Future of Institutions

Title/topic:
Digital public infrastructure: institutions for multistakeholder ecosystems

Organizers:
Artha Global

Key takeaways:
GovTech is on the cusp of a fundamental reimagining. Digital public infrastructure (DPI) – foundational architecture for governments, civil society, and private sector actors – in key areas such as identity, payments and data exchanges can have a transformative impact on development. By enabling a "build once, use many times" approach, DPI creates shared infrastructure for use across public and private sectors. DPI is a force multiplier for state capacity. By allowing civil society and private actors to become co-creators, integrating with and building upon these systems, the relationship between state and citizen is recast.

This digitalization is vastly different from the digitization that previous generations of GovTech enabled. It doesn't merely translate analog processes to digital; it makes possible entirely new forms of governance that foreground accountability and accessibility. But for this transformation to succeed, the institutions shepherding it must be fit-for-purpose, encompassing the wide range of actors, needs and purposes in DPI ecosystems. As it stands, there is a lack of global experience with digital architecture.

In this Dialogue there was a general agreement that more hard data is needed on every aspect of DPI – from end user needs to governance models to outcomes – to begin to fully understand the issue. Potential approaches to DPI governance include traditional top-down models driven by government stakeholders, market-based solutions with governments setting parameters, and standards-based coalitions. Regardless of the model, institutional arrangements that balance tradeoffs between decision-making effectiveness and consensus-driven progress will be needed. Aligning incentives will be crucial for achieving this, and for mitigating fallout from having winners and losers among diverse stakeholders because of various strategic decisions. Appropriate financing mechanisms will also be required.

These issues are exacerbated significantly when the institutional arrangements stretch across national boundaries. There was a broad consensus that inviting convergence organically based on the potential gains diverse stakeholders perceived may be more effective than mandating it via a top-down approach where the priorities of different governments were likely to clash. As a corollary, the importance of using digital public goods (DPG) as the building blocks of DPI was also discussed. This would be essential for any collaborative, cooperative institutional approach to DPI ecosystems.

The challenge(s):
When developing institution(s) which are tasked to create and govern DPI ecosystems, there are three key considerations:

- How can governance institutions be made more inclusive to unlock the full potential of DPI ecosystems?
- What institutional mechanisms can finance DPI to enable multistakeholder participation without eroding digital sovereignty or strategic control?
- What institutional arrangements can create and manage transnational standards and coordination mechanisms for core DPI (e.g., identity, payments)?

Insights for the Future of Institutions:
DPI does not merely enable digital analogues of traditional state-led governance systems; it has the potential to reimagine what governance entails in many respects. The Dialogue pointed towards the commensurate need to deconstruct institutions of governance. Three areas seemed particularly promising:

- Fluid, contextual institutional arrangements that can be configured based on several variables – stakeholders, stage of DPI development, long-term sustainability, the strength of associated communities of practice, etc.
- As a corollary, extensive thinking on government's role is needed in both domestic and international contexts. Currently, when it comes to multistakeholder environments, government prefers either total, top-down control or a passive, hands-off approach. Neither is viable for DPI.
- Entirely new institutions for DPI may be needed that are not embedded within either government or private capital. These institutions would need an enabling framework of new laws and governance processes.

Solutions:
- Tailor governance to DPI maturity: Experimental → Bespoke → Product → Standard infrastructure. Governance capacity and needs will differ at each stage of this evolution. Governance models should be tailored appropriately with less complex institutional mechanisms and arrangements at earlier stages. Funding models (private/government/philanthropic) can also be sequenced depending on the stage, specific requirements, and risk levels – risk capital to begin with, patient capital in later stages for growth and sustainability.
- Function-based governance: When deploying DPI within a country, there are multiple functions – development, maintenance, controlling access etc. Government is essential at the development stage. However, if it can put effective guardrails in place, other stakeholders can govern the other functions – for instance, private sector for maintenance, community organization for controlling access. This can set up a healthy polycentric governance model.
- Multi-country governance framework in Africa for transnational DPI: Both vertical and horizontal regional coordination bodies can be effective here. For horizontal bodies, agencies manage customs and financial flows. For vertical bodies, sectoral agencies such as Africa Centres for Disease Control and Prevention (CDC) have direct influence on governments. However, governments must not be the only actors in the governing framework; civil society entities and private sector actors must be involved as well.
- Tiered control: Nodal / coordination bodies such as the Nordic Institute for Interoperability Solutions (NIIS) cannot gatekeep their code. Such bodies can instead have tiered control – full decision-making authority, usage rights but no authority, usage rights but no input – based on

their track record.
- Consensus model for DPI / digital public good (DPG) governance: DPIs / DPGs are governed at two levels: strategic and operational. While operational consensus is difficult across jurisdictions and potentially dangerous, multistakeholder / multi-jurisdiction consensus decision-making for strategic direction is possible. As a result of such governance structure, development will be slow, although this may be preferable for designing long-term, sustainable infrastructure.

Participants:
- Joseph Atick, ID4Africa
- Vyjayanti T Desai, World Bank
- Vasant Dhar, New York University
- David Eaves, University College London
- Alan Gelb, Center for Global Development
- Steve Haley, Mojaloop
- C.V. Madhukar, Co-Develop
- Chris Maloney, William and Flora Hewlett Foundation
- Aaron Maniam, Singapore Ministry of Communications and Information
- Shankar Maruwada, EkStep Foundation
- Santhosh Mathew, Bill & Melinda Gates Foundation
- Rahul Matthan, Trilegal
- Paul Meyer, The Commons Project
- Robert Muggah, Instituto Igarapé
- Anit Mukherjee, Center for Global Development
- Geoff Mulgan, University College London
- Liv Marte Nordhaug, Digital Public Goods Alliance
- Jean-Philbert Nsengimana, Africa Centres for Disease Control and Prevention
- Allison Price, New America
- Nicole Rasul, The Rockefeller Foundation
- Govind Shivkumar, Omidyar Network
- Ritesh Shukla, NPCI International Payments Limited
- Pramod Varma, EkStep Foundation
- Jimmy Wales, Wikipedia