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U.S.-AFRICA BUSINESS CENTER WHITE PAPER: RECOMMENDATIONS FOR IMPLEMENTING THE NEW DIGITAL TRANSFORMATION WITH AFRICA INITIATIVE

The U.S. Chamber of Commerce, through its U.S.-Africa Business Center Digital Economy Task Force,[1] welcomes the opportunity to support the White House's new Digital Transformation with Africa initiative, announced by President Biden during the 2022 U.S.-Africa Business Forum. This initiative will be a groundbreaking effort to expand affordable, inclusive digital access and connectivity to the African continent. The Digital Transformation with Africa initiative will center on three pillars — 1) an enabling regulatory environment; 2) digital connectivity and infrastructure; and 3) human capital talent development — that together will serve to advance the continent's connections with the global community and facilitate continued progress toward a sustainable, inclusive, and growth-oriented digital transformation for Africa.

This is a pivotal moment for Africa. Right now, there are endless opportunities on the African continent due to its growth in population, consumer markets, and internet usage, as well as an emerging generation of entrepreneurs, innovators, and technology experts. At the same time, global challenges exist in Africa that can hinder its digital transformation, such as political conflict, climate change, food and water insecurity, global health issues, access to quality public education, and the establishment of a regulatory environment that enables entrepreneurs, businesses, and individuals to thrive. Maximizing the opportunities and addressing the challenges on the continent requires a comprehensive, multi-faceted policy approach — one that is proactive, forward-looking, and balances Africa's and the U.S.'s shared long-term objectives with near-term imperatives.

This White Paper outlines specific, actionable recommendations for the U.S. government and African governments to consider as they partner with international allies, academia, non-profit organizations, and the private sector to embark on the Digital Transformation with Africa initiative (DTA). Many of these recommendations cut across policy areas, and deploying them in coordination with such stakeholders will yield even greater opportunities and benefits. Similarly, the U.S. should also coordinate efforts with ongoing continental strategies for digital transformation, including the African Union's Digital Transformation Strategy for Africa and the World Bank's Digital Economy for Africa Initiative. By swiftly acting on this White Paper's recommendations, the U.S. government and its African partners can advance a vision for a modern African digital economy — one with shared democratic values, respect for human rights, and a commitment to open and competitive markets. The private sector is committed to this vision, and we look forward to working with the U.S. and African governments and stakeholders to ensure that Africa's people can reap the sweeping benefits of the digital transformation.

[1]The Digital Economy Task Force is an initiative of the U.S. Chamber of Commerce's U.S.-Africa Business Center ("USAfBC"). The U.S. Chamber of Commerce launched USAfBC as part of its effort to lead the U.S. business community in engaging with Africa's regional economic communities and the African private sector. For more information, see https://www.uschamber.com/program/international-affairs/africa.

1. IMPROVING AND HARMONIZING THE REGULATORY ENVIRONMENT

A regulatory ecosystem that promotes innovation is a prerequisite for digitally led growth. Clear, well-crafted regulation, with mechanisms for cooperation to ensure harmonized regulatory frameworks across borders, will be vital for building a sustainable and productive digital economy and technological ecosystem among the 54 diverse markets on the continent. In addition, a harmonized approach will help prevent regulatory fragmentation and promote a growth environment.

A. Recommendations for Policies that will Support Digital Growth

Driving Toward a Digital-First Trade Policy. A comprehensive digital-first trade policy serves as a vital instrument for amplifying broad economic growth. The U.S. government should aid African nations' efforts to develop policies for open and secure digital trade. Such policies must be founded on a commitment to open markets, open digital architectures, and interoperable regulatory standards at the national, regional, and continental levels. Best practices in digital trade standards include specific provisions on cross-border data flows, privacy, cybersecurity, non-discrimination, and digital inclusion, and provisions that promote modern uses of data such as text and data mining, open data standards, AI and machine learning, and e-payments. Further, predictable safe harbor and intermediary protections would serve to facilitate trade in digital services at scale.

Nations can promote open trade by refraining from tariffs and customs duties on electronic transmissions, ensuring non-discriminatory treatment of digital transactions and digital businesses, avoiding unilateral and discriminatory digital services taxes that undermine global tax cooperation, and creating rules to facilitate digital exports. The U.S. government can support African regulators in these efforts by encouraging the use of existing, proven standards and policies to promote digital trade. For example, regulators should be encouraged to maintain the World Trade Organization's Moratorium on Customs Duties on Electronic Transmissions. Maintaining this moratorium is vital for promoting cross-border trade and is consistent with the African Continental Free Trade Area's (AfCFTA) key objectives of eliminating tariffs and non-tariff barriers. Regional and continental resources can also be leveraged to develop new policies consistent with AfCFTA's Protocols on Digital Trade, Investment, Competition Policy, and Intellectual Property Rights. Regulators can draw from Chapter 19 of the United States-Mexico-Canada Agreement (USMCA) which discusses practices to foster growth in the digital economy, such as requiring non-discriminatory treatment of digital products and promoting the use and validity of e-signatures and other digital authentication methods.

The U.S. government can help alleviate barriers to trade through the use of public-private partnerships and by expanding participation in Industry Trade Advisory Committees (ITACs). ITACs can be utilized by parties to negotiate objectives and bargaining positions before entering into trade agreements, to inform parties of market conditions and trade barriers, and to identify strategic negotiators in member states who can serve as advocates beyond the negotiation table. Regulators can leverage these existing resources and empower internationally focused ITACs to assist with digital issues on the continent.

Another existing resource that can be deployed is the Digital Trade Attaché program, which to date has only deployed three digital trade officers on the continent. In addition to expanding the program, regulators can utilize existing attachés as on-the-ground support to help U.S. and African businesses navigate digital policy and

regulatory issues in African markets and expand exports. The attachés can also provide in-country expertise that regulators can rely on when faced with digital market access challenges.

U.S. government support for, and engagement with, African Continental Free Trade Area (AfCFTA) negotiators can also be helpful in establishing strong digital standards that apply across North American and African economies. For its part, the private sector is supporting the AfCFTA Secretariat with the agreement's implementation through an MOU between the U.S. Chamber of Commerce and the AfCFTA with the digital economy as a focus area. Further, the President's Advisory Council on Doing Business in Africa should continue to play an important role in facilitating private sector engagement with government on digital topics.

Finally, cybersecurity considerations should underpin digital trade policies, given the wide recognition that threats to cybersecurity erode confidence in digital trade. To that end, a commitment by both the U.S. and its African counterparts to promote the use of risk-based cybersecurity measures and the use of international standards through their domestic policymaking processes could be useful. Similarly, it is important to ensure that regulatory measures impacting the technology sector enhance cybersecurity while protecting sensitive data and intellectual property. These efforts should be supported via capacity building, as needed.

Promoting the Free Flow of Data Across Borders. Part of a digital-first trade policy is support for free data flows across borders, which are necessary for African businesses to expand their reach and bring local and regional economic gains. Regulators can support innovative uses of data by promoting interoperable privacy and data security standards, encouraging voluntary data-sharing initiatives with appropriate guidelines, and by adopting an open-by-default approach to machine-readable public data. Free data flow policies will enable companies to move data securely across borders and avoid requiring them to localize data or infrastructure as a condition of doing business.

Indeed, data and infrastructure localization requirements have been demonstrated to increase the insecurity and vulnerability of digital infrastructures without yielding any local economic gains. Removing data flow barriers and avoiding regulatory schemes that prop up so-called "digital sovereignty" will allow for greater infrastructure investment and the provision of new services, and will also help businesses of all sizes create markets, leading to larger overall investment on the continent. To the extent African policymakers are considering restrictions on cross-border data flows or data localization rules, stakeholders and U.S. facilitators should engage to understand and address the concerns prompting such policies.

We encourage regulators to look to proven resources such as the Asia-Pacific Economic Cooperation's (APEC) *Privacy Framework*, the recommendations found in the Organisation for Economic Co-operation and Development's (OECD) Privacy Guidelines, and the Global Cross-Border Privacy Rules Declaration that was recently established by the United States and six other digitally-focused countries. All of these resources recognize the importance of data flows across borders as an alternative to data localization. Such internationally recognized standards accept mechanisms for transfers of data that ensure mobility and promote accountability for privacy commitments. Regulators should also utilize internationally recognized cross-border data flow mechanisms to promote interoperability, which will help ensure that the global internet does not further balkanize. Interoperability enhances a country's global competitiveness by reducing unnecessary local and international compliance costs.

Another key aspect of ensuring the free flow of data is committing to policies that ensure protections for organizations that store data in the cloud. For example, we encourage U.S. and African governments to work together to ensure level competition on the continent for U.S. cloud providers. In addition, regulators could look to the Trusted Cloud Principles — endorsed by all U.S.-based cloud providers regarding baseline protections for cloud companies and consumers — as they enact laws for the cloud era. Businesses of all sizes in Africa and around the world rely on cloud storage and other virtual systems to offer next-generation goods and services, and consumers expect their data to be protected. African businesses and their consumers would directly benefit from a data ecosystem protected by best practices in cloud storage and data protection.

Adopting a Balanced Tax Policy. Unpredictable and discriminatory taxation measures can stymie the digital economy by forcing entrepreneurs and other producers of revenue and jobs to look elsewhere to do business. The U.S. should assist African counterparts with developing predictable, harmonized tax regimes based on international standards in order to avoid unconventional, unilateral tax policies that raise trade barriers, such as digital services taxes (DSTs) or equalization levies. Similarly, other novel revenue expropriation measures targeting foreign companies such as link taxes or network usage fees would likewise inhibit growth.

A large number of developed and developing countries around the world have already found that imposing unilateral DSTs creates unnecessary trade barriers and inhibits competition, resulting in lower quality and increased prices for goods and services. Many of these DSTs feature blatantly discriminatory elements that violate the WTO agreements. These DSTs also directly contravene the spirit and explicit terms of the OECD/G20 Inclusive Framework on BEPS agreement of October 8, 2021, to which 137 countries representing over 90% of global GDP are signatories.

Establishing Robust Policies to Promote Competition. Regulators are urged to design policies that advance competition rather than protect individual market participants. Indeed, policies that are ostensibly designed to improve competition or reshuffle markets without being explicitly tied to any demonstrated anti-competitive conduct are often destined to fail, as they do not address the underlying causes of a lack of economic competitiveness.

Instead, regulators can enhance competition by reducing trade barriers and other business costs, enhancing market access, ensuring procedural fairness, and developing a consistent, continent-wide trade infrastructure. Beneficial competition frameworks may include substantive principles and procedural norms that increase legal certainty for businesses and consumers. For example, it is important to ensure that generally applicable rules shape competition policy, as opposed to measures that target specific sectors or groups of companies, which create the potential for discretionary or discriminatory rules. We also encourage regulators to consider how to increase efficiency, accountability, and transparency concerning public procurement, as this will increase competition for public sector contracts. The U.S. should also assist with increasing the capacity of African nations' competition commissions, which could help to guarantee a level playing field across all economic sectors.

Protecting Intellectual Property (IP). A comprehensive IP regime protects local entrepreneurs and other businesses by ensuring that they can benefit, generate income, and protect the value derived from their own ideas and creativity. The U.S. can work with African nations to support the adoption of robust IP rules, including for

patents, copyrights, trademarks, trade secrets, and protection for source codes and algorithms, as well as the establishment of strong enforcement tools to curb counterfeiting, piracy, and other economic drains. IP rules should also prohibit forced technology transfers and disclosure of trade secrets as a condition for market access or regulatory compliance.

Establishing Limits on Liability Frameworks. Regulators must embrace policy frameworks that make liability reasonable and predictable and include safeguards against abuses, such as adoption of safe-harbor liability standards and bright-line limits on platform liability. Up-to-date liability frameworks would also encourage the implementation of appropriate content moderation practices and adherence to legal requirements to promote online safety and security.

B. Recommendations for Policies that Will Build Trust

Promoting Sound Cybersecurity Policies. While cybersecurity threats undermine confidence in digital trade and push away potential businesses and consumers alike, robust cybersecurity protections enhance trust in the digital ecosystem. To facilitate trade and the seamless deployment of cybersecurity programs across borders, we encourage policymakers to develop cyber guidelines that are grounded in international standards and best practices. The U.S. should encourage the adoption of risk-based approaches to cybersecurity that protect critical infrastructure and personal information by utilizing industry best practices and frameworks, international standards, and other cooperative mechanisms that strengthen data protection. Governments can also strengthen regional cooperation in their responses to cyberattacks by looking to existing global best practices, such as the Budapest Convention on Cybercrime, the African Union Malabo convention, and the White House Counter Ransomware Initiative.

These best practices, conventions, and recent trade agreements outline several steps that governments can take to secure networks. For example, they can employ risk-based approaches to identify and mitigate malicious intrusions or the dissemination of malicious code that harms electronic networks and can draw from existing collaboration mechanisms to swiftly address cybersecurity incidents. Such collaboration between governments and with the private sector has the added benefit of facilitating the swift sharing of information and best practices to improve cybersecurity incident responses.

The U.S. government should also encourage its African counterparts to promote the use of secure and trustworthy technologies. This effort can include identifying ways to close the financial gap between secure versus insecure vendor equipment and promoting policies that encourage governments in the region to procure technology from trustworthy vendors. Security can move hand-in-hand with digital transformation, as modern cloud services take much of the burden of cybersecurity off of defenders. Stakeholders should work towards promoting and adopting secure cloud services as a key enabler for enhanced security and resilience in Africa. It is also important that the U.S. government and African partners focus on cybersecurity across all elements of the information and communications technology and services supply chain, including application layers.

Globally, cybersecurity standards promulgated by the ISO/IEC and the above-mentioned privacy guidelines developed by the CBPR and the OECD, as well as the U.S. National Institute of Standard & Technology's frameworks for cybersecurity and privacy, can be leveraged to advance cybersecurity, privacy, and data security

policies. The U.S. private sector is leading the way in cyber solutions and can support African companies and governments with tried-and-true best practices that will help address the region's cyber needs, as well as share models of effective public-private partnerships to address the cyber threat landscape. For example, Cybastion has supported the building of a fully equipped and well-structured computer forensic laboratory that facilitates the investigation of cyber-attacks in Benin.

Establishing Data Privacy Best Practices. Participants in the digital economy — from the most sophisticated firms to the newest startups — rely on certainty and consistency in data privacy practices and enforcement when collecting, using, and sharing consumer data. At the same time, consumers demand assurances that their information is secure. As a result, to increase business and bring in jobs, it is vital for new participants in the digital economy to operate under internationally recognized best practices. For example, the Chamber's 10 Principles of Data Privacy reflect these needs and offer best practices for businesses and regulators alike. Beyond the clear need for security and transparency, American businesses have found that data privacy is at its strongest when there is a regulatory environment that promotes collaboration and innovation, flexibility, technology-neutral regulation, and the free flow of data across borders.

In the U.S., the Chamber encourages the adoption of a federal privacy framework. A national data privacy framework would bolster continued U.S. leadership internationally and facilitate interoperable cross-border data transfer frameworks. This framework could also be used as a template for other nations adopting privacy policies.

C. Recommendations for Policies that Will Facilitate Engagement with Industry

Encouraging Participation in the Regulatory Process. We encourage African nations to seek feedback from stakeholders before policies or regulations are promulgated. This effort could involve greater transparency on new proposals and support for broader education and awareness of key policy issues. Robust engagement and communication with the private sector and other impacted stakeholders will not only lead to better outcomes but also provide a vital opportunity for all impacted parties to have their perspectives heard. An open process that invites stakeholder participation, like that found in the U.S. Administrative Procedure Act, also facilitates transparency in the policymaking process and insulates an independent regulator from undue influence from businesses and other governmental entities.

Engaging Meaningfully in Strategic Dialogues. As new digital transformation policies are rolled out for discussion with African partners, the U.S. government should institute an ongoing roundtable with U.S. private sector digital stakeholders. This engagement will ensure that the government receives timely and relevant insights, such as on-the-ground knowledge and other feedback, that may help the government develop and refine its policies. Such regular dialogue would also help the government tailor its implementation and supply tools to address novel challenges on the continent as they arise and evolve.

Going forward, U.S. leadership should increase the frequency of focused, bilateral strategic dialogues with key markets, and prioritize annual gatherings between U.S. and African leaders, including those in government and the private sector. Increased dialogue with the African Union and its agencies will be a strategic investment in the future of the economic and commercial relationship. High-level engagement led by the White House would also be an acknowledgment of Africa's strategic importance and help deepen diplomatic and commercial ties with

African leaders. These dialogues can function as action-forcing mechanisms to raise regulatory issues, address challenges, and identify viable commercial opportunities for deal closure and investments. Similar to the U.S.-Africa Leaders Summit, the U.S. government should host an annual digital economy forum to discuss reform in the marketplace that will, in turn, support job creation, workplace development, and economic growth.

D. Recommendations for Policies that Will Embrace Emerging Technologies

Developing policies and frameworks for the use of emerging technologies will contribute to the overall economic growth of the continent.

Promoting Research and Thoughtful Implementation of AI. AI holds great promise for delivering benefits to citizens around the globe. Beyond serving as an input for novel technologies and services, AI is capable of improving living and working conditions and increasing productivity. To further achieve the promise of AI, we encourage regulators to promote AI research funding, responsible data sharing, and constructive risk-based governance frameworks, and to prioritize opportunities to utilize AI in ways that are transparent, explainable, and fair. The Chamber and its members have long recognized the economic potential of AI and have developed policy principles governing the use and regulation of AI. Among others, these include fostering public trust in AI, support for private and public investment in AI research and development, building an AI-ready workforce, protecting IP, and promoting robust and flexible privacy regimes. In addition, adopting the cloud-first policies and investing in national and regional cloud strategies referenced above will provide a foundation for enabling the use of AI and other emerging technologies.

Developing a Robust Fintech Ecosystem. Another growing area for consideration in furthering the digital economy is encouraging innovation and competition in payments and financial systems. Much of the rapid growth and adoption of the digital economy is based on the ability of businesses and consumers to reliably, safely, and quickly transact. This benefits entrepreneurs and local businesses by helping them more directly and easily connect with investors and other funding sources, and also allows individuals to interact with the digital economy and derive all of its benefits. This can be accomplished by governments promoting cooperation among their Fintech sectors and stoking investment in the development of Fintech solutions for business or financial sectors. Regulators can also enhance the digital economy by enabling interoperable systems for electronic invoicing and efficient, secure cross-border electronic payment systems. The benefits of digital transactions were seen in the Central African Republic, where Cybastion partnered with the government in digitizing the tax payment system. This made it possible for citizens to pay taxes using their phones and resulted in a 12% increase in the revenue the government was able to collect. Secure digital services in the financial sector can also be a powerful tool to fight corruption, thereby strengthening a country's business environment.

Exploring Emerging Technologies to Address Societal Problems. More broadly, we encourage governments to direct resources to exploring the capacity of emerging technologies to address large-scale societal problems by promoting transparency, anti-corruption, accountability, combating digital authoritarianism, promoting shared democratic norms, enhancing democratic processes and elections, and tracking and responding to the effects of climate change. The private sector is well positioned to support these efforts. For example, Google expanded its AI research center in Accra, Ghana, where scientists and researchers have developed AI-enabled detection of locust outbreaks, which threaten food security for millions of farmers. Microsoft announced the expansion of its

AI for Good Data Labs to Kenya and in Egypt. Teams of data scientists will connect with policy makers and governments to use AI to help solve complex challenges, with special focus on climate resilience in Africa.

2. DIGITAL CONNECTIVITY AND INFRASTRUCTURE

To augment Africa's role in the digital economy and for it to reap all the benefits that participation brings, it is vital to facilitate investment in physical infrastructure, promote sound spectrum policies, and relieve consumer pain points associated with getting online.

Encouraging Physical Infrastructure Investments in Africa, Especially in Rural Areas. Building a robust and reliable infrastructure brings continuous local investment, lowered costs, and employment opportunities. The U.S. government can help accelerate infrastructure investments on the continent by supporting public-private partnerships and private-sector collaborations (including across value chains) to build out networks and expand access by establishing government incentives to build in rural areas. Microsoft is contributing to accessibility through its Airband Initiative, which is advancing affordable broadband access for Africans. As one example, in Kenya, the company is partnering with Mawingu to bring high-speed, low-cost Internet connections to millions of Kenyans in rural areas.

Two other initiatives to expand internet access to sub-Saharan Africa — Equiano and Project Taara — were made possible through public-private collaborations between Google and regulators. Similarly, with the support of local governments, the Meta-backed 2Africa subsea fiber optic cable now extends for 45,000 km around the African continent and will connect three continents and over 30 countries.

As a member of the G7, the U.S. can advocate for infrastructure funding through the Partnership for Global Infrastructure and Investment, which is intended to meet the enormous infrastructure needs of low- and middle-income countries and support U.S. and its allies' economic and national security interests. In addition to financial investments and incentives, tax exemptions and tax referrals would directly support infrastructure investment. Mexico's Red Compartida is a good example of a partnership in which the Mexican government provided spectrum to a coalition of private firms who then funded backbone infrastructure. In addition, a regulatory environment with minimal "red tape" for deployment will also encourage investment.

In addition, African stakeholders may wish to participate in the U.S. State Department's Blue Dot Network, which certifies infrastructure projects that meet robust international quality standards and promotes sustainable and inclusive economic growth and development. Efforts should also be directed to ongoing infrastructure management. To this end, Cybastion has supported the Burkina Faso government in establishing a data center that supports infrastructure management as well as client applications and websites.

Regulators can also promote development by facilitating creative and sustainable solutions for robust infrastructure deployment while lowering costs and can rely on strategies that have a proven track record in other geographies. For example, South Africa's recent TV White Space trials, which were backed by a collaboration between non-profit and business partners such as Microsoft, International Data Corp, and Adaptrum, investigated the commercial feasibility of using spectrum sharing to deliver low-cost internet access in rural areas. Other strategies include streamlining processes allow for the co-locating equipment on towers and funding deployment of next-gen cellular networks and other technologies that deliver new functionalities. In particular, the U.S. can

encourage the widespread adoption of network technologies, such as Open RAN, to allow for a competitive broadband marketplace. Further, partnerships across various sectors and stakeholders are necessary to ensure digital infrastructure is deployed in a way that respects privacy, human rights, and the rule of law, and that it does not become a means to enable authoritarianism and division.

Ensuring Access to Spectrum. In the modern digital economy, businesses of all types and everyday citizens require access to spectrum to drive new and innovative products and services, support important public functions, and ensure reliable and robust connectivity. Around the world, businesses of all sizes and sectors depend on transparent and efficient processes to access unlicensed and licensed spectrum. For example, a modern manufacturing facility may rely on wireless technologies for fundamental business activities such as the production of goods, supporting internal communications, and monitoring facilities for safety and security purposes, as well as emerging use cases such as 5G "smart factories."

The availability and affordability of products and services that rely on access to spectrum, from mobile networks to Wi-Fi and other unlicensed uses, depends on the availability of suitable spectrum. The U.S. can support African regulators in identifying and making spectrum available for critical needs particularly with respect to enabling the efficient and effective use of spectrum bands identified by the International Telecommunication Union. Further, establishing transparent and accessible spectrum access models can speed up the time for bringing new products and services to market.

Promoting Access to Affordable Connected Devices and Data. Another critical step in connectivity is putting devices in users' hands and getting them online. The ubiquity and availability of innovative and affordable devices in the United States and elsewhere in the developed world is a testament to the private sector's ability and drive to promote access to connected devices. For example, Google has built Android (Go Edition), a lighter yet powerful version of its Android operating system, to power affordable smartphones, and has partnered with providers in the developing world such as Kenya's Safaricom to enable individuals to finance the purchase of an affordable device. We encourage governments to create regulatory and policy frameworks that enable and support these types of initiatives and partnerships.

In addition, emerging market governments can promote the availability and accelerate the "time to market" of affordable internet devices by enabling streamlined equipment authorization procedures and by easing import restrictions and duties. Reducing the delay in getting modern devices into the hands of local households and businesses will allow more people access to the digital economy's goods and services, as well as lifesaving information and resources. To achieve this, governments can, for example, provide timely and efficient procedures for in-market testing, evaluation, and demonstration; as well as allowances for the import of certain pre-authorization radiofrequency devices and other limited-purpose importation allowances. Regulators can also remove non-tariff barriers like radiofrequency device pre-authorization requirements and unnecessarily onerous spectrum licensing requirements.

There may also be opportunity for collaboration with wireless ecosystem stakeholders regarding their free-of-charge service offerings, including security updates or access to emergency services. These initiatives will help deliver the benefits of connectivity to Africans across all aspects of their lives.

3. HUMAN CAPITAL TALENT DEVELOPMENT

Africa is set to be home to more than a third of the world's workforce by 2050. To develop and implement the beneficial regulatory environment discussed above and achieve the digital transformation, countries must therefore employ a growth agenda around human capital talent development. All around the world, an ever-growing percentage of jobs and opportunities are rooted in the digital economy, from virtual services to the manufacturing of materials and products that are necessary for a robust economy. Conversely, a lack of digital literacy can result in fewer work opportunities. Therefore, training and overall workforce development are vital for improving wages and the standard of living in a digital economy. To increase digital literacy, the U.S. government and its partner governments in Africa can identify specific areas for action, set priorities, and make commitments in this area. They should also seek to engage the private sector to foster partnerships that can help advance human capital development and support growth and investment through the identification of skills and workforce needs.

Identifying Countries for Pilot Programs. As an initial matter, it would be useful for U.S. stakeholders to identify countries in Africa for educational and skilling pilot programs. Pilot programs would help stakeholders identify potential pain points in the implementation of certain recommendations, as well as gain valuable insights about how various efforts are received within relevant markets and communities. These lessons would be valuable when it comes time to undertake programs continent-wide.

Investing in Economic Opportunity and Workforce Development. As exemplified by successful existing projects on the continent and around the world, governments can work with the private sector to invest in skills development and education, which will be the ultimate engine for a successful digital transformation in Africa. Regulators can encourage workforce development opportunities, work-based learning like apprenticeships, and digital skills programs. Education models can support the development of STEM and managerial skills, while colleges and high schools may offer comprehensive entrepreneurship training. Existing programs such as the University Partnerships Initiative and the Young African Leaders Initiative can be amplified and used to develop new digital education and skilling programs. Developers will also be needed to support the digital economy, as well as practitioners in advanced fields including analytics, cybersecurity, AI, and quantum computing. Investments in education and training will cultivate a technologically savvy workforce and equip Africans with the necessary tools to compete for jobs in a digital economy.

The private sector has demonstrated its commitment to digital skills development and will continue to play a key role in this effort. For example:

- Google's Grow with Google Digital Skills training programs offer certification programs and training for fast-growing jobs in technology. The program has already trained more than 6 million people, with 60% reporting a positive impact on jobs, careers, and business growth. The Google Africa Developer scholarships have trained over 105,000 developers, building up tech talent across the continent.
- Nigeria-based recruiting platform, Jobberman reports to have upskilled over 640,000 jobseekers and to date has placed nearly 150,000 jobseekers.
- IBM promotes capacity building in Africa through the SkillsBuild program, providing learners at the basic, higher & tertiary education levels and out of school adult learners with the opportunity to access

technology and workforce readiness skills to enable them secure gainful opportunities in the digital economy.

- In Burkina Faso, Cybastion is supporting the government in enhancing its cybersecurity capabilities, bridging the tech skill gap, and providing the necessary foundation for tech-enabled growth by offering cybersecurity training administered in collaboration with accredited American universities, among other efforts. This collaborative model is being replicated in Niger and other prospective African countries.
- Microsoft has developed skilling and capacity building programs targeting youth and underserved communities. In addition, the company has invested in business skills programs to target entrepreneurs and micro, small and medium enterprises (MSMEs) in recognition of the key role that innovation and entrepreneurship plays in creating job opportunities. Recent examples of Microsoft's pan-African skilling programs include the Women Techtser initiative: which is on the path of skilling up to 5 million women across Africa, and the Digital Ambassador Program, which aims to equip the continent's young workforce with demand-driven skills for the future of work. The latter program is currently being executed in Côte d'Ivoire, Kenya, Nigeria, and Senegal.

Encouraging Entrepreneurship. Emerging markets in Africa have some of the most exciting economies and greatest entrepreneurial energy in the world – and digitization will add even more momentum. The goal of the U.S. should be to uplift the voices of the continent's creators and entrepreneurs to accelerate the African start-up ecosystem. With the right policy frameworks in place, African markets can continue to serve as ideal launching pads for innovation. The private sector has demonstrated a strong commitment to supporting the continent's digital transformation through its support for and investment in African business and entrepreneurs. The Google for Africa and Digital Sprinters frameworks initiative are emblematic of the business community's multifaceted partnership to foster an ecosystem that enables inclusive growth.

Global best practices demonstrate that lowering the minimizing regulatory burdens and "red tape" are key to lowering the costs of doing business and advancing a healthy startup ecosystem. Regulatory sandboxes are fertile grounds for governments to dialogue with startups by enabling the testing of new applications in a secure environment where their potential impact can be measured, and also serve to promote cooperation between regulators and innovators. Governments should continue to invest in sandboxes and test beds to encourage innovation. Further, governments can encourage entrepreneurial risk-taking by expanding bankruptcy protections.

The public sector, on its own and working through public partnerships, can also support an entrepreneurial environment and startups. One tool is campuses and accelerators designed to give founders and teams access to mentorship, education, and training. For example, in Africa, Google for Startups Accelerator has helped more than 90 African startups with
equity-free finance, working space and access to expert advisors over the last three years and has raised over $39m in funding. Through its Black Founders Fund, Google has invested in 110 Black-led startups by providing cash awards and hands-on support since 2021. In Kenya, Microsoft operates its Africa Development Centre (ADC), a premier engineering hub that has grown to over 450 full-time employees since its 2019 inception. In March 2022, ADC announced its plan to relocate to new ultra-modern facility in Nairobi, which will house its engineering, design research, and innovation teams, as well as the "Microsoft Garage" incubation hub. Similarly, in April 2022, Visa opened a new Innovation Studio in Nairobi, one of six innovation centers across the globe, and which is committed

to developing digital payment solutions in Sub-Saharan Africa. Another tool is funding for startups. Supporting the startup economy will lead to increased employment opportunities for the new digital workforce and economic growth that will benefit all.

Expanding Access to Government and Public Data. It would also be useful to encourage expanded access to government information, including data. As Chapter 19 of the USMCA notes, "facilitating public access to and use of government information fosters economic and social development, competitiveness, and innovation." Governments, which already possess large amounts of information, can endeavor to make such data available and easily accessible in a structured, interoperable, commonly used, machine-readable format. We also encourage African nations to enable access to data from public sources, as these inputs are vital resources for students and researchers. For example, geographic data can be used to support a range of important applications such as population estimation, urban planning, humanitarian response, environmental conservation, and climate science. One such tool is Flood Hub, an AI-powered tool developed by Google that enables scientists and officials in 18 countries, including many in Africa, to better anticipate floods.

Promoting Access to Funding for Innovators. Government-supported financing tools are critical enablers of investment, and the U.S. Africa Business Center's Digital Economy Task Force encourages the examination of how the full suite of U.S. government foreign assistance and export promotion programs can work in tandem to provide the most comprehensive financial packages.

Governments can spark innovation and entrepreneurship by limiting financial risk and ensuring that funding sources are accessible through all stages of a startup lifecycle. For example, the Nigeria Start-Up Act of 2022 offers tax holidays and other forms of tax relief and incentives for startups, as well as tax credits for investors. The private sector is also well-positioned to fund African startups.

Combatting Discrimination in All Forms. We encourage governments to adopt policies that promote inclusion and combat discrimination. Discrimination, whether based on gender, race, or any other dimension, generates an economic burden that prevents individuals from contributing and stops markets from achieving sustainable economic growth. It is well-established that gender equality in education provides a myriad of direct and indirect benefits to communities and nations. Aside from improvements to the health of children and their communities more generally, girls' access to quality education leads to increased expected lifetime earnings, poverty reduction, and overall national growth that comes in many forms. This issue is critical, and the U.S. and its allies should wholeheartedly endorse efforts to combat discrimination and remove barriers to education.

The U.S. government can also support nations in promoting digital finance and by eliminating obstacles that prevent women in particular from obtaining access to bank accounts and financial products. If women, who account for half of the world's population, are systematically excluded from economic opportunities, emerging markets will be unable to reach their economic objectives. The private sector can advance these objectives as well. For example, Visa's She's Next global advocacy program promotes women-owned small businesses by providing tools to develop and expand their businesses, and has commissioned research to identify the unique challenges and opportunities presented to women-owned businesses in Sub-Saharan Africa. Google's IamRemarkable initiative also empowers women and other underrepresented groups to celebrate their achievements in the workplace and beyond. Working toward inclusion can also mean promoting and, where

appropriate, requiring, that technology firms regularly measure inequality to ensure that deployment of digital products does not reinforce existing discriminatory policies.

Enhancing Labor Mobility. As new technologies create new jobs, the U.S. can encourage regulators to adopt policies that enhance labor market mobility. The ability of workers to change geographic location can help them advance their career trajectory and connect with new opportunities, bringing increased wages and increased productivity and resulting in a labor market that is more resistant to economic recession. Improving labor market mobility can be done by advancing tax rules that facilitate employee stock options and ownership, as well as accommodating non-traditional employment models such as remote work.

Governments can also partner with the private sector to collect complete and standardized job market data, which can keep them informed about whether labor markets are working effectively and what changes may be merited. A continent-wide initiative to digitize labor statistics data can help harmonize talent pool measurements and map critical gaps.

Supporting American Investment in Africa. Though numerous U.S. companies are already active on the continent of Africa, some may not recognize the massive scope of the strategic opportunity in Africa. While the U.S. government already invests in programs to engage and educate American companies about investment opportunities throughout Africa, such efforts should be scaled up and better promoted to companies seeking to enter and operate in African markets. This is the impetus behind the U.S. Chamber's Advance with Africa initiative, a nationwide roadshow aimed at increasing U.S. businesses' understanding of commercial opportunities in Africa, transforming the narrative around Africa's business climate, and dispelling myths—creating new opportunities for American businesses, big and small. As part of the effort to scale American participation in the commercial relations with Africa, partners for this effort include state and local government officials, the Prosper Africa initiative in addition to private sector leaders and the federation of state and local chambers.

CONCLUSION

The U.S.-Africa Business Center's Digital Economy Task Force is pleased to collaborate with the White House as it implements the Digital Transformation with Africa initiative and to share additional recommendations on next steps to actualize the three pillars. The Center's Digital Economy Task Force advocates for the development of robust digital economies, including in the e-commerce and creative sectors, and promotes the enabling policy environment that fosters innovation, supports advanced manufacturing, telehealth, the seamless flow of data, and a connected financial services industry. Chaired by Google and supported by a broad cross-section of companies in diverse economic sectors, the mission and the members of the Task Force stand ready to use the expertise and convening power to support the Digital Transformation with Africa initiative to unlock the enormous potential of Africa's digital future. U.S. companies are committed to assisting in these efforts, which will enable new and emerging business models and digital industries to flourish on a solid foundation and augment Africa's participation in the global value chain of the digital economy. Working together, African and U.S. leaders and stakeholders in the public and private sectors can pursue this ambitious digital transformation agenda, which will drive economic growth on an unprecedented scale and benefit all global citizens. We look forward to further engagement on these important issues.