services will allow for the identification of lessons that can be absorbed by the SWAT and regional teams and replicated into other sectors. In addition, to ensure that innovative solutions (i.e., affordable devices and digital skills) have the time to incubate, the GCP envisions an initial ramp-up period that includes discussions and pilots with key stakeholders in select countries, followed by a process of replicating what works (based on lessons learned) that can quickly lead to scale in the second phase of implementation. Finally, the GCP's ramp-up phase will focus on the 'go fast', 'go big', 'go smart' and 'go green' selection criteria. During the scale-up phase, the 'go green' selection criterion will be added once (i) the piloting of digitally enabled mitigation and adaptation in the digital and other sectors reaches a certain level of maturity, and (ii) the CCB calculation methodology for digitally enabled services is approved.

⁹ The DPI global program reflects a consistent approach to design projects or project components, which will follow regular Board approval process. The following vertical MPA And regional projects approved between FY23 H2 and FY24 H1 are considered part of the GCP: Kenya Digital Acceleration Project (KDEAP I), Eastern Africa Regional Digital Integration Project (EARDIP I), and Western Africa Regional Digital Integration Program (WARDIP I).

Figure 6. Phased Approach aims to achieve quick wins while laying the groundwork to scale innovations



The GCP has identified indicative pipeline and pre-pipeline activities to support this phased approach. As operations ramp-up, the GCP will build on the existing pipeline. For example, the World Bank is preparing a Digital Acceleration MPA in Eastern Africa and is considering a Digital Acceleration SOP in the Western Balkans to promote the advancement of digital maturity close to the EU's. Ongoing dialogue and pre-pipeline operations will be initiated in the coming months to scale-up efforts in the second phase of the GCP (FY26-28). For example, in the Philippines, the World Bank and IFC are coordinating efforts to support Digital Transformation and B2B digitalization and A2F for MSMEs and, in Central Asia, there are on-going discussions on SOE telecom privatization.

Annex 6. One WBG Program Examples

Working as One WBG will be critical to delivering on the ambitions of the GCP. Working as One WBG requires new ways of cooperating across our organizations and tracking a One WBG portfolio at regional/sector level. It also means engaging early on and simultaneously from a World Bank Group perspective to parallel-track processes and jointly designing solutions to streamline approval and implementation. Stronger collaboration and partnerships with private sector capital and technology companies will help deliver innovative solutions to solve development challenges and test new approaches. Combining public and private sector solutions will also be critical to boost bankability of projects and to develop a coordinated approach on key reforms to unlock private sector investments. Finally, the GCP aims to embed data, evidence, and knowledge-sharing throughout the GCP lifecycle to inform operations and achieve scale.

The GCP will learn from recently delivered One WBG programs that can be replicated and scaled across target areas. Two key examples include:

Telecom market liberalization in Ethiopia. For more than four years, World Bank Group engagements in Ethiopia aimed at opening the telecommunications sector to private sector investment and supporting market liberalization. Currently the Bank is strengthening the regulator in the context of a new competitive environment and supporting the partial privatization of the incumbent operator. In 2020, IFC advised Ethiopia's Ministry of Finance and the Ethiopian Communications Authority in designing and tendering the nation's first full-service telecom licenses and associated spectrum. The license was awarded in May 2021. The successful IFC advisory mandate resulted in a \$850 million license fee payment and is expected to generate as much as \$8 billion in new investments over the coming decade, making it one of the largest foreign direct investments in the country. In 2023, a partnership between IFC, MIGA, Vodafone, Vodacom, Safaricom, Sumitomo Corporation, and British International Investment in Ethiopia was set up to further improve digital connectivity in the country. IFC made a \$157.4 million equity investment in Global Partnership for Ethiopia BV (GPE) and a \$100 million A-loan to its wholly owned subsidiary, Safaricom Ethiopia. MIGA provided 10-year guarantees of \$1 billion to cover the equity investments of Safaricom Ethiopia's shareholders, a portion of these guarantees, \$76 million, came from MIGA's Guarantee Facility, part of the IDA PSW, in the form of a first loss layer (IFC, 2023 [\[link\]](#)).

Strengthening the Independent Tower Model in Philippines. For years, the telecommunications market in the Philippines lacked a regulatory framework for the operation of tower sharing, resulting in high upfront costs that deterred new private players from entering the market. With the support of the World Bank Group, the Philippines passed two key regulations in June 2020. Key elements of the regulations included the removal of license fees for new entrants, lifting of foreign ownership restrictions, and mandating of infrastructure sharing within the telecommunications infrastructure market. These significant improvements to the country's regulatory framework would alleviate congestion and high capital expenditure burdens for operators. On the back of these reforms, IFC made two key investments in 2022 to support the development of mobile connectivity and encourage open access tower-sharing and co-locations: (i) Communication and Renewable Energy Infrastructure (CREI) Phils Inc and (ii) EdgePoint Infrastructure. CREI's entry into the Philippines telecoms market brought robust expertise in the design, construction, and operation of towers, as well as the provision of efficient energy solutions that help displace and reduce the use of diesel fuel on towers connected to the grid. In line with the nation's climate goals, this project aimed to achieve significant greenhouse-gas (GHG) savings. The engagement would also assist the company to align its environmental and social practices with IFC's performance standards. (IFC, 2022 [\[link\]](#)) (IFC, 2022 [\[link\]](#))

Annex 7. Reference Policy Matrix Snapshot (not exhaustive)

The Digital GCP is developing a Reference Policy Matrix to help countries identify and address key constraints to digitalization and help crowd in the private sector. It is developed in coordination across Global Practices at the World Bank and IFC/MIGA, and will benefit from dialogue with the private sector and government counterparts to ensure that the proposed interventions balance stakeholder priorities and are relevant to the country context. The proposed policy interventions will inform the policy dialogue with countries, be supported through TA, and could be considered as a Policy Compact for inclusion in DPOs or as PBCs/DLIs in WB IPF or P4R operations. The table below provides a snapshot of the policies being considered for each of the GCP Focal Area. A more detailed Policy Matrix will be developed in the coming months and will be available to all WBG staff working on enabling digitalization.

Table 4. Policy Matrix Snapshot

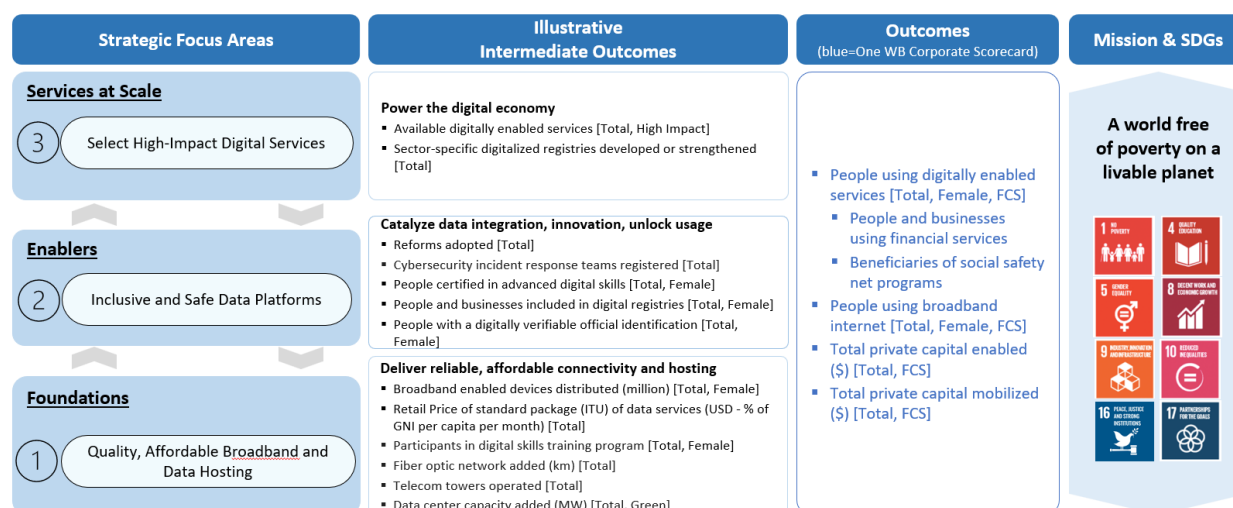
Focal Area	Policy Constraints	Proposed Policy Interventions (not exhaustive)
Core: policies relevant to all Focal Areas of GCP		
1. Cross border data, transactions, and services	<ul style="list-style-type: none"> Absence of regional frameworks & co-operation 	<ul style="list-style-type: none"> Cross-border harmonization of legal frameworks and of relevant financial sector laws, regulations, and policies, co-operation between agencies.
2. Data Innovation	<ul style="list-style-type: none"> Absence of frameworks for 'sandboxes', IP laws, unclear liability protection for data 	<ul style="list-style-type: none"> Establishment of legal frameworks for monetization and protection of IP rights, cooperative regulation ("sandboxes"), liability regimes for digital platforms.
Focal Area 1: foundations / quality broadband		
1. Lowering Barriers to Entry for private sector	<ul style="list-style-type: none"> Existence of exclusive rights, absence of authorizations, outdated spectrum policy 	<ul style="list-style-type: none"> Open / liberalize international and wholesale markets Effective licensing frameworks, spectrum access Effective interconnection rules
2. Effective and Transparent Sector Regulator	<ul style="list-style-type: none"> Absence of Significant Market Power, infra sharing, climate informed regulation 	<ul style="list-style-type: none"> Regulate effectively Significant Market Power (SMP) and ensure a level playing field, adopt infrastructure sharing regulation, quality of regulatory authority.
3. Reforming Universal Service Fund (USF)	<ul style="list-style-type: none"> Outdated and dysfunctional USFs, support to Universal Access (UA) /Service policy 	<ul style="list-style-type: none"> Reform USF to increase disbursements in non-profitable areas, integrate UA into public investment plans (matching grants, bulk capacity purchase)
Focal Area 1: foundations / data hosting and cloud		
1. Creating markets, lowering barriers private sector entry	<ul style="list-style-type: none"> Poor business climate, weak licensing, local data hosting weakness, content laws 	<ul style="list-style-type: none"> Minimal licensing obligations for DC operators. Cloud market a priority in national digital strategies. Clear content regulations
2. Creating new or pooling demand for cloud services	<ul style="list-style-type: none"> Lacking data classification, siloed procurement, weak regional harmonization 	<ul style="list-style-type: none"> Data classification framework exist and mandated. Streamlined contracting and procurement rules. Cross-border data flows, regulation harmonization
Focal Area 2: enablers		
1. Data protection	<ul style="list-style-type: none"> Potential breach, abuse, or misuse of personal data 	<ul style="list-style-type: none"> Comprehensive laws for the protection of personal data, references/provisions to privacy and protection
2. Cybersecurity	<ul style="list-style-type: none"> Potential security threats to systems, networks, and critical infrastructure 	<ul style="list-style-type: none"> Legal provisions for risk-based data security. National strategy to cybersecurity with mandates. Cybersecurity mandates from strategy/policy (CIRT)
3. Data Sharing	<ul style="list-style-type: none"> Weak enabling environment for online transactions (e-signatures, e-docs) 	<ul style="list-style-type: none"> Legal provisions recognizing equivalence between digital and paper-based transactions (e-signatures), foster trust in e-transactions/docs/evidence.
4. Digital ID	<ul style="list-style-type: none"> Limited access to legal identity due to burdensome legacy systems, procedures 	<ul style="list-style-type: none"> Legal frameworks enabling simplified, digitalized, and inclusive processes to civil registration/ identification, universality/non-discrimination, data minimization.

5. Digital Payments	<ul style="list-style-type: none"> Outdated enablers, limit competitiveness, innovation and trust in e-transactions 	<ul style="list-style-type: none"> Financial regulations enabling inclusive and trusted digital payments (e.g., clear provisions governing aspects such as e-wallet, e-KYC/e-CDD, e-payments) Policy reforms to support establishment of and enhancing financial infrastructure
Focal Area 3: Services / User-Centric Front-End Solutions for Multi-Channel Delivery of Key Public Services		
1. Institutions for efficient public sector digitalization	<ul style="list-style-type: none"> Lack of clarity for whole of government public digital transformation agenda 	<ul style="list-style-type: none"> Refine responsibilities/governance framework for public digital transformation agenda. Establish implementation arrangements, incl. institutional coordination, oversight.
2. Digital Expenditure & Asset Management	<ul style="list-style-type: none"> Absence of spending controls, not fit for purpose budget classifications 	<ul style="list-style-type: none"> Enhance budget classifications and chart of accounts to track and report the details of “digital spending.” Spending controls, enforce budgetary policies.
3. Digital Public Service Delivery	<ul style="list-style-type: none"> Incomplete service standards for provision of public services 	<ul style="list-style-type: none"> Establish/refine service standards for the provision of people-centric, public services. Establish/refine open data policies
4. Procurement of digital services	<ul style="list-style-type: none"> Weakness in procurement hinders public technology acquisition and innovation 	<ul style="list-style-type: none"> Approval of procurement regulations for prequalifying and accrediting IT service providers for participation in public sector procurement processes.
5. Core Government Systems	<ul style="list-style-type: none"> Absent or need upgrade to enable interoperability and data sharing 	<ul style="list-style-type: none"> Establish regulatory frameworks to implement/modernize core systems (e.g., Tax Adm, Civil Service) Establish interoperability frameworks and data standards within the public sector
Focal Area 3: Services / High-impact Sectoral Digital Services (Phase 1)		
1. Digitalization of Financial Services	<ul style="list-style-type: none"> Absence of enablers to open the market for new entrants/models/solutions 	<ul style="list-style-type: none"> Laws, regulations, and policies related to open the market (e.g., mobile money, crowdfunding, open finance, AI in underwriting and customer service) Sectoral laws and regulations related to enablers (e.g. use of ID, data exchange, trust requirements...)
	<ul style="list-style-type: none"> Limited capacity for regulatory, and supervisory processes in digitalization 	<ul style="list-style-type: none"> Enhance capacity to safeguard financial stability, integrity, and protecting customers (e.g., fair lending practices, AI biases, adapting AML/CFT processes)
	<ul style="list-style-type: none"> Limited incentives to reach underserved customers and promote digital usage 	<ul style="list-style-type: none"> Incentivize adoption of regulated financial services. Policies and infrastructure changes to support use of DFS for specific priority beneficiary segments.
2. Digitalization of Social Protection Services	<ul style="list-style-type: none"> Lack of clear framework, data sharing protocols, institutional arrangements 	<ul style="list-style-type: none"> Strategy/action plan to create or enhance dynamic social registries, ensuring interoperability with national ID, CRVS, and other admin databases Sectoral laws and regulations related to enablers (e.g. used of ID, data exchange, trust requirements)
	<ul style="list-style-type: none"> Lack of institutional capacity to design, implement, and manage digital SP systems 	<ul style="list-style-type: none"> Identify appropriate institutional home for SP registries, develop financing strategy for digital SP systems, enhance competencies (skills).

Phase 2 policy interventions for High-impact Sectoral Digital Services will be added at a later stage.

Annex 8. Results Framework

Figure 7. Results Framework



Note: Definition of the outcome indicators can be found in [the Board paper on the corporate scorecard](#). “People and businesses using financial services” and “Beneficiaries of social safety net programs” are the digital disaggregation of the scorecard indicator for financial services and social safety nets and will be included under the indicator “People using digitally enabled services”.

Table 5. Outcome Indicators

Indicator	Contribution	Disaggregation*	Short Definition
Intermediate Outcomes			
Power the digital economy			
Available digitally enabled services (number)	ALL	FCS, GPs, IFC, MIGA, High-impact services	The number of digitally enabled services between government, people, and the private sector (including solutions commercialized by digital companies/startups). This also includes services that are fully or partially digitalized (such as digital components of antenatal care services, or blended learning).
Sector-specific digitalized registries developed or strengthened (number)	All GPs	FCS, GPs, IFC, MIGA	Number of sector specific digitalized registries as identified in a list of foundational registries . The registries are built on supporting principles of policy and legal framework, trustworthiness, accessibility, data quality, and interoperability.
Catalyze data integration, innovation, unlock usage			
Reforms adopted (number)	All GPs	GPs, IFC, PCE linked	This will be the number of regulatory, policy, institutional, administrative and other reforms that are adopted by the government and that impact the adoption and use of broadband internet and digitally enabled services, including the enabling of private investment in these areas [see Annex 7. Reference Policy Matrix Snapshot]
Cybersecurity incident response teams registered (number)	DD	FCS	Number of countries with at least one federal team registered as a member in international standards forums such as the Forum of Incident Response and Security Teams (FIRST).

People certified in advanced digital skills (number)	ALL	Gender, FCS, GPs, IFC, MIGA	People that undergo advanced digital skills training and are certified.
People and businesses included in digital registries (number)	ALL GPs	Gender, GPs, FCS, businesses	Number of people and businesses covered by sector specific registries at a national scale and as identified in a select list of high-impact registries. The registries are built on supporting principles of policy and legal framework, personal data protection, accessibility, data quality, and interoperability.
People with a digitally verifiable official identification (number)	All GPs	Gender, FCS, GPs	People with official proof of identity and/or basic identity information (e.g., name, date of birth, etc.) which can be verified or authenticated using digital – rather than manual – means in the context of either in-person or online transactions. The identification systems enabling digital verification are expected to be inclusive, trusted, and fit for purpose to support development goals and protect people’s data and rights, in line with Principles on Identification for Sustainable Development . Identification provides people with a gateway to access services, benefits, and opportunities.
Deliver reliable, affordable connectivity and hosting			
Digital devices distributed or purchased (number)	ALL	Gender, FCS, GPs, IFC, MIGA	Number of devices (smartphone, tablet, laptop) distributed via subsidy, or purchased via a consumer financing program, or purchased directly at a more affordable price point due to other programs and investments.
Retail price of standard package (ITU) of data services (USD - % of GNI/capita/month)	DD, IFC, MIGA	FCS, DD, IFC, MIGA	Retail price of a data-only mobile broadband package as a % of GNI per capita (US\$), that provides for meaningful connectivity, as defined by the ITU [2GB in 2024].
Participants in digital skills training program (number)	ALL	Gender, FCS, GPs, IFC	Number of participants in basic and intermediate digital skills training.
Fiber optic network added (km)	DD, IFC, MIGA	FCS, DD, IFC, MIGA	Additional kilometers of fiber optic network operated, including new built and acquired
Telecom tower operated (number)	DD, IFC, MIGA	FCS, DD, IFC, MIGA	Additional mobile telecom towers in operation
Data center capacity added (MW)	ALL	FCS, Green, GPs, IFC, MIGA	Additional power of data centers operated. Green will be based on data centers that conform to options 1 and/or 2 of the Paris alignment methodology .

** Disaggregation by GP entails customizing the result by GP specific attributes (For example, internet connectivity under the Education GP would include listing the number of schools connected, etc.)*