

Terms of Reference D4D Hub Private Sector Advisory Group *Zero Draft¹*

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Annex I: The D4D Hub Context

1. D4D Hub

1.1 The launch of the D4D Hub

In a Team Europe spirit, the EU has embarked on a path to embrace a fair, inclusive and green digital transformation worldwide - inaugurating a new era for global digital cooperation through the D4D Hub that places people at the heart of digital economies and societies worldwide.

On December 8th, 2020, European political leaders, the European Commission President, eleven EU Member States, representatives from private sector partners, civil society and academia launched the [Digital4Development \(D4D\) Hub](#). Implementing the joint [“2030 Digital Compass: the European way for the Digital Decade”](#) – strategy through the [Digital4Development approach](#), the [“Digital Principles”](#) and the recent [Global Gateway](#) approved in December 2021 – the cooperation aims promoting new international partnerships and investments on digital transformation as Team Europe.

The D4D Hub is playing a crucial role to shape a sustainable digital future for all, bridging digital divides to place people at the heart of digital economies and societies worldwide.

¹ Disclaimer: The D4D Hub and EC reserve the right to amend the ToRs according to their priorities.

The D4D Hub lives through its partners, and **private sector represents a fundamental stakeholder for the success of the D4D Hub initiative**. During the launch of the D4D Hub, European Commission President Ursula von der Leyen said that “Team Europe is building strong ties across the globe to make the digital revolution an opportunity for everyone”.

This contributes towards the achievement of the 2030 Agenda and its SDGs, in particular for SGD 8², SGD 9³ and SDG 17⁴. The D4D Hub aims at contributing to reduce the digital divides, including the gender digital divide, promoting human rights in the cyber sphere and leveraging digital innovation for inclusive and green sustainable development.

1.2 D4D Hub Members

The D4D Hub promotes a better coordination and alignment of EU digital initiatives for an increased impact. The Hub serves as a strategic multi-stakeholder platform that fosters digital cooperation between the [Team Europe](#) and [its global partners](#). D4D Hub’s objectives are:

- 1) Scaling up investments in the digital transformation of partner countries;
- 2) Promoting a comprehensive values-based rulebook for a digital economy and society worldwide;
- 3) and fostering a stronger and more strategic EU engagement in international digital partnerships.

During the German EU Council Presidency, **12 EU Member States**⁵ – here in after referred to collectively as the “D4D Team Europe” - joined the D4D Hub through a [Joint Letter of Intent](#) where the D4D Hub is conceived as a vehicle for the “Team Europe” approach. Member States and their implementing agencies are equally part of the D4D Hub, as well as the European Commission and the European Investment Bank.

1.3 D4D Hub Principles

The D4D Hub is guided by five operating principles:

- *Local ownership & win-win partnerships*: Facilitate partnerships that provide added-value and base cooperation activities on local demand.
- *Multi-Stakeholder involvement & expertise*: Promote a sustainable digital transformation requires a whole-of society approach (governments and administrations, private sector, civil society, academia).
- *Sustainable & green digital transformation*: Promote the twin green and digital transition.
- *Human-centric approach*: Put people at the heart of the digital transformation to ensure the full protection of human rights in the digital age.
- *Data security & protection*: Promote a comprehensive and consistent response to safeguard the global threat of cyber breaches, misuse of data and breaches of data privacy.

1.4 Engaging with the Private Sector under the D4D Hub

To address the global challenge of the digital transformation and untap related opportunities, the EU is leveraging on the expertise, networks and presence of its Member States as well as

² SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

³ SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

⁴ SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development

⁵ Belgium, Estonia, Finland, France, Germany, Lithuania, Luxembourg, Netherlands, Portugal, Spain, Sweden and Slovenia

European private sector, civil society and academia and other relevant stakeholder to ensure the promotion of EU values and standards.

Private sector is a fundamental partner to boost employment opportunities, growth, investment, trade and innovation and it has a central role to play in achieving poverty reduction, sustainable development and inclusive growth. The private sector is in the first line to enforce the human centric approach to digital transformation promoted by the EU and the D4D Hub. It is playing a crucial role in providing and using digital technologies such as e-health services, e-governance or blockchain applications to enhance supply chain transparency.

As multi-stakeholders' platform, the D4D fosters inclusive and co-creating processes to identify joint interests and innovative cooperation opportunities, assessing technical feasibility, economic viability, socio-cultural and political acceptance. In engaging with the D4D Hub, private sector may support scaling up investments in partner countries, when possible adopting a market system development approach.

To concretize this vision, the D4D Hub will establish a structured dialogue with private sector stakeholders of the digital ecosystem. In September 2021, a Private Sector/Investments working group was launched within the D4D Hub members.

The structured dialogue will be also ensured by setting-up a dedicated Private Sector Advisory Group (PSAG), to facilitate the discussion among different private sector actors around the main D4D areas of work. This document proposes the terms of reference (TOR) for the PSAG.

By playing the facilitator role and by collecting valuable experiences across the working groups, the D4D Hub will have a significant role in identifying key partners and in facilitating networking and matchmaking between interested parties.

Engaging with private sector under the D4D Hub is intended to increase impact and visibility of D4D partnerships/interventions/projects by fostering public-private partnerships in the field of D4D. The PSAG will contribute to improve the dialogue among key stakeholders around bottlenecks, challenges and solutions needed to increase innovation cooperation, co-creation as well as generation of high-impact partnerships and interventions.

The objectives for engaging with private sector under the D4D Hub are to:

- i) **Foster capacity building for digital entrepreneurship and innovation:**
 - a. Support capacity building for private sector entities active in digital sectors (*tech companies**) to foster innovation
 - b. Support private sector (MSMEs) in their digital transformation, supporting local companies to increase their competitiveness;
- ii) **Build mutually beneficial digital partnerships and foster investments** in partner countries to match the local needs, while create opportunities for all. Enhance commercial relations between EU private sector and local private sector, in order to foster investments and digital partnerships; Create financial opportunities in support of innovation and innovative business, (i.e. start-ups); Enhance traceability and transparency of digital supply chains (i.e. by scaling up projects with innovative technologies); Increase the opportunities to connect and create potential innovation partnerships between large IT firms and digital start-up/scale-ups.
- iii) **Promote the human centric model to digital transformation in the private sector:** promote EU values, standards and principles through and within private sector. For example, through sharing, communicating and give visibility to good practices.
- iv) **Enhance an enabling environment for digital business and for promoting the digital transformation of all businesses** (startups, tech companies) in partners

countries through an ecosystem approach, notably by providing affordable connectivity everywhere. Advance digital inclusion of the underserved by addressing the barriers to internet access and use.

2. Private Sector Advisory Group

2.1 D4D Hub Approach

The D4D Hub Private Sector Advisory Group is set up as a consultative body aiming at structuring European and local actors' interventions in digital for development under a single and coherent umbrella. The objective is to leverage the assets of private sector stakeholder to create synergies for joint and complementary actions and contribute to make Europe an international leader in human-centric, green, and inclusive digital transformation.

Private sector actors are and have been a strong ally in the EU's work, by partnering with EU Delegations and Member States implementing agencies in partner countries, sharing advice and experiences from the field to inform policy orientations, and promoting EU standards and values worldwide.

Cooperation through the D4D Hub platform aims to:

- Inform on the EU's political guidance and strategic orientations and implementing agencies' field capacity
- Providing inputs and recommendations to the EU and D4D Hub Members private sector strategies (and vice versa), concretizing the Team Europe approach and **foster a sustainable and human-centric digital transformation.**
- Provide specific expertise, know-how and capacities available within the private sector, as well as at helping identify key trends, market opportunities and scalable solutions
- Provide information on the financial institutions' instruments, such as the EFSD+, as means to achieve digital for development policy goals

2.2 Composition & Membership process

Composition

- The Private Sector Advisory Group is a consultative body, integrated in the structure of the D4D Hub;
- The Private Sector Advisory Group is **not** a legal structure
- The advisory Group shall have a good representation of the Digital private sector, with entities active across the following main areas, but not restricted to: Connectivity (like satellite, telecom, data centres, etc); E-government (cybersecurity, PFM, eID, etc); Financial services; Innovation; Education (digital learning solutions; digital skills programmes (e.g. coding); etc.; Green Transition / Green Deal; Health; Smart Cities/Urban development; E-commerce, other verticals (such as agriculture, fisheries, transports, culture etc.)
- The Private Sector Advisory Group shall have a good representation of the different digital European and private sector actors in partner countries active in the digital landscape, from "big players" to SMEs, start-ups, scale-ups and more, including business federation and others multi stakeholder's platforms/partnership.
- It will be important to consider a balanced composition in terms of gender and geographical coverage.

Membership Process

- Members of the Advisory Group will be identified by the D4D Hub Secretariat, jointly with the chair of the board of the D4D Hub, through a transparent and open process.
- In 2022 the process to identify the members of the PSAG will be launched.

- The opportunity to join the Advisory Group will be ensured at any time beyond the official launch in 2022. The application remains open, but new applications are screened on a quarterly basis. The D4D Hub Secretariat reserves the right to suspend the acceptance of new members.
- Advisors will participate in the Group without remuneration. No travel costs are foreseen.
- Membership is a voluntary process and can be withdrawn at any time.

2.3 Focus of work

- The Private Sector Advisory Group shall provide specific expertise, know-how and capacities available within the private sector, as well as at helping identify key trends, market opportunities and scalable solutions.
- Members of the Advisory Group shall be informed about D4D Hub Members' activities and strategies involving private sector at global, regional and local level and where mutually beneficial involved.
- The Private Sector Advisory Group shall provide inputs/recommendations to the D4D Hub Private Sector Working group on the formulation/implementation of the D4D Hub's private sector engagement strategy.
- Participation⁶ in this consultative body shall be considered mutually beneficial, opening access to private entities to a multi stakeholder platform, including other D4D Hub key stakeholders (such as development partners, EU institutions, EU Member States, IFIs, regional organizations such as the AU Commission, Civil Society Organizations, academia, etc.), allowing for the creation of a regular channel of communication between the EU and digital private sector entities.
- Projects implemented within the D4D Hub framework may reach out to advisory bodies to share opportunities from the field and/or to activate their contribution to ongoing cooperation processes (such as events with local counterparts).
- Participation in this Advisory Group shall contribute to exchange of technical expertise in the field of human-centric digital transformation with key European stakeholders, twinning with the green, diversification of digital supply chains, gender digital divide etc.
- Participation in this Advisory Group shall contribute to raise a common awareness and share best practices on challenges related to close the digital divide.
- Participation in this Advisory Group shall contribute to identify opportunities of collaboration with the EC and EU MS on concrete initiatives and projects⁷

2.4 Modalities of work

- The D4D Hub Secretariat is responsible for the overall coordination/facilitation of the Advisory Group (including preparation and circulation of the agenda, organization of regular meetings, document and summarize the results for dissemination to the D4D Hub)
- The meetings of the Advisory Group are expected to be organized remotely on a regular basis – around every quarter.
- The possibility of organizing sub-thematic groups shall also be explored
- The Advisory Group shall nominate an Advisory Group chair
- The principle of rotating chair should be examined (12 months)
- There should be a ceiling in the number of participants to the AG. At this stage there is no limitation foreseen, but it could be explored depending on the capacity of the D4D Hub Secretariat;

⁶ Participation in this Advisory Group does not result in and is not in any way connected with awarding/assigning EU funds for the implementation of projects.

⁷ Ibid.

- The chair of the advisory group could present the recommendations of the Advisory Group to D4D Hub
- The Advisory Group may invite additional specialists and experts on specific agenda items to stimulate the discussion.
- Decisions affecting work processes are governed by a no-objection rule during meetings. Furthermore, proposals are presented and discussed by the PSAG members, while decisions are reached by common agreement between stakeholders, not by the Chair⁸
- Ad-hoc technical assistance could be provided by D4D Hub Members for specific studies
- Engagement with the PSAG and communication
- Agenda setting
- D4D Hub website Members' Lounge

2.5 Principles for Digital Development

As clearly included into the [Letter of Intent](#) of the D4D Hub Members, the implementation of the Advisory Group is aligned with the "[Principles for Digital Development](#)", which are a set of nine guidelines for integrating best practices into technology-enabled development programs for international development and cooperation, as well as other relevant international frameworks on D4D, including the latest [Declaration on European Digital Rights and Principles](#).

Participation in the Advisory Group meetings is regulated by mutual respect, fairness in working relationship, honesty in business conduct, operating with integrity.

2.6 General Data Protection Regulation (EU GDPR) compliance

Under the General Data Protection Regulation (GDPR) (EU) 2016/679, the D4D Hub has a legal duty to protect any information we collect from you. The information collected through the application process are just for the internal use of the D4D Hub. The data manager and contact point at D4D Hub is included within the application.

2.7 Timeline

The Advisory Group will operate from April 2022.

Annex I: The D4D Hub Context

- ***"Team Europe" approach***

The outbreak of the COVID-19 pandemic and the ensuing global health and economic crisis are raising enormous challenges for the entire world. This global health crisis made clear the absolute need for Governments to pulling resources together and better coordinating, to collectively achieve transformational changes in the long-term.

The **"Team Europe" approach** was born in this context: to ensure that jointly the EU, its Member States and Financial Institutions achieve the greatest sustainable impact, delivering a EU Global response to COVID-19 to fight the pandemic in support of partner countries.

This important lesson that the EU has learnt, **to achieve greater impact** and visibility through the "Team Europe" approach, also responds to the political "strong message of European

⁸ Chatham House Rule is applied

partnership and solidarity to build back better, making sustainable recovery and the achievement of the SDGs a reality and showing that multilateralism works⁹.

The importance of Team Europe is true in all fields. However, in a changing geo-political context, this approach is particularly relevant in the field of **digital transformation**. COVID-19 pandemic has radically changed the role and perception of digitalisation in our societies and economies and accelerated its pace. Across the globe, digital technologies are now imperative for working, learning, entertaining, socializing, shopping and accessing everything from health services to culture.

The data-driven digital economy is rapidly evolving amid huge divides in terms of digital readiness. 23% of the population in Least developed countries (LDCs) has no access to a mobile broadband network¹⁰. In developed economies, 90% of the population uses the internet, vs 20% of the population in LDCs. The urban–rural access divide is most accentuated in LDCs, where 16% of the rural population has no access to any mobile network, and 35% could not be connected online with a mobile device¹¹.

Digital technologies could make our societies fairer, increase access and usage of fundamental services, could promoting sustainable farming, decent work, and achieving universal literacy. But technologies can also threaten privacy, erode security and fuel inequality. They have implications for human rights and democracy. For those reasons, during the latest State of the Union speech, Commission President Ursula von der Leyen said that **“digital is a make-or-break issue” for the EU**. Only if we join forces through digital cooperation, we can take on this global challenge and untap digital opportunities.

⁹ <https://europa.eu/capacity4dev/wbt-team-europe>

¹⁰ UNCTAD, Digital Economy Report 2021

¹¹ Ibid.