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**DAC Working Party on Development Finance Statistics**

**Guidelines on the European Commission Internal Digitalisation Marker**

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Contact:

Jérôme Le Roy - [jerome.le-roy@ec.europa.eu](mailto:jerome.le-roy@ec.europa.eu)

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# Guidelines on the European Commission Internal Digitalisation Marker

## INTRODUCTION

1. The need for a rigorous system to measure efforts towards the digitalisation in development had been identified earlier and has become more acute as digitalisation is now one of the main policy areas of the newly appointed European Commission. To answer this business need, the European Commission's Directorate General for Development and International Cooperation has developed a transversal marker on digitalisation. The methodology for this new marker is in line with the three-positions transversal markers used in DAC reporting. This new marker was released on 22 November 2019 and is now operational in the EC's systems. By end 2020, a full year will be available for analysis and shown in the data visualisation tools.
2. For the moment, the new marker is internal to the European Commission, but considering the importance of the subject of digitalisation and previous discussion on innovation in development, we present the methodology to the WP-STAT for information and discussion.

## GUIDELINES DIGITALISATION INTERNAL MARKER

3. The purpose of this note is to provide guidance on how to encode the new digitalisation internal marker.
4. The digitalisation internal marker aims to monitor to the mainstreaming of digitalisation into development cooperation and international partnerships policies and actions, as well as report on the resources committed (decisions and contracts) relevant to digitalisation under the financial instruments managed by the DGs concerned.
5. Based on the priority areas identified in the D4D SWD , the proposed internal marker would apply to actions promoting:
  - Governance, policy and regulatory framework relevant to digitalisation and digital economy;
  - Access to affordable and secure broadband connectivity and to digital infrastructures;
  - Digital literacy and skills;
  - Digital entrepreneurship and job creation;
  - The use of digital technologies as an enabler for sustainable development (Digital Services – e-Services, including e-Governance).
6. **Scoring System:** In line with the OECD-DAC approach for transversal issues (climate change, gender or disability), the internal marker has three possible positions, according to the degree of relevance

identified in the context analysis: 0 (not relevant), 1 (significant objective) and 2 (principal objective of the action). The marker has at least one value, which will be zero by default, making encoding mandatory. In the encoding process, the marker will appear at the end of the DAC form in a newly created section called "Internal Markers".

7. In order for an action to be considered as related to digitalisation (i.e. qualifying for marker score 1 or 2), the following general considerations should be taken into account:

- An analysis of the digitalisation context should be conducted to facilitate the identification and the formulation of the action's digital component and inform future steps;
- After the analysis, the existence of a digitalisation context, specific objective or result should be identified.
- It should be kept in mind that indicators and data mentioned in the Action Document should be disaggregated by sex, age, socio-economic status and region, where appropriate and applicable.

### **Marker score 2 (digitalisation as the main objective of the action)**

#### **Definition:**

8. In addition to fulfilling the above-mentioned criteria, in order to qualify for marker score 2, the project should address digitalisation explicitly in the main objective, being fundamental in the design of, or the motivation for, the action. In other words, the activity would not have been funded (or designed that way) if it had not been for that objective.

#### **Useful Examples:**

9. These could be actions in all areas of international cooperation, ranging from more traditional sectors, like digital connectivity and infrastructure or the development of digital skills in education and training, to newer areas like artificial intelligence (AI), Internet of Things (IoT), distributed ledger technologies (e.g. blockchain), data analytics and data economy (i.e. big data), etc. Actions related to policies and the regulatory framework can also qualify for marker score 2, as long as all the requirements are fulfilled.

*Examples of existing projects that would fall under this category:*

<i>Policy and Regulation Initiative for Digital Africa (PRIDA)</i>	<i>Foster universally accessible and affordable broadband across the continent to unlock future benefits of internet-based services.</i>	<i>DCI-PANAF/2017/038-223</i>
<i>BELLA-T: Securing equal access to Europe – Latin American submarine infrastructure</i>	<i>To contribute to eliminate bottlenecks in the connectivity between LA countries to ease the unconstrained exchange of data and services with a strong impact on the digital divide inside the region and in its data mainstreaming with Europe.</i>	<i>LA/2016/376-534</i>
<i>Central Asia Research and Education Network (CAREN)</i>	<i>To establish a high-performance broadband internet for research and education (R&amp;E), for collaboration between universities, teaching hospitals and research centres, providing access to the European and global research community. The expected results and main activities for CAREN3 are to provide uninterrupted, high quality, high speed Internet connectivity to more than 500 000 end-beneficiaries</i>	<i>2014 / 037-569</i>

**Marker score 1 (digitalisation as significant objective)****Definition:**

10. In order to qualify for marker score 1 (digitalisation is a 'significant objective'), an action has to have at least one objective (it can be either main or specific objective) related to digitalisation. Addressing digitalisation is not the fundamental driver or motivation for undertaking and designing the activity. The action may have other objectives as well, and it might use digital transformation to achieve some of its proposed outcomes, or it might be formulated to facilitate tackling relevant digitalisation-related issues.

**Useful Examples:**

11. For instance, this could include projects, which leverage digital technologies as means to achieve outcomes. Moreover, actions in other policy areas, for example relating to sector-specific taxation or supporting creation of employment, financial inclusion and the development of services across all sectors (e.g. agriculture, health, education, government, smart city), could also be included, if they affect digital concerns or digital-related services.

*Examples of existing projects that would fall under this category:*

<i>Appui à la préservation et au développement des forêts galeries et production de cartographie de base numérique – PAPDFGC - Benin</i>	<i>La réduction des causes et effets des inondations par la promotion de la conservation et de l'utilisation durable des forêts galeries de la basse vallée du fleuve Ouémé Main activity related to digital: Les données cartographiques produites par le projet (photographies aériennes haute résolution) sont numérisées, les couches thématiques sont représentées, et seront disponibles en ligne à travers un portail web.</i>	<i>ENV/2012/ 301-521</i>
<i>E-READI</i>	<i>To support the implementation of the ASEAN Community blueprints, drawing on European experience and know how through sectoral policy dialogues. The digital economy and society is included as one sector of engagement; Proposed dialogue aims to set up an ASEAN-EU cooperation framework enabling ASEAN to tap into EU experience and methodology on measuring digital economy and society;</i>	<i>ACA/2014/037572</i>
<i>11th EDF EPA programme for Barbados</i>	<i>The IPR component of the EPA programme will support the integration of the digital databases of intellectual property offices in the Region into international IP databases</i>	<i>FED/2016/40087</i>