

# PROSPECTS FOR EU–ASIA DONOR PARTNERSHIPS IN INTERNATIONAL DEVELOPMENT

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## SUMMARY

As the United States retreats from traditional ODA and China consolidates its infrastructure-led alternative, the EU is recasting development cooperation as investment-led geopolitical statecraft under Global Gateway, with digital transformation as the paradigm's central sector. Drawing on stakeholder interviews and fieldwork across the Indo-Pacific and sub-Saharan Africa, and a novel three-tier classification of OECD Creditor Reporting System (CRS) digital ODA flows for 2019–2024, this report maps where European digital development finance actually goes and identifies viable pathways for EU–Asia donor cooperation.

It finds that the already existing asymmetric EU footprint across the regions (dominant in Africa but thin in the Pacific and secondary in Southeast Asia) is shaping the sustainability of its digital development projects as a sector increasingly crosscuts all others. As economic cooperation not-so-slowly replaces economic development goals, member state development agencies are still more operationally present in the recipient countries and regions than EU institutions. The national development agencies' digital development disbursements are mainly in the field of digital inclusion, while the EU digital ODA concentrates on the governance tier.

The multistack nature of digital technologies requires joint projects that involve multiple development agencies, both in Europe and given their technological advancements, in Asia. However, donor coordination mechanisms are underdeveloped in the Team Europe Approach and the roadmap for EU–Asia donor partnership is even less clearly charted. Among them, Taiwan's upstream digital capabilities remain structurally under legible to European partners. The report concludes that the most realistic cooperation routes for TaiwanICDF run through acting as a donor coordinator platform in regional programmes, especially where the EU and European development agencies are phasing out, proactively engaging with smaller member state agencies and utilising institutional channels such as MDB trust funds, subcontracting and European Investment Bank (EIB) procurement, rather than branded bilateral partnerships. The report offers differentiated recommendations to European and Asian stakeholders and decision-makers in the international development sector.








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# Introduction

International development cooperation has undergone its most significant structural transformation in decades. The withdrawal of the United States from its traditional role as the world's largest bilateral donor, marked by an approximately USD $35 billion cut to ODA and the effective dismantling of US Agency for International Development (USAID), has created a vacuum in humanitarian and poverty-focused programming that no single actor has moved to fill in full. China has stepped into part of that space through the Belt and Road Initiative, offering large-scale infrastructure investment with no governance conditionalities and an explicit emphasis on sovereignty and non-interference, positioning itself through the language of South-South cooperation as a more equitable alternative to Western-led development models. The European Union has responded by accelerating its own pivot away from traditional grant-based aid, reorienting its external cooperation around the Global Gateway Initiative, a connectivity-focused strategy that bundles digital, energy, transport, health, and education investment with a geopolitical narrative aimed at offering partner countries a 'values-based' alternative to Chinese infrastructure. Asian donors, particularly Japan and South Korea, have deepened their own development engagement across the Indo-Pacific, with Japan playing a dominant role in Pacific connectivity and South Korea increasingly aligning its Indo-Pacific strategy with EU priorities in digital infrastructure and regional integration. Multilateral development banks (the World Bank, the Asian Development Bank, and the African Development Bank) remain central players in both regions, often providing the largest single investments in priority countries.

In this competitive landscape, partner countries are not passive recipients but active strategic agents, deliberately engaging multiple donors to maximise leverage and avoid dependency. Governments across Africa and the Indo-Pacific hedge between China, the EU, the United States, and emerging donors, extracting differentiated benefits from each (infrastructure from China, governance frameworks from the EU, technical cooperation from Japan or India) without committing to any single partner's orbit. National development agencies differ markedly in institutional structure, and the paradigm shift affects them unevenly: the transition from need- and rights-based aid to interest-based investment demands skills and capabilities that many agencies do not yet possess. Project design is increasingly governed by an ecosystem logic, in which governance and inclusion components–regulatory frameworks, skills, local uptake–are what make infrastructure investments sustainable rather than optional add-ons. Blended finance already allows a single project to draw on multiple funding sources for risk-sharing, but pooling funds is not the same as pooling expertise. Many national development agencies and the EU are phasing out of country offices and restructuring ODA sectorally, to serve the donor countries' economic security concerns. Aid focus has already shifted towards a sectoral

approach, but multi-donor programming, in which several agencies contribute complementary skills and knowledge, has not caught up yet. Each donor still brings its own implementers and applies its own assessment criteria, so combining them multiplies the complexity of both designing a project and measuring its results.

This gap is compounded by a coordination deficit on the donor side. Recipient countries increasingly engage many partners at once, but this multialignment is not yet matched by any functioning mechanism for donors to coordinate among themselves. National development agencies have a track record of working alone, bilaterally with individual recipient countries– let alone jointly managing sectoral projects that span several countries within a sub-region.

Digital transformation has emerged as the central sector of this new development paradigm. It functions simultaneously as a development priority (digital inclusion, skills, infrastructure access), a geopolitical battleground (undersea cables, data centres, platform sovereignty), and a governance issue (data protection, cybersecurity, AI regulation). Digital is, moreover, no longer only a sector: it operates as a cross-cutting layer for all sectors, from high-technology domains such as cleantech, biotech and chemicals to agriculture, real estate, the judiciary and health systems.

Against this backdrop, this study explores the potential for European and Asian donors' viable partnership opportunities in the digital domain across Africa and the Indo-Pacific. Within this landscape, Taiwan presents a distinctive strategic puzzle. It is an important upstream digital actor, playing a central role in semiconductors and 5G value chains as well as cybersecurity and fintech governance. Yet, it remains structurally constrained in donor coordination as a consequence of its diplomatic isolation. European development actors are frequently unaware of TaiwanICDF's portfolio, and where cooperation exists it is rarely publicised by either side. The result is an asymmetry between technical and financial capability and institutional visibility that conventional bilateral instruments cannot resolve.

The report proceeds as follows. The next section sets out the qualitative and quantitative methodology, including the case study selection rationale and the data-mapping approach. A literature-based chapter then traces the changing development paradigm through the EU's strategic pivot, local agency, donor competition and the EU's global digital partnerships. Two regional chapters examine EU engagement in Southeast Asia and the Pacific and in West and East Africa, each combining country case studies with data-mapping findings and a comparative sub-regional analysis. The concluding chapter draws the cross-regional comparison together and presents recommendations addressed to European and Taiwanese audiences.

# 1. Research Design and Methodology

## 1.1. Qualitative analysis and case study selection

This report combines quantitative data mapping with qualitative fieldwork because the two methods answer different questions. The data mapping, drawn from OECD CRS records, shows where development projects are currently dispersed; the interviews indicate where they are channelled into in the medium term. Reported flows lag activity by a year or more and capture commitments already made, so they cannot reveal shifting donor intentions, emerging priorities, or the political calculations behind them. The qualitative work supplies that forward-looking dimension, and the two strands are therefore complementary rather than duplicative.

The qualitative analysis draws on over 50 semi-structured interviews, conducted both online and in person, and complemented by site visits to several of the case study countries. Interviewees fall into five categories: government departments engaged in development or foreign policy, including the agencies of European countries that deliver development cooperation on their governments' behalf; regional bodies responsible for setting development priorities and implementing projects; international organisations acting as funders or promoters of development projects; private-sector actors, as the largest players in the digital industry, whose view of effective cooperation is central to the research; and private individuals with experience in development cooperation, prioritising those working on digital.

The interviews are anchored in 10 country case studies, selected to combine wide geographical coverage with analytically distinct donor environments. In Africa, the cases are Kenya, Uganda, Eswatini, Nigeria, and Côte d'Ivoire, covering the east, south, and west of the sub-region and offering a holistic view of development cooperation across sub-Saharan Africa: Kenya has one of the continent's most developed digital ecosystems; Côte d'Ivoire represents Francophone Africa; Eswatini offers the perspective of a Taiwanese diplomatic partner; Nigeria is the region's most populous country and largest economy; and Uganda is a prime development cooperation destination in East Africa. In the Pacific, the cases are Palau and Fiji, both Small Island Developing States (SIDS) with outsized regional roles: Palau is a diplomatic partner of Taiwan and holds the Pacific Islands Forum (PIF) chairmanship until September 2026, while Fiji hosts the EU Delegation to the Pacific and serves as a regional diplomatic hub. In Southeast Asia, the cases are the Philippines, Vietnam, and Indonesia – among ASEAN's largest and fastest-growing economies, whose strategic location and maritime positioning attract substantial digital and technology investment from regional actors such as the EU. The Philippines is a major diplomatic hub for the Pacific and hosts the CopPhil initiative; Vietnam upgraded its relations with the EU to a Comprehensive Strategic Partnership in January 2026; and Indonesia is a fast-growing

G20 economy whose digital and technological choices increasingly shape geopolitical competition, supply-chain resilience, and regulatory influence across the region (CEPS, 2024). A broader pan-ASEAN perspective is applied where relevant, with additional attention to Timor-Leste and Thailand.

## 1.2. Data mapping

The goal of the data mapping is to extend the interviews and field trips with an overview of existing open data on foreign aid. We primarily investigate funding from the European Union and Taiwan towards digital projects in priority recipient countries in Africa, Asia and the Pacific. We used the OECD's Creditor Reporting System (CRS) data. This dataset provides information on ODA projects, such as donor-recipient combinations, the amount of USD pledged and disbursed, and a further description of the project, including the sector and the body executing the project.

We specifically investigated ODA flows from the most recent and available years of 2019–2024. In this section the methodology is explained and compares European digital ODA funding for African and Asia–Pacific priority countries to other funders.

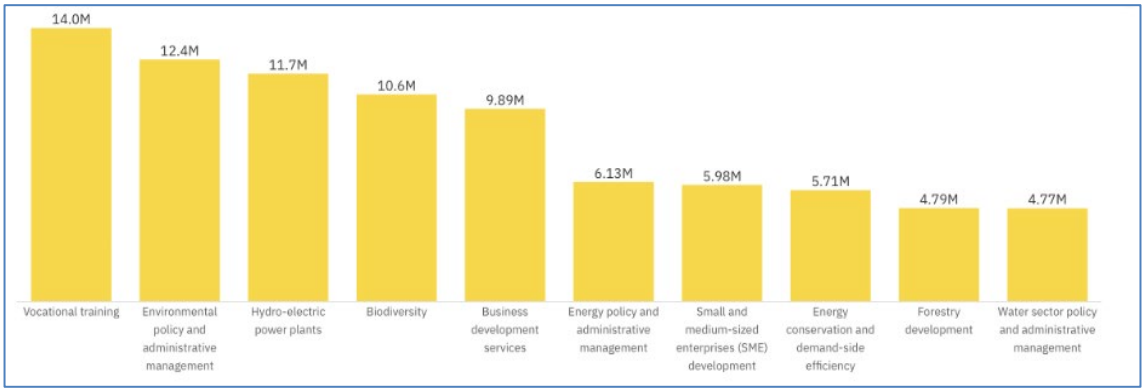
Several initiatives already map ODA flows. Most initiatives visualise data from the OECD's CRS dataset on a country level, such as SEI's Aid Atlas. The main critiques are that not everyone reports to the OECD, data becomes available only a year later and global development is diversifying more than ever to other forms of financing and support. The International Aid Transparency Initiative (IATI) developed a publishing standard for more detailed and timely reporting. IATI sometimes receives broader inputs than the OECD database while not covering all projects of the OECD database, which makes the two hard to combine and compare. The newer metric Total Official Support for Sustainable Development (TOSSD) aims to measure the flow of resources to developing countries beyond ODA. Other initiatives fill in specific gaps: AidData maps development finance from China, and One Data works to harmonise ODA data across datasets and reporting mechanisms. There are many separate initiatives reporting or explaining aid data from United Nations (UN) agencies, the World Bank, Our World in Data and more.

A tool to analyse European ODA is the Team Europe Explorer, which shows data from either OECD or IATI and users can view graphs based on certain recipients, donors, sectors or channels and create infographics based on the data, see an example for Mozambique. Relevant Team Europe actors are described in this tracker and include the Member States and their national development banks.

### *1.2.1. Defining technology projects*

A key aspect of this work is the definition of digital projects for ODA. Some OECD purpose codes starting with 220 cover communications and the ICT sector and 32182, covers technological research and development. This list is by no means exhaustive, nor does it allow well for digital aspects of broader projects. To capture a wider set of projects that contain digital elements, project descriptions can be accessed on including related terms such as 'digital', 'broadband', and 'AI' without being formally coded as such.

Figure 1. Sectoral breakdown from the Team Europe Explorer




The sectors do not lend themselves to a classification of digital projects. Therefore, we extracted OECD Creditor Reporting System (CRS) data directly; an example data point with a selection of variables is shown in Table 1.

Table 1. An example project

| Variable | Value |
|---|---|
| Year | 2020 |
| DonorName | EU Institutions |
| AgencyName | European Commission |
| RecipientName | Eswatini |
| FlowName | ODA Grants |
| USD_Disbursement | 0.024239 |
| ShortDescription | SUPPLY OF IT AND GPS EQUIPMENT FOR THE SUSTAINABLE LAND ADMINISTRATION AND MANAGEMENT PROJECT IN SWAZILAND |
| ProjectTitle | Supply of IT and GPS equipment for the Sustainable Land Administration and management Project in Swaziland |

| Variable | Value |
|---|---|
| SectorName | III.1.a. Agriculture |
| ChannelName | Recipient Government |
| Geography | Mbabane, Swaziland |
| ExpectedStartDate | 2017-05-30 |
| CompletionDate | 2017-09-29 |
| LongDescription | Under Lot 1- Supply of IT Equipment, and Lot 2- Supply of GPS Equipment. Both Lots awarded to same tenderer. |
| CommitmentDate | 2020-12-31 |

### *1.2.2. Classification methodology*

Following existing literature (see Table 2), we classify digital ODA projects in one of the following categories: Hard infrastructure, Digital governance and rights, and Digital inclusion. Hard infrastructure covers tangible aspects such as cables, data centres and other hardware. Digital governance focuses on public services and digital public goods; inclusion focuses on training and serving underrepresented groups. To our knowledge, this is the first attempt to classify ODA at this scale by digital type(s).

Many projects do not have a clear digital component such as many projects related to water, agriculture, education, transportation and medicine. Examples include HIV reduction via health-centre upgrades and community awareness, funded by Italy to Indonesia in 2024 or an Anti-Corruption Survey in Nigeria funded by the United Kingdom in 2020.

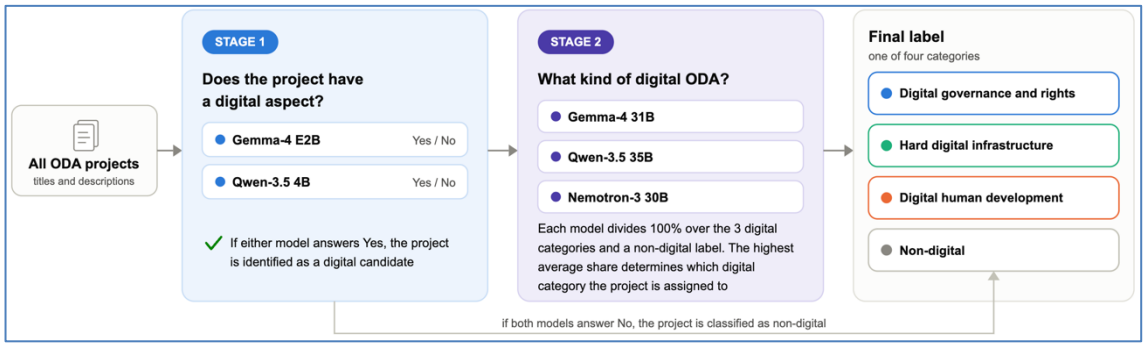
A good example of a digital project is 'The Swedish Programme for ICT in Developing Regions (SPIDER) work with ICT for democracy, health and education.' This project falls in the digital human development category and is funded by Sweden to Kenya. An example in digital governance is scaling up on wood ID technologies and transparency, creating a global reference database and wood-identification tech used by law enforcement against illegal logging, funded by Norway to Indonesia. Sometimes, this is not straightforward: a project for a smart grid could be classified as hard infrastructure because of its digital component, whereas conventional power grid upgrades should not.

Table 2. Keywords and related literature for the different types of digital projects

| Digital project type | Example keywords | Related literature |
|---|---|---|
| Digital Governance and Rights | E-government, digital public services, government ICT systems, digital policy/regulation, cybersecurity, open data, digital ID systems, digital financial regulation | Norwegian support for eID in Ethiopia (Åberg and Peltola, 2025); EU–AU Summit commitments on human-centric AI governance frameworks (Mabika and Musoni, 2026) |
| Digital Inclusion | Digital skills training, ICT education, digital literacy, internet access for underserved groups, community ICT centres, mobile money, fintech for inclusion, women in tech, youth coding | Digital Savannah initiative in Kenya: human-centred digitalisation, skills and innovation ecosystem (Teevan & Domingo, 2022; Teevan et al., 2026); Senegal's National Financial Inclusion Strategy: women-led job creation, ICT in education (Teevan & Domingo, 2022) |
| Hard infrastructure | Physical digital infrastructure: fibre cables, mobile towers, satellites, data centres, server farms, network hardware, SCADA systems, power grids for connectivity | EU–Australia partnership on submarine cables (Bentele et al., 2025); Data centre backed by UK and French investors (Raxio Group) in Ethiopia (Åberg and Peltola, 2025) |

We classified ODA projects based on a project title and usually a short description. We used large language models in a two-stage approach: first, to determine if a project is a candidate digital project following a broad definition of being digital. This was to reduce the size of potential projects to classify further. Second, to classify the candidate projects into one of three types of digital projects by providing weights to the different types. A non-digital option allowed the second step to reject the positive classification in the first step. Although the descriptions leave some room for ambiguity, we aim to identify projects containing digital elements, and to accurately define the exact digital share of projects we would need more granular information about them. Nevertheless, the resulting classifications can be used either to map projects across digital types or, as we do in this analysis, to assign each project the digital type with the highest average weight received from the classifications.

Figure 2. Visual description of determining digital components of ODA projects




On the recipient side we focus on priority countries in Africa and the Asia–Pacific: Eswatini, Nigeria, Kenya, Uganda, Mozambique, Côte d'Ivoire, Palau, Indonesia, Philippines, Cambodia, Viet Nam, Thailand, Fiji, and Timor-Leste.

On the funder side the focus is on European funders: the Member States and institutions. The institutions consist of the European Commission, Development Fund and Investment Bank.

The European Development Fund ceased to exist a few years ago and its funding can be attributed to the European Commission, where DG INTPA plays by far the largest role of all departments. For the years we analyse, these two actors together disbursed about USD 5B, of which about USD 340M was classified as digital projects. As investing body, the European Investment Bank (EIB) mainly moves funds through Other Official Flows (OOFs) and loans; through those channels the EIB pledged and disbursed about USD 1 billion in the past few years.

ODA data are available up until 2024; for 2025 they are only preliminary, and reported on the aggregate level, where we see the decrease from especially US aid and also some European countries. Therefore, the most recent EU strategic shifts considering less poverty focus and more investments in development work over direct aid are not too present in this data yet. We mainly analyse disbursed ODA. For multilateral imputed values, we rely on the calculations provided by One Data.

The findings are qualified by three methodological limitations. CRS project descriptions can be ambiguous, making it difficult to classify them accurately. Additionally, determining the exact digital component of multi-part projects requires more detailed information. CRS coverage consistently understates the contributions of non-DAC providers, with Taiwan being the most notable example. Since the 2025 data are preliminary and aggregated, the most recent EU strategic shifts—less focus on poverty and more on investment—are not yet reflected in the analysed flows. Therefore, it is the interviews, rather than the data mapping, that provide the forward-looking insight in this analysis.

# 2. The Changing Development Paradigm

## 2.1. A shifting donor landscape and the EU's strategic pivot

International development cooperation is undergoing structural transformation. The most disruptive recent shift has been the withdrawal of the United States from its traditional role as the world's largest bilateral donor: the new administration has cut ODA by approximately USD 5 billion and formally reoriented US foreign assistance toward trade and investment, dismantling the architecture of USAID-led development in the process (CONCORD, 2025). China has moved swiftly to fill part of that space, positioning itself as an alternative development partner through the Belt and Road Initiative and the rhetoric of South-South cooperation – offering large-scale infrastructure investment with no governance conditionalities and an explicit emphasis on sovereignty and non-interference (Åberg & Peltola, 2025; Mboya, 2026). The combination of US withdrawal and Chinese expansion has fundamentally shifted the parameters within which all other donors now operate.

The European Union's response has been to accelerate its own reorientation away from traditional grant-based aid toward a model that more explicitly integrates its strategic and economic interests. The Global Gateway initiative, framed as a 'smart, clean and secure' connectivity strategy, is the institutional centrepiece of this shift (European Parliament, 2025). Rather than positioning itself primarily as a humanitarian or poverty-reduction actor, the EU has adopted a narrative of 'mutually beneficial partnerships,' using ODA to catalyse private investment and anchor geopolitical relationships (OECD, 2025). This approach has attracted significant critical attention. The AidWatch 2025 report finds that only 16 % of Global Gateway projects invest in core development sectors, and approximately 60 % of project benefits flow to European companies (CONCORD, 2025). Karaki et al. (2022) warn that development instruments risk being instrumentalised for geostrategic economic diplomacy at the expense of the Sustainable Development Goals, while the OECD Peer Review (2025) notes that the EU's '360-degree approach' is inconsistently applied and insufficiently transparent.

Digital transformation sits at the heart of this paradigm shift, operating simultaneously as a development priority, a geopolitical battleground, and a governance frontier. The EU's International Digital Strategy attempts to bundle digital diplomacy, trade, cooperation tools, and Global Gateway investments into a single 'EU tech business offer,' though coordination between Global Gateway and Team Europe Initiatives (TEIs) on the ground often produces fragmentation rather than coherence (Teevan, Karaki & Pearson, 2026). Across all the three layers of digital engagement (infrastructure, inclusion, governance), a tension persists between the EU's stated commitment to partner-country ownership and the structural pull toward European commercial and regulatory interests.

## 2.2. Local agency and Southern perspectives

A consistent corrective across the literature is that partner countries are not passive recipients of development cooperation but active strategic agents who deliberately navigate donor competition to maximise leverage and avoid dependency. Åberg and Peltola (2025) show that African governments pragmatically engage multiple donors – including the EU, China, and the United States – to prevent over reliance on any single actor. For example, Kenya draws on China for large-scale infrastructure, on India for technology and soft power, and on the EU for governance frameworks and regulatory capacity, extracting differentiated benefits from each without committing to any single partner's orbit (Mboya, 2026).

The role of local agency also extends into the domain of digital governance. Mabika and Musoni (2026) document Africa's transition from bystander to active participant in global AI governance debates, reflected in the AU-EU Summit commitments of November 2025. Yet this growing assertiveness is constrained by a structural friction: the EU's emphasis on cross-border data flow protection, rooted in GDPR, frequently conflicts with African states' demand for data sovereignty as a tool for economic development and national security. This tension risks reproducing dependency within governance-focused partnerships that nominally aim at empowerment.

## 2.3. Donor competition and the geopolitics of development

The competitive donor landscape is consistently described as a triangular contest between the EU, China, and the United States, increasingly flanked by emerging bilateral actors and multilateral development banks. Global Gateway is often framed by EU institutions as a sustainable alternative to the Belt and Road Initiative (European Parliament, 2025). However, Di Ciommo, Karkare and Veron (2026) caution against a reductive zero-sum reading: China is not simply a rival to be countered but a partner for specific investment types that the EU cannot match in scale or speed.

Within Team Europe, the competitive dynamic also plays out internally. Member State development priorities vary substantially. Classified by mandate rather than by supervising ministry, European development agencies fall into three types. The first is development-primacy, where the stated purpose is poverty reduction and partner-country welfare. This mandate favours the social sectors, rights and inclusion, and it is financed mainly through grants and concessional, largely untied aid directed to low-income and fragile states, usually delivered with NGOs, multilaterals and partner governments. The second is foreign policy-driven, where cooperation is an instrument of diplomacy, security and migration management. Its projects track strategic and neighbourhood priorities more than need, its funding is steered toward countries of political interest; visibility and influence are part of the purpose. The third is economic

cooperation-driven, where development is framed around trade, investment, and mutual benefit. This mandate favours infrastructure, connectivity and private-sector development; it leans on loans, blended finance, guarantees, and investment vehicles rather than grants, it concentrates on middle-income and commercially promising markets, and it draws the donor's own firms and consultants into delivery.

These types were never wholly separate, but under budget pressure and geoeconomic competition, all three are now collapsing into economic cooperation, and the agencies built for the other two mandates are having a hard time adjusting. Case in point, Estonia drives digital-green transition programming in East Africa, Belgium maintains a rights-based approach in fragile states, Denmark embeds 35 % climate spending targets, and Latvia, which only joined the OECD Development Assistance Committee in 2025, emphasises women's digital skills and entrepreneurship (CONCORD, 2025). The AidWatch 2025 report raises further concerns about the growing reclassification of non-concessional private finance and Private Sector Instruments as ODA, distorting aid volumes and introducing commercial priorities into official development accounting. These internal tensions complicate the coherence of the EU's collective development offer while simultaneously creating entry points for smaller, technically specialised partners.

## 2.4. The EU's global partnerships for international development

The EU's partnership architecture has evolved from bilateral programme-based cooperation toward a more complex structure of multilateral, regional, and plurilateral engagements built around shared infrastructure and governance objectives. In Africa, Team Europe Initiatives represent the most institutionalised expression of this approach. Teevan et al. (2022) document TEIs across Kenya, Senegal, Ghana, and South Africa that combine digital infrastructure investment with governance reform, cybersecurity capacity, and skills programming. Yet Teevan, Karaki and Pearson (2026) find that TEIs and Global Gateway frequently compete rather than complement each other on the ground, creating fragmentation that undermines the EU's stated ambition of a coherent, holistic development offer.

In the Indo-Pacific, the EU's partnership architecture is less consolidated but increasingly ambitious. Bentele et al. (n.d.) advocate consolidating co-funded projects with Japan and developing new institutionalised dialogues with South Korea, Australia, and New Zealand. Moreover, they make an explicit case for deepening cooperation with Taiwan, advocating for its inclusion as a Global Gateway observer and for structured collaboration between Taiwanese ICT providers and European development finance institutions by positioning Taiwan as a technically capable partner whose strengths in digital infrastructure complement the EU's governance and financing capacity.

Across both regions, the literature converges on a shared set of policy recommendations for the EU, including deepening political dialogue to ensure genuine partner co-ownership; improving coordination between Global Gateway and Team Europe Initiatives; increasing the speed and flexibility of development finance; and investing in monitoring and evaluation to build credibility as a results-driven actor (Teevan, Karaki & Pearson, 2026; OECD, 2025; Karaki et al., 2022).

# 3. REGIONAL VARIATION IN THE INTERNATIONAL DEVELOPMENT PARADIGM SHIFT

## 3.1. EU ENGAGEMENT: SOUTHEAST ASIA AND THE PACIFIC

### *3.1.1. Regional development cooperation framework*

#### From Asia programming to Indo-Pacific strategy

The EU's development cooperation aid to Asia has traditionally been organised through a Regional Multi-annual Indicative Programme (MIP), complemented by sub-regional and sectoral annual actions plans or addenda. This framework is still in place, with a current 'pan-Asian' Asia–Pacific Regional MIP 2021-2027 , covering vast parts of the world 'from the Middle East to the Pacific Island States' and Central Asia. Before 2021, none of these three groupings were included within Asia programming. The 2014-2020 Asia MIP covered 19 countries in South, Southeast and Northeast Asia. EU aid programming is designed and implemented by the European Commission through its Directorate-General for International Partnership (DG INTPA).

The EU's regional development programming has been directly influenced by the vision and priorities outlined in the April 2021 Council conclusions on an EU strategy for cooperation in the Indo-Pacific, informed by foreign and security policy imperatives as well as economic and connectivity interests. The ensuing strategy defines a similarly wide strategic space, extending 'from the east coast of Africa to the Pacific Island States'.

Later the same year, the EU debuted the NDICI-Global Europe centralised external financing instrument and the Global Gateway, its global offer for infrastructure development and connectivity cooperation. Both are functionally compatible with geographically programmed aid such as the current Asia–Pacific MIP. They have gradually provided additional space and instruments supplementing programmatic EU aid, such as Team Europe Initiatives, Investment Hubs, blended finance facilities, as well as sector-specific coordination mechanisms such as the Digital for Development (D4D) Hub.

#### Regional differentiation under Asia-Pacific programming

As the EU negotiates its next Multiannual Financial Framework (MFF) for 2028–2034, the budget for external actions, including regional programming, is also being determined. Consequently, the proposed Asia–Pacific 2028–2034 Multiannual Indicative Programme (MIP) may differ significantly from the 2021–2027 MIP in terms of priorities and regional focus. The Asia–Pacific 2021-2027 Regional MIP outlines three priority areas with differentiated geographical applications, highlighting the multi-dimensional heterogeneity of the Indo-Pacific space and the EU's global partnerships.

Priority Area 1 – 'Regional integration and cooperation' is to be pursued by sub-region, including, among others, Southeast Asia and the Pacific separately, with attention to the features and challenges of each. In Southeast Asia, the priorities are ASEAN-led integration, sustainable connectivity, policy dialogue, governance, rights, security and resilience. In the Pacific, the MIP builds on the EU-Pacific Green-Blue Alliance to spotlight climate and environmental sustainability, inclusive economic development, human development, peace and security. Pan-Asian implementation is also cited for complementary action. Southeast Asia–Pacific Island states cooperation could be envisaged, e.g. for 'priorities more effectively addressed at continental level'. The MIP makes space for other types of intra-regional cooperation, including in the area of digital and human connectivity, though this potential is not precisely outlined.

Priority Area 2 – 'Pursuing EU interests with key partners' includes 'multi-faceted' engagement with China, Strategic Partnership with India, flexible partnership with Gulf countries, as well as, with Asian High-Income Countries (HICs), the pursuit of 'alliance diplomacy' and the reinforcement of democracy-driven multilateralism. HICs 'refers to countries and territories as well as to other key partners'. The tentative list of Asian HICs as of 2021 included: Japan (G7, G20, ASEM), Korea (G20, ASEM, OECD), Australia (G20, ASEM, OECD), New Zealand (ASEM, OECD), Singapore (ASEAN, ASEM, OECD), Hong Kong/Macao and Taiwan. The EU notes that additions would include countries that would reach high-income status across the multi-year period, and that by income standards, Brunei, Nauru and Palau are eligible in principle.

Priority area 3 – 'Migration, forced displacement and mobility', like Priority 1, applies by sub-region. For Southeast Asia, the EU links this priority to mobility, skills development, decent work, labour rights and stronger EU-ASEAN connectivity. For the Pacific, the focus is on addressing forced displacement indirectly through climate resilience, disaster preparedness, humanitarian response and the protection of women and vulnerable groups.

### Digital cooperation in the Indo-Pacific and the EU's International Digital Strategy

Global Gateway has made 'Digital' a standalone area of partnership and policy driver, rather than a cross-cutting dimension of cooperation. In addition, among seven sectoral priority areas of the EU strategy for cooperation in the Indo-Pacific, two directly address digitalisation: digital governance and partnerships, and connectivity. The digital governance priority is centred around new and future partnerships for technical, policy, and research cooperation on 'infrastructures, digital transformation of business and public services, and skills development, also with a view to facilitating digital trade'. The connectivity priority adds an investment mobilisation dimension, with enabling regulatory conditions needed to attract public and private finance. Global Gateway and Global

Europe NDICI operationalise this approach through Team Europe efforts, bringing together EU and Member State institutions, development finance and assistance, and private-sector participation. The D4D Hub's Asia–Pacific branch provides a Team Europe coordination platform, primarily in Southeast Asia's promising digital economies.

The EU's first International Digital Strategy, adopted in June 2025, adds more explicit economic competitiveness, security and sovereignty layers. The strategy presents three objectives: 1) Expanding international partnerships, not the least by mobilising various forms of EU-Asia digital partnerships, whose implementation is challenged by institutional fragmentation, 2) Deploying the 'EU Tech Business Offer' in priority areas (emerging technologies, digital infrastructure, cybersecurity, digital identity and digital public infrastructure (DPI), online platforms) and 3) Strengthening global digital governance. These elements come to complement the rollout of Global Gateway's projects and investment opportunities through strategic partnerships.

### *3.1.2. Southeast Asia*

## The Philippines

*Country context*

The Philippines is among the world's fastest-growing economies, reducing its poverty rates by half since 2010 and classifying as an upper-middle-income economy as of July 2026. The country's first-ever OECD Economic Survey nevertheless cites challenges ahead in trade and investment, competition, productivity, social protection, demography and climate resilience. The digital transformation is a priority, set to play a key role in tripling per capita income by 2040. Recent evolutions confirm this, such as the lifting of foreign investment restrictions on infrastructure including telecommunications, the launch of national digital skilling programmes, the rise of digital finance and the enactment of the Internet Transactions Act. Nevertheless, the Philippines' digital performance currently lags behind in peer group rankings, faced with intense regional competition.

While digitalisation in the Philippines has advanced across successive administrations, political alternance continues to shape the country's digital policy priorities and international alignment. The Marcos Jr. administration (2022–ongoing) has prioritised connectivity, cybersecurity, and governmental transformation with the 2025 E-Governance Act. It has also reversed the Duterte-era trend of pursuing development partnerships with China including for digitalisation, seeking instead a diversity of global partners in this endeavour, as well as re-establishing its political alignment with the United States. Globally, it finds growing alignment with Japan, the EU and other democratic partners in digital affairs.

### *Regional digital relations*

In Asia–Pacific, the Philippines remains institutionally anchored within ASEAN, concluding negotiations for the ASEAN Digital Economy Framework Agreement (DEFA) during its 2026 Chairmanship, therefore advancing regional connectivity integration. ASEAN cooperation also connects the Philippines to regional cybersecurity capacity building and research initiatives with Singapore. Beyond ASEAN, the Philippines participates in regional commerce and investment as a founding member of the Asia–Pacific Economic Cooperation (APEC) and a signatory of the Regional Comprehensive Economic Partnership (RCEP).

Bilateral digital cooperation with Japan is broad, covering digital infrastructure and connectivity in addition to 5G networks, cybersecurity, IoT, AI and the digital transformation. Japan also plays a key role in the Luzon Economic Corridor (LEC), a trilateral Philippines–US–Japan investment and coordination partnership launched in April 2024 and itself a symbol of the Marcos Jr. presidency's geopolitical pivot. Its digital dimension includes subsea cables, internet access, 5G deployment, AI ecosystems and telecommunications networks, semiconductor supply chains and advanced manufacturing. The LEC illustrates the Philippines' move to favouring technology cooperation and 'trusted architectures' with US-aligned partners. Korea is another such partner with which the Philippines is digitalising: 5G, cybersecurity, AI, robotics, digital technology and overall digital transformation find their place in the 2024 Korea-Philippines Strategic Partnership. The Philippines-Korea Economic Innovation Partnership Programme focuses on satellites, e-governance and data centres.

Enhanced by geographical proximity, Philippines–Taiwan technological and industrial relations are significant though unofficial, driven by a protected investment ecosystem and business links. The 9th Taiwan-Philippines Industrial Collaboration Summit in 2025 promoted sustainable manufacturing and supply chain collaboration, technology exchange and the industrial application of AI technologies. The Philippines, Taiwan, Australia, Japan, Korea, the US and others participate in the Global Cooperation Arrangement for Privacy Enforcement (CAPE), with implications for digital trade and governance.

### *The EU and beyond: Digital development cooperation*

The EU labels its ongoing digital cooperation with the Philippines as a single flagship project, 'Digital Transformation and Connectivity in the Philippines', encompassing the EU Copernicus Earth Observation programme (CopPhil) and the EU-PH Digital Economy Package. Launched in 2023 with an initial investment of EUR 10 million, CopPhil is primarily a hard infrastructure initiative, coupled with digital inclusion and a climate-

environmental focus. Implemented by the European Space Agency (ESA), the Philippine Space Agency (PhilSA) and Department of Science and Technology (DOST), it includes a data centre, IT infrastructure, Earth Observation (EO) pilot services for climate adaptation, and multi-stakeholder knowledge and skills transfer. An early success of the 2021 Global Gateway Strategy, CopPhil is now following a regionalisation process as a blueprint for the EU's EO cooperation in Southeast Asia – and possibly in the Pacific in the coming years.

The EU-PH Digital Economy Package, signed in 2025, aims to make the Philippines a regional hub for digital connectivity, including through the regional expansion of CopPhil and its inclusion of AI for digital governance. Other included initiatives target better bandwidth connectivity, 5G regulatory support, cybersecurity and satellite data access. The EUR 22.6 million package is funded by the European Commission (EUR 20 million), Finland (EUR 2 million) and France (EUR 600 000) – making it a Team Europe endeavour. The Digital for Development (D4D) Hub's Asia–Pacific chapter has become the primary hub to mobilise Team Europe and its private sector around structured digital dialogue and projects with the Philippines.

Major non-EU digital development finance in the Philippines comes from the World Bank, with two Digital Transformation Development Policy Financing (DPF) loans, the first co-financed with the Asian Infrastructure Investment Bank (AIIB). The second is aimed at improving government digitalisation, digital infrastructure policies, digital financial inclusion and the business environment for digital services. The World Bank is also investing in fibre optic and connectivity for public services via the Philippines Digital Infrastructure Project. Aspects of digital governance in finance and taxation can be found in multiple loan programmes of the Asian Development Bank (ADB).

### *ODA and donor landscape*

The Philippines Department of Economy, Planning and Development's (DEPDev) ODA Portfolio Review Report 2024 finds an increase in portfolio value, a diversification of bilateral funding sources across sectors, and the emergence of fewer but larger-scale initiatives. Government-to-donor coordination gaps remain, though partners are increasingly aligned with national development frameworks, and programme loans are closely linked to policy and institutional reforms in digitalisation, health, public finance, and climate action. However, the delivery of ODA resources is constrained by delays in disbursement, capacity challenges, and insufficient inter-agency coordination.

The ODA donor landscape is highly concentrated, with practical sectoral specialisations. The country's top three development partners are Japan (storage and transport including railways), ADB (government, civil society, banking and health support), and the World Bank (government and civil society) – all having increased their support post-pandemic.

Based on 2023 data, the spending ranking continues as follows: AIIB, the US, France, South Korea. For 2024, DEPDev cited the China EXIM Bank, the EU, the UN, Australia, International Fund for Agricultural Development (IFAD), France, Germany; plus grant support from Czechia, the Netherlands, the UK, Spain and India.

DEPDev notes that support to governance, education, disaster response and climate action comes primarily from the EU and Member States, the UN, Australia and certain bilateral Asian donors. Digitalisation is emerging within bilateral multi-year programming, for example in the 2024–2029 Australia-Philippines Development Partnership Plan which targets digitalisation, the urban-rural digital divide and cybersecurity. Coordination among donors remains centred around multilateral facilities, with growing space for geopolitical alignment – as illustrated by a recommendation for the UK, a marginal donor to the country, to pursue opportunities 'with like-minded partners, such as the G7 and Australia'.

The private sector's contribution to development financing and cooperation has grown, namely through public–private partnerships (PPP) and innovation though, like civil society, business falls mostly outside of the government's ODA definition. Donor contributions channelled through non-governmental organisations (NGOs), while highly relevant to community delivery and trust, are therefore largely underestimated. Civil society remains unevenly integrated into ODA governance with recent, debated progress on transparency.

## Vietnam

### *Country context*

Vietnam has known high economic growth over the past decades, outperforming Malaysia, Indonesia and Thailand since the early 2000s. Like the Philippines, Vietnam joined the upper-middle-income ranks in 2026. Its export-led economy, sustained by global technology demand, public investment and consumer spending, faces challenges in productivity, reliance on foreign firms and global trade, macroeconomic governance, social policies and the green transition. In 2024–25, successive government resolutions have identified 'four pillars' to reach high-income level by 2045: 57-NQ/TW on science and technology, innovation and digital transformation, 59-NQ/TW on international integration, 66-NQ/TW on legal and institutional reform and 68-NQ/TW on private sector development.

The country's digital ambitions are high, dubbed a 'golden key' for prosperity by Party General Secretary Tô Lâm, who leads the Central Steering Committee supervising Resolution 57 implementation. The Government Steering Committee coordinates its execution across ministries, sectors and local authorities. Priority areas include AI, big data, robotics, biotechnology and biomedicine, engineered materials, energy, semiconductors, cybersecurity, quantum, unmanned aerial systems and marine

technologies. Digital identity development is driven by the Ministry of Public Security's Project 06. In 2025, the National Assembly passed laws and amendments on digital transformation, digital technology industry, AI, breakthrough technologies and technology transfer.

*Regional digital relations*

Resolution 57 calls for gradual technological autonomy, all while advocating for advanced foreign technology transfer and absorption of global scientific and technological advancements. Vietnam's bamboo diplomacy applies to endeavour, as Hanoi balances diverse partnerships with competing powers, such as the US providing semiconductor supply chain support and 'cheaper' Chinese supply of 5G equipment. Relations with China remain 'a strategic choice and a top priority'. Japan and South Korea provide investments, skills and capabilities, focusing on semiconductors as well as AI, research and innovation, high-tech industries including quantum, and cybersecurity.

Vietnam's regional digital relations also spotlight Singapore, ASEAN and Australia. The ASEAN centrality principle applies to regional digital regulation and integration, with the recent adoption of the Ha Noi Declaration and the ASEAN Digital Masterplan (ADM) 2030. Vietnam's perspective is to encourage ambitious ASEAN-wide digital initiatives that could attract external partner investment and support. Bilateral cooperation with Singapore beyond ASEAN frameworks includes connectivity, data flows and sandboxes, AI and innovation initiatives, with a shared emphasis on security and trust. Australia and Vietnam's initial emphasis on digital governance cooperation is complemented by joint research on 5G/6G and digital transformation through the Australia-Vietnam Strategic Technologies Centre.

As Vietnam begins to position itself as a technology hub, commercial ties with Taiwan may deepen, going from Taiwanese electronics production in Vietnam to higher-value manufacturing (semiconductors, AI hardware). Taiwan has long been one of Vietnam's top sources of foreign direct investment (FDI) through firms including Foxconn, Pegatron or Wistron, possessing the technological skills that Vietnam seeks to develop in its own workforce.

Overall, there are limits to the digital bamboo diplomacy. Vietnam's reliance on China for manufacturing components contributes to lingering trade tensions with the US, while 5G contracts being awarded to Chinese firms risks deterring Western investors. Concerns go beyond great power competition: structural dependence on foreign firms limits strategic autonomy ambitions, especially as the digital domain is considered sovereign and sensitive.

### *The EU and beyond: Digital development cooperation*

EU-Vietnam digital relations were fragmented before 2025. With the Free Trade Agreement in force since 2020, digitalisation was a cross-cutting aspect of e-commerce exchanges. As for development cooperation, programmatic EU ODA for 2021-2027 focused primarily on the green transition, its first priority to support Vietnam in becoming a 'climate-responsive digital circular economy'. Changes to national priorities, the EU's own International Digital Strategy, and upgraded bilateral ties to a Comprehensive Strategic Partnership in January 2026 have propelled digitalisation on top of the cooperation agenda.

Because this trend is recent, major hard tech infrastructure initiatives have not yet been formulated, unlike in energy and transport. However, though there is growing investor interest in semiconductors supply chains and technology transfer. The 2026 EU-Vietnam Global Gateway Business and Investment Forum included discussions on 5G, subsea cables, satellite and space technologies. High private sector engagement in the D4D Hub's Vietnam-based activities (e.g. Germany's Bosch, Finland's Nokia, France's Thales, Sweden's Ericsson), implies that EU Member States and Team Nationals interests drive this process.

The EU has launched sizeable Team Europe projects for digital inclusion, committing EUR 50 million – with contributions from Germany and France – to the VETVET vocational education programme for the green and digital transitions. The European Investment Bank (EIB) operates a EUR 180 million Global Gateway Excelsior Fund II to support the digitalisation of Vietnamese enterprises and their access to capital.

EU-Vietnam digital governance cooperation ranges from alignment on cybersecurity to AI and ethical readiness training programmes under UNESCO mandate, as well as innovation. Finnish and Estonian experts were mobilised through the Technical Assistance and Information Exchange Instrument (TAIEX) to support Vietnamese lawmakers. Despite increased strategic trust between the partners, digital governance brings geopolitical and political discrepancies into focus. These include Vietnam's continued reliance on 'high-risk' Chinese 5G suppliers and limited Vietnamese alignment on GDPR, deemed unattractive for business but grounded in the EU's privacy principles. While both partners officially pursue 'human-centric' digitalisation, fault lines over the EU's open data and human rights-based approach are likely to emerge. This may also stand in the way of closer innovation cooperation, as it has for Singapore's Horizon Europe association negotiations.

### *ODA and donor landscape*

Vietnam's reliance on ODA has declined as its economy has grown, though the country remains eligible for assistance. The Lowy Institute notes that development finance flows represented 3.9 % of the size of Vietnam's economy in 2015, down to only 0.7 % in 2023. Yet the government estimates that for the 2026–30 period, no less than USD 38.2 billion in 'ODA and concessional foreign loans' will be needed for Vietnam's 'innovation-driven' development, in particular for major infrastructure projects and 'high-impact' sectors such as technology and digitalisation. Cited challenges to ODA disbursement include prolonged loan negotiations, capacity constraints, donor-government coordination and complex funding procedures. In addition, traditional donor coordination has decreased with private sector growth, whose contribution is prominent in blended finance schemes. The Vietnam Just Energy Transition Partnership (JETP) is a notable exception. Donors like the EU or Australia still engage and consult Vietnamese civil society, but engagement is constrained by shrinking civic space, and ODA governance remains under 'unified state management'.

Japan is Vietnam's main donor, accounting for one-fifth of development financing since 2015. With concessional loans, Japan contributes to the green transition and rural development, while planning 'new generation' ODA for technology development and intellectual property. The World Bank follows with a project pipeline targeting the public sector, private investment, urban and rural development, climate resilience and transport. ADB plans to commit around USD 4.5 billion to Vietnam by 2029, covering similar sectors plus energy, education, trade and investment. South Korea increased its loan commitments to Vietnam, pledging USD 4 billion (2024–30) for transport, healthcare, climate and energy. Digitalisation features mostly in small ODA grants for IT education, smart cities and public sector support. China is another key development partner investing in infrastructure, increasingly channelled through bilateral technology investment flows. Among European states, Germany is Vietnam's main bilateral partner, pledging closer private sector cooperation and placing among the country's top development financiers along with France, both focusing on the green transition.

## Indonesia

### *Country context*

Indonesia is Southeast Asia's largest economy and an upper-middle-income country, a status it attained in 2023. Growth has remained close to 5 % in recent years, supported by domestic demand, services, investment and exports. To reach high-income status, the World Bank cites needs for stronger productivity, including by improving employment, supply chain efficiency, and managing external and internal fiscal, climate and energy

pressures. In terms of national governance, Indonesia is a unitary presidential republic with directly elected national and subnational figures, with strong executive decentralisation to provinces, cities and regencies. These subnational authorities play an important role in infrastructure and public-service delivery, and therefore digitalisation. Among them, regional disparities persist in socio-economic terms as well as administrative capacity. This also applies to digital adoption, largely led by the region and capital city Jakarta. Moreover, Indonesia's logistics challenges are exacerbated by institutional fragmentation, infrastructure needs and the country's archipelagic geography.

Indonesia's rapidly growing digital economy is also Southeast Asia's largest, valued at USD 100 billion in gross merchandise value by Google's e-Conomy SEA 2025 report. This is driven by market trends in e-commerce, video content-based commerce, digital financial services, digital media and AI adoption. At government level, digital transformation is a priority of the Golden Indonesia 2045 vision. To achieve it, Indonesia estimates it needs '9 million digital talents' by 2030. National digital strategy mobilises six pillars: infrastructure; human resources; business climate and cybersecurity; research, innovation and business development; funding and investment; policy and regulation. Flagship sectoral initiatives target smart retail and unified e-commerce platforms, payments and regulations. As of mid-2026, a national AI roadmap and AI regulations are in development, under the watchful eye of large US technology companies.

*Regional digital relations*

At regional and global level, in foreign policy as in digital affairs, Indonesia continues to apply its 'free and active' doctrine of non-alignment despite diplomatic understaffing and lacking budget. It is committed to its leading role within ASEAN and to protecting its sovereignty in the face of great power competition. Indonesia's combined BRICS membership and path to OECD accession paint the picture of a Global South leader seeking structural and regulatory transformation to attract investment and reach its economic ambitions. Indonesia's population of more than 285 million, the world's fourth largest, represents a large market and source of bargaining power.

China-Indonesia relations are 'an anchor for stability', which China relies on to strengthen its ASEAN tech footprint. Chinese firms are embedded in national telecommunications, cloud, digital platforms and skills. In contrast, Taiwan-Indonesia digital relations are unofficial and business-led, centred on industrial technology and research – with the Taiwan-Indonesia Science and Technology Innovation Center (Ti Stic) – plus talent and digital services cooperation. The US combines infrastructure investment and formal technology cooperation, with the bilateral CHIPS Act partnership on semiconductors, a USD 4.9 billion joint venture framework for high-tech manufacturing, and Microsoft's USD

1.7 billion cloud and AI investment. The 2026 US-Indonesia trade agreement could constrain Indonesia's data ownership, and its ability to favour non-US technology suppliers, challenging Indonesia's pursued freedom of alignment.

Nevertheless, upon ASEAN DEFA's entry into force, Indonesia's digital economy will benefit from 'ASEAN-rules-based' partnerships and mechanisms that are not entirely determined by external powers. Its network of bilateral Asian partners provide complementary ecosystems and capabilities, starting with Singapore with whom Indonesia shares the Nongsa Digital Park tech and talent hub, data centres and innovation projects, and IT-powered special trade zones. Other digital partners include South Korea on AI, ICT, digital government, data and statistics, HPC and semiconductors; Australia on cyber and critical technology; Japan on cybersecurity skills, digital transformation and start-ups.

### *The EU and beyond: Digital development cooperation*

Digitalisation is cross-cutting rather than a standalone priority of programmatic EU cooperation with Indonesia for 2021-27, which mobilised EUR 25 million in bilateral grants, not counting EU-ASEAN initiatives. It nevertheless finds its place within each broader priority: digital innovation is given a role in 1) the EU's external green agenda, 2) good governance requires a strengthened digital civic space and cyber security, and digitalisation is a major enabling sector to enhance 3) trade, investment and connectivity, alongside and in relation to transport, higher education and people-to-people connectivity.

The most visible hard digital infrastructure endeavour is Nusantara-Indonesia, a Global Gateway flagship project for Nusantara's connectivity as the new capital. This EU-Finland initiative includes broadband fixed and 5G infrastructure, 'smart pole' urban infrastructure, data centres and a strong digital governance component. With the EIB's regional representation for Southeast Asia and the Pacific in Jakarta since 2023, infrastructure investment funds inclusive of Indonesia such as PATRIZIA, which covers digital connectivity, are in the pipeline. Another relevant Global Gateway Initiative is SCOPE Digital, which extends Philippines-based Copernicus earth observation services and data to Indonesia for environmental applications, in coordination with the National Research and Innovation Agency (BRIN). This falls under twin transition support with aspects of digital governance and inclusion, rather than hard infrastructure in itself.

EU Member States are investing in Indonesia's digital infrastructure, including through ODA as for EU-German hospital digitalisation support, but also state-backed PPP like the SATRIA project, guaranteed by export-credit agency Bpifrance, co-financed by AIIB, Korean Development Bank (KDB), HSBC and the Spanish Banco Santander – and for which France's Thales Alenia Space supplies a satellite. Member States also take an active role

in developing digital governance and inclusion projects, with Germany in the lead through GIZ's many initiatives, from the FAIR forward – Artificial Intelligence for All to building entrepreneur, tech and digital hub networks, policymaking support, open language data and digital dialogues for closer Germany-Indonesia cooperation.

The negotiated EU-Indonesia Comprehensive Economic Partnership Agreement's (CEPA) digital provisions – aligning and facilitating cross-border data flows, digital identity and trade, opening Indonesian ICT services to full foreign ownership – are likely to advance investment momentum. So are sustained D4D Hub activities such as the May 2026 EU-Indonesia Tech Event, facilitated by EuroCham Indonesia and designed to identify opportunities, facilitate multi-sector partnerships and showcase European technology. The event featured private sector presence from France, Germany, Finland, Sweden, Estonia, Hungary and Italy, with diverse specialisations including cybersecurity, AI, connectivity and digital government tech. As the CEPA is set to protect privacy and personal data on both sides, EU and Indonesia now have a strong basis for digital governance cooperation. Indonesian civil society nevertheless expressed concerns over Indonesia's ability to control the management of national data by European technology companies under the CEPA.

*ODA and donor landscape*

As an upper-middle-income country, Indonesia's development cooperation profile is that of an ODA recipient with increasing control over its development partnerships, while emerging as an ODA donor through Indonesian AID since 2019, and building on a longer track record of South-South and triangular cooperation. As the largest development finance recipient in the region, Indonesia concentrates large, bankable infrastructure and climate initiatives, increasingly relying on non-concessional loans, PPPs and other blended financial instruments, over grant-based social and governance projects.

The Ministry of National Development Planning (Bappenas) exercises strong ownership, providing the strategic planning and financing interface for Indonesia's development pipeline, and coordinating ministries, donors and private sector investors alike. UNDP reports that 96 % of new cooperation projects reflect national priorities. Private sector investment is integrated through the SDG Indonesia One platform, while civil society's role does not benefit from similar institutionalisation. Challenges to aid delivery include fragmented institutional responsibilities, weak project preparation and limited subnational capacity.

The World Bank, ADB and China account for nearly 60 % of official development finance (ODF) flows, which includes non-concessional lending, from 2015 to 2023. The World Bank is Indonesia's largest development partner, currently developing its post-2025 Country Partnership Framework (CPF). The former (2021-25) focused on economic

competitiveness and resilience, infrastructure, human capital and natural resources, with digitalisation as a cross-cutting theme. ADB focuses on similar programmes and similar policy-based lending, while China operates through mostly commercial loans and export credits in energy, industry, mining and transport.

Japan remains the principal traditional bilateral infrastructure partner, especially in transport, urban systems and disaster resilience, with new developments in AI talent and broader digital cooperation to feed into Japan International Cooperation Agency's (JICA) work. Similarly, South Korea's development support is evolving to include e-governance, digital upskilling and smart infrastructure. Other top aid partners occupy more delineated spaces, such as Germany and France's concentrated green transition, energy and finance, biodiversity and sustainable infrastructure support; and Australia's focus on economic governance, institutional capacity, climate resilience and knowledge partnerships. Modest support from TaiwanICDF has traditionally focused on agriculture including technology transfer and humanitarian assistance. Support to reducing the digital divide has been provided at APEC level.

### *3.1.3. Pacific*

#### Palau

*Country context*

Palau is a high-income Pacific island nation in Micronesia, and a constitutional republic in free association with the United States under the Compact of Free Association (COFA) since 1994, whereby the US is responsible for its security, defence and broad economic assistance. Palau records a population of only 17 695 in 2024, governed by a multi-layered institutional system including a directly elected president, a bicameral National Congress, an advisory Council of Chiefs, plus elected governors and lawmakers for each of its 16 states. This makes inter-agency coordination especially relevant, as illustrated by the establishment of an Office of Applied Technology & Strategy (OATS) within the Office of the President in 2026.

Still recovering from the pandemic, the Palauan economy remains dependent on tourism, imports and external grants, and is highly exposed to climate change and other external shocks. Demographic decline, ageing and outward migration facilitated by Palauan citizens' right to indefinite and visa-free mobility to the US under COFA, reduce the available workforce and domestic technical capacity. These conditions lead to 'diseconomies-of-scale' affecting public service delivery. Along with remoteness, this also prevents infrastructure providers from making economies of scale, leading to what the World Bank titles the 'Pacific infrastructure challenge': The infrastructure performance of

Pacific countries is not proportionate to their GDP level. This makes external support across sectors all the more necessary.

### *Regional digital relations*

Despite limitations to Palau's nascent digital economy – with the notable sectoral exceptions of healthcare and education – it will benefit, in the coming months, from unusually advanced digital connectivity infrastructure and technology. This includes redundant submarine cable connectivity and next-generation standalone 4G/5G mobile networks. This is largely due to its regional relations: Palau's close alignment with the US, Japan, Australia and more marginally India. The first three are funding Palau's second fibre optic cable and all QUAD members finance Open Radio Access Network (RAN) technology deployment. Palau's reliance on the US does not equal unconditional acceptance of its infrastructure supplies. It is the only independent Pacific nation not to be serviced by Starlink terminals, due to a moratorium on new telecommunications operators entering the market until 2028, which is intended to protect national investment in the country's submarine-cable infrastructure (Reklai, 2026), protecting national telecom systems and financial stability.

With the US COFA and Palau remaining a steadfast formal diplomatic ally of Taiwan, the country faces elevated pressures that affects its digital affairs beyond its current capacity. President Surangel Whipps attributed a major 2024 government data breach to China, involving approximately 20 000 stolen documents. Cybersecurity concerns are also high regarding the 55th Pacific Islands Forum Leaders Meeting (PIFLM), which is being chaired by Palau. Cybersecurity support will be provided by Australia, as was the case for PIFLM meetings in recent years. Meanwhile, ensuring government cyber resilience with support from trusted partners is the OATS' priority entry point into national digital transformation, after Palau became the ITU's 194th Member State in 2024, the Cybersecurity Act was adopted in 2025, and a National Cybersecurity Strategy 2026–2030 was subsequently adopted with ITU support.

### *The EU and beyond: Digital development cooperation*

EU contributions to Palau's digital development largely fall under wider regional Pacific programmes in governance, trade, climate, marine and fisheries programmes. Beside the Pacific–EU Marine Partnership (PEUMP), most are implemented remotely through UN agencies, the Pacific Community and other multilateral regional bodies. Palau was one of 14 Pacific Island Countries (PICs) convened by the Global Gateway EU-Pacific Business Forum, first held in September 2025 and which included digital infrastructure and digital services sessions. While opportunities may be in the pipeline, there are not many visible specific bilateral initiatives with Palau in the EU's portfolio, either in the digital or in other sectors.

The EU's contribution to digital governance and inclusion is clearer, though still lacking Palau specificity, with EUR 8 million to the Pacific Digital Economy Programme (PDEP), implemented by UNCDF, UNDP and UNCTAD; co-financed by Australia and New Zealand. PDEP promotes inclusive digital economies, supporting rural communities, women, MSMEs and seasonal workers. The EU's financial support to Palau's knowledge for digital transformation, while indirect in its implementation, is proven in contributions to the Digital Economy Report Pacific Edition 2024, the UNDP Vaka Pasifika project's Palau political economy study and regional e-Budget portal. As in Southeast Asia, CopPhil data access and capacity building could be extended to PICs including Palau.

More concretely, participation of Luxembourg agency INCERT in the Japan-funded Palau e-Passport project alongside IOM marks an unexpected direct contribution to Palau's digital development by an EU Member State – an example of the EU Tech Business Offer.

*ODA and donor landscape*

Official development aid to Palau accounted for 12 % of GDP as of 2023, a high aid-to-GDP ratio even by Pacific standards. Despite being the fourth-smallest regional economy, its small population means that Palau is one of the wealthiest Pacific states. As such, its development finance access is increasingly loan-based. Relations between the Palau government and donors are largely bilateral, led by executive and financial authorities. The Palau Development Plan 2023-2026 was developed by the Office of the President and the Ministry of Finance, in coordination with a National Oversight Committee composed of representatives from national and state authorities, NGOs and other stakeholders. Preliminary community and stakeholder consultations were conducted. This highlights Palau's institutional inclination to follow an 'intensive participatory process' for legitimacy.

Palau's development finance partnerships are highly concentrated among four locally-established bilateral donors which also cultivate close partnerships among themselves: Taiwan, Japan, the US and Australia. Like other COFA nations, Palau was shielded from the worst impacts of USAID funding withdrawal – as US COFA funds are approved by the US Department of the Interior. It provides Palau with USD 889 million through 2043 for public services, infrastructure, health, education and debt reduction. Nevertheless, USAID withdrawal indirectly impacts the future availability of Palau's ODA resources to fight climate change or improve social protection. This gap is currently partially filled by commitments from Australia, New Zealand and other partners like the EU.

ADB is the main international development bank working in Palau – with country presence, directly supporting aid coordination, grant use through technical assistance, public-sector reform and debt sustainability, clean energy, climate resilience and private sector development, in cooperation with other partners like Australia and New Zealand.

ADB is likely to support Palau in meeting digital needs in subsectors including e-Government, cybersecurity and cloud architecture.

At the moment, Palau benefits from non-ODA hard tech infrastructure and cybersecurity governance support from Australia, Japan and the US, channelled through the government, the Belau Submarine Cable Corporation (BSCC) and the Palau National Communications Corporation (PNCC). Digital governance support around digital identity is progressing, as with the Japan-funded e-passport project combining legal reform, identity-management capacity and training. Taiwan's large and active technical assistance to Palau is increasingly addressing digitalisation, including through the smart healthcare partnership with the Belau National Hospital and upgraded technology use in the Strengthening Coastal Fisheries Resource Management Project. While well-connected to a community of on-the-ground partners in Palau, ODA coordination with actors with no country presence, like the EU, remains more challenging for Taiwan.

## Fiji

### *Country context*

Fiji is an upper-middle-income archipelagic state of around 933 000 inhabitants located in Melanesia, and the Pacific sub-region's second-largest economy after Papua New Guinea. It is a secular and democratic republic, operating a parliamentary system in which the leader of the party holding a majority becomes prime minister. Cabinet and parliamentary coalitions set national policy priorities, while the Ministry of Finance controls aid coordination and procurement. Fiji's institutions are marked by a recent history of military coups. The country's first constitutional transfer of power under the 2013 constitution was in 2022.

During the pandemic, Fiji's tourism-based economy came to a standstill, causing a decline in GDP. Continued recovery has been driven by tourism, remittances and domestic demand – sustaining moderate growth in agriculture, local food manufacturing and financial services. The Fijian economy is exposed to risks linked to import dependence, exposure to natural disasters and climate change impacts. Fiji is among the Pacific's more digitally advanced and competitive economies, though infrastructure quality, digital literacy and adoption remain uneven across geographical, demographic and income lines.

Fiji has adopted a top-down National Digital Strategy 2025-2030 and a National E-Commerce Strategy 2025-2029, covering digital public services, infrastructure, digital identity, payments, skills and cybersecurity. A national privacy and personal data protection policy was endorsed by the Cabinet in 2025, but dedicated legislation and a data protection authority still need to be established. Fiji reports a 'fiercely competitive' telecom sector favouring accessibility and affordability for users. Key players include

Telecom Fiji, Vodafone, Caribbean group and Huawei partner Digicel – the latter two having launched 5G trials – and the recently-licensed Starlink for satellite internet services.

### *Regional digital relations*

Fiji's foreign policy strategy includes tenets such as putting the 'Pacific family first' and envisioning an 'Ocean of Peace', to preserve Fiji's and Pacific agency despite intense geopolitical competition. As Suva hosts the Pacific Islands Forum (PIF) Secretariat and major regional operations of the Pacific Community (SPC), Fiji has leverage as an important diplomatic hub and implementation base for regional initiatives. Fiji embraces its regional leadership role in other domains, from ocean resources management to sustainable financing. In the digital sector, Fiji's comparatively strong connectivity and telecommunications market, digital trade ambitions and regional hub status make it a testing ground for present and future digital cooperation.

Fiji has close digital relations with Australia, New Zealand and the United States, including a physical connection via the Southern Cross NEXT submarine cable, the country's primary connection to the internet. Australia is a major partner for cybersecurity cooperation, ports and infrastructure services. A 2024 bilateral memorandum covers cyber resilience, international cyber norms and improved digital access. Other digital transformation partners include Japan, India via the Forum for India–Pacific Islands Cooperation (FICCI) and an MoU on digital transformation, and fragmented but growing digital cooperation with South Korea, including through the private sector.

Another major regional partner is China, from which Fiji seeks investment support. Under the Ocean of Peace narrative, Fiji's formal adhesion to the One China policy does not equal automatic strategic alignment with Beijing. While not benefiting from such recognition, Taiwan maintains a representative Taipei Trade Office and a Taiwanese Technical Mission (TTM) in Suva for TaiwanICDF development project implementation. This presence is at times challenged by Chinese pressure on Fijian authorities.

### *The EU and beyond: Digital development cooperation*

EU–Fiji digital development cooperation is more advanced than with most Pacific island states but remains largely regional and programme-based. Fiji nevertheless serves as a privileged hub for EU-supported work on digital connectivity, finance, regulation, inclusion and cybersecurity. It hosted the first Global Gateway EU-Pacific Business Forum in 2025. Forum concept notes highlighted emerging opportunities from Fiji's digital economy, such as the Vitikart e-commerce platform and digital services entrepreneurship. The EU's next MIP for Asia and the Pacific will define whether EU development cooperation in Fiji and the Pacific could take a resolute digital turn.

Concrete cooperation is clearest in digital inclusion and governance, focusing on upgrading financial services. The EU contributes EUR 8 million (2022–25) to the Pacific Digital Economy Programme (PDEP), implemented by UNCDF, UNDP and UNCTAD and supported jointly with Australia and New Zealand. PDEP includes Fiji-specific initiatives like the Fiji Innovation Hub, launched in 2025 with the Reserve Bank of Fiji, UN agencies and private partners. It provides acceleration, mentoring and innovation support to fintech and financial inclusion. This project complements the Digital Financial Services for Resilience EU-OACPS-UNCDF programme, of which Fiji is a recipient and which combines financial technology, regulatory reform, consumer inclusion and support for women, young people and MSMEs.

Pure digital governance support targets trade facilitation and cybersecurity. The EU-UNCTAD IMPACT trade programme produced a blueprint for a 'Fiji National Single Window' connecting government agencies and traders through e-customs procedures. As for cybersecurity, Fiji is a beneficiary of the Council of Europe's (CoE) Cybercrime Programme Office through the joint EU-CoE GLACY-e project, receiving support on cybercrime, electronic evidence and the preparation of its upcoming data protection legislation, in proposed alignment with the EU GDPR and the CoE's Convention 108 treaty on the protection of individuals with regard to automatic processing of personal data.

*ODA and donor landscape*

Fiji's reliance on ODA has been historically low by regional standards, averaging 2.5 % of GNI from 2008 to 2020, before the pandemic shock and related support temporarily raised the ratio to 15 % . Fiji's ODA portfolio includes a fluctuating share of concessional lending projects: 79 % in 2022 to 16 % in 2023. The principal government-donor coordination interface is the Ministry of Finance's International Cooperation Division, which also hosts an Aid Coordinating Committee assessing and endorsing aid-funded projects. Implementation remains affected by limited administrative capacity and staff turnover.

The Lowy Institute's Pacific Aid Map notes the variety of Fiji's bilateral and multilateral donor landscape. The country's largest ODF donors in 2023 were Australia (40 % ), followed by comparatively smaller contributions from New Zealand, ADB, UN agencies and China. Fiji benefits from donor-donor coordination in public finance management (PFM) and infrastructure, but not across all ODA sectors. Since 2018, quarterly PFM meetings bring together Fiji, ADB, the EU, IMF/PFTAC, World Bank, Australia, Japan and New Zealand. Similarly, the Pacific Region Infrastructure Facility (PRIF) has a similar function for infrastructure including telecommunications. PRIF meetings include ADB, Australia, the EU/EIB, JICA, New Zealand, the US and the World Bank. As for the PFM, the PRIF does not include China.

Fiji's government-led ODA system includes multi-stakeholder mobilisation in ODA consultation and delivery, though levels and stakeholder types vary. Consultations with CSOs, businesses and partners have fed into national development reviews. The private sector is integrated through investment reforms and donor-funded business programmes, such as the Australia–IFC Fiji Private Sector Development Partnership. Initiatives like the PRIF include knowledge and research partnerships with academia and think tanks. Donors engage CSOs as community service providers, accountability actors and participants in policy dialogue – a role which the EU would like to strengthen in the region. With the Fiji National Digital Strategy's top-down approach, the role of diverse Fijian and international actors in digital aid and broader cooperation remains to be seen.

### *3.1.4. European digital ODA to the Asia-Pacific: data mapping findings*

## Europe has a marginal (digital) ODA footprint in the Asia-Pacific countries

The Asian Development Bank (ADB) has been the largest donor for digital projects in Indonesia, the Philippines, and Thailand in recent years. For Vietnam and Fiji, Japan has been the main donor, while the United States and Australia have been the largest donors for Timor-Leste and Palau, respectively. South Korea is also one of the top donors in most of the surveyed countries.

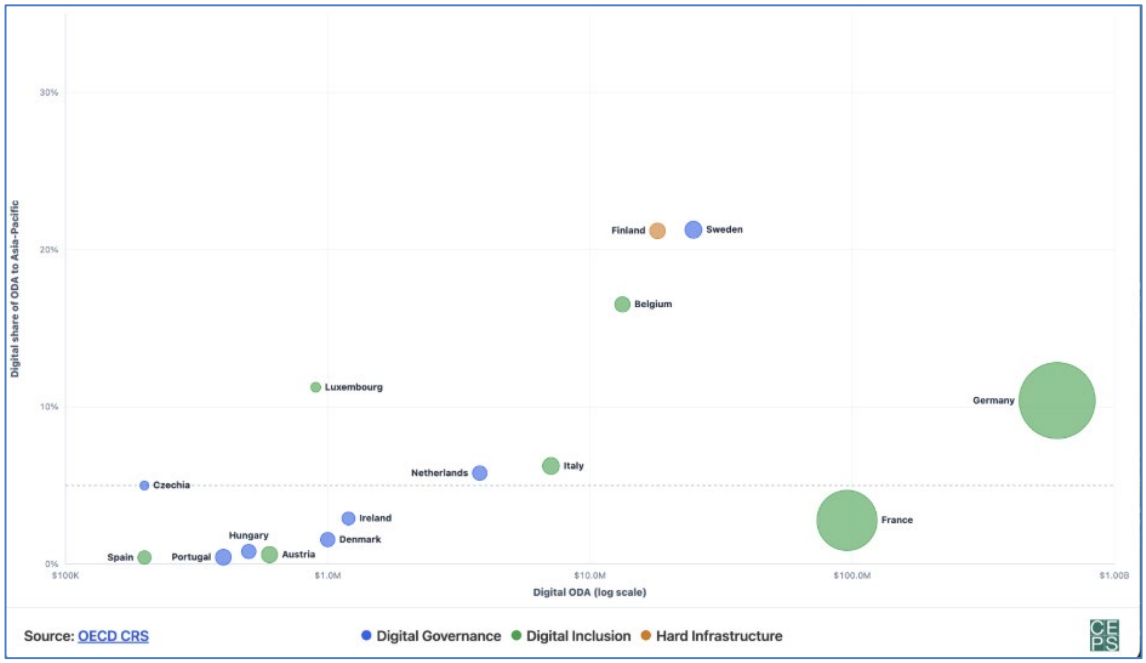
Figure 3. Overview of digital ODA to priority countries in the Asia-Pacific




Among the EU countries France and Germany mostly fund digital inclusion projects to the priority countries in the Asia–Pacific. Germany is by far the largest funder, but France funds more projects (434 against 270) although they are generally smaller (funding USD 95 million compared to USD 600 million for digital projects). France has pledged

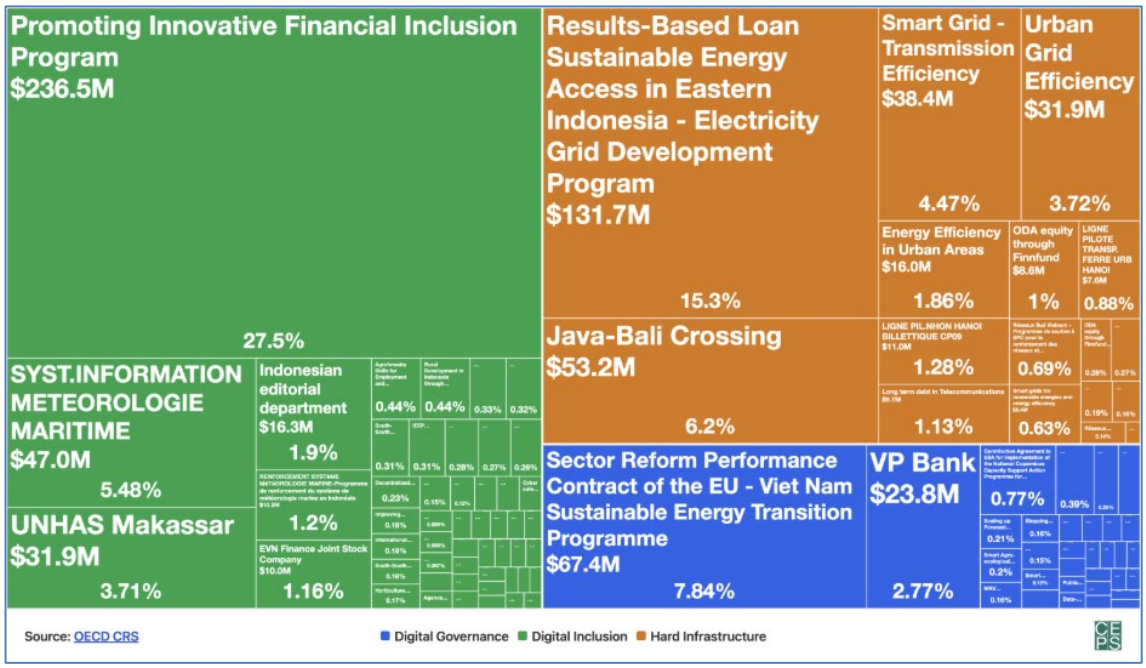
much more ODA than it has disbursed, especially in hard infrastructure projects. Sweden, Finland and Belgium have the highest digital shares of their ODA.

Figure 4. EU donor scatter plot showing the share of digital ODA projects allocated to recipients in the Asia-Pacific




## Disbursed European digital ODA to Asian countries focuses on inclusion and energy infrastructure

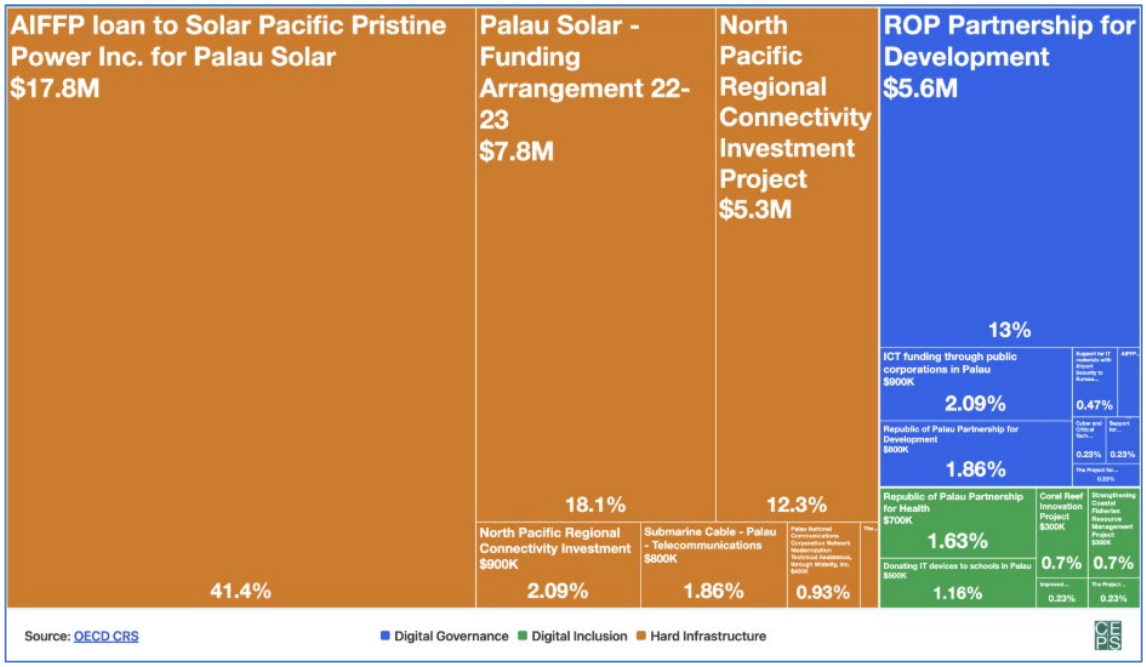
Figure 5. Treemap of digital ODA disbursements to priority countries in the Asia-Pacific



Vietnam and Indonesia, as large countries, receive the majority of aid among the priority countries in the Asia–Pacific region. When focusing on pledged ODA, a similar pattern generally emerges, although significantly more ODA was pledged to digital governance than to inclusion for Timor-Leste and Palau. Sometimes, a single multi-million-dollar project can account for this difference.

### Digital projects in Palau focused on infrastructure and inclusion

Figure 6. Treemap of digital ODA disbursements to Palau




Since 2019, roughly 50 % of EU Member State ODA financing has come through multilateral channels (although we see 37 % multilateral work in the Asia-Pacific).

#### *3.1.5. Comparative analysis of case studies*

### Sub-regional comparative analysis: Southeast Asia

*Donor landscape and EU footprint*

The EU is a growing but secondary digital development actor in donor landscapes still dominated by Asian and multilateral partners. Japan, the World Bank and ADB are central across the three countries. China is particularly significant in Indonesia and Vietnam, while the Philippines has moved towards closer alignment with the US, Japan and other democratic technology partners like the EU. Indonesia and Vietnam's multialignment strategies enables them to be selective among competing offers. The Philippines is relatively more dependent on external development financing, which amounted to 1.64 % of its 2023 GDP, against 0.7 % for both Indonesia and Vietnam.

Relations with the EU vary at country-level, though the D4D Hub provides a centralised regional umbrella for Team Europe mobilisation, with workstreams on digital connectivity, earth observation, AI and digital public infrastructure (DPI). The Philippines benefits from the most consolidated EU flagship projects, combining CopPhil and the digital economy package. Vietnam-EU relations have experienced the fastest political advancement with the Comprehensive Strategic Partnership and booming technology-investment dialogue. Indonesia is courted by many but proactively seeks digital cooperation with the EU, as CEPA finalisation in 2025 closed 9 years of negotiation in favour of a new partnership era.

### *EU internal fragmentation and its causes*

Fragmentation among Team Europe's ambitions and cooperation approaches in the digital sector and the case study countries has been largely limited since 2023 due to the activities of the D4D Hub. This network brings together EU institutions, Member States and their national teams, development agencies, banks, enterprises, and business organisations. Differentiation among Member States is primarily based on their respective technological specialisations and expertise. For example, France specialises in satellite and telecommunications; Germany focuses on sustainable development, skills, and governance; and Finland and Estonia are known for digital government, regulation, innovation, and connectivity. Private sector commercial engagement is even more diverse, with Nordic and French technology companies currently leading the way in investments. Global Gateway initiatives bundling various MS specialisations, such as VETVET or the EU-PH Digital Economy Package, are successful examples of a coherent Team Europe approach.

### *Limits of the three-tier digital typology*

The typology of hard tech infrastructure, digital governance and digital inclusion allows for an analysis of the varied factors that affect each category, including geopolitical inclinations (e.g. Chinese and US big tech's deep roots in Indonesia), national development priorities, state-society dynamics (*e.g.* Vietnam's state-led centralised digitalisation versus Indonesia's decentralised, democratic systems), human resources and administrative capacity affecting the nature of partnerships, investment environment and level of economic development – directly impacting the aid landscape. The three-tier typology may underrepresent digital innovation, industrial policy and supply chain cooperation, though these elements may be found as part of projects that fall under one or more of the categories.

In practice, EU initiatives rarely separate these three dimensions, aiming to provide '360-degree' support to combine infrastructure with a sustainable enabling environment – though there are gaps in practice and accountability. For example, Nusantara-Indonesia combines 5G, data centres, urban systems and governance. Before the Global Gateway

strategy, the EU's hard-infrastructure offer was less visible, its development cooperation more solidly grounded in human development, governance, regulatory and institutional support. The Team Europe Approach, expansion of EIB and use of blended finance have changed this, though the EU's expertise in supporting enabling environments remains a key selling point. CopPhil was and remains an early success of this combined approach, for which the Philippines may have offered a favourable entry point by providing clear sustainable development needs and institutional demand, plus comparatively close political and regulatory alignment with the EU.

### *State capacity and government-as-channel risk*

Government is an indispensable channel in all three cases, but sources of risk differ. Vietnam's centralised system can mobilise ministries and resources quickly, but digital sovereignty, data control and restricted civic participation may create political and rights-related misalignment. Indonesia has strong national ownership of development through Bappenas, but decentralisation produces uneven subnational capacity and institutional fragmentation. The Philippines has capable specialised agencies, but faces recurrent project-readiness, procurement and inter-agency coordination problems.

### *Taiwan's recognition status and operational effects*

In Taiwan's own neighbourhood, formal recognition status alone does not represent the depth of cooperation. While none of the three case studies maintain diplomatic relations with Taiwan, all host reciprocal offices for economic, industrial and research exchange. The Philippines has the most visible combination of economic diplomacy, TaiwanICDF activities and emerging cooperation on ICT, semiconductors, AI and supply chains. Indonesia and Vietnam receive substantial Taiwanese investment that maintains industrial, academic and human resources links that are deliberately business-led and politically discreet. Avenues for collaboration are therefore constrained beyond commercial ties, scholarships, NGO projects and technical exchanges. Nevertheless, the changing ODA and ODF landscape in the three countries – with large financial commitments and simultaneous strategic bilateral support – may offer new opportunities.

### *Civil society as a cooperation channel*

In Vietnam, Indonesia and the Philippines as in the wider world, civil society is less institutionally embedded than across government and business. Chambers of commerce, investors and technology firms are lead stakeholders in digital dialogues, whereas CSOs are often treated as local implementers rather than policy partners. This imbalance is strongest in Vietnam, where frameworks constrain development dialogues with civil society. The Philippines and Indonesia provide greater scope for CSO-based cooperation, particularly on digital inclusion, community trust, rights, accountability and regional disparities.

## Sub-regional comparative analysis: Pacific

### *Donor landscape and EU footprint*

In Palau, the EU remains a secondary and predominantly regional development actor in both countries, though there are opportunities to change this, including in the digital sector and in line with the EU's International Digital Strategy. As opposed to Fiji, where the EU is a more relevant international partner but does not count among its top donors, Palau is more aid-dependent and could benefit from diversified partnerships. Palau remains a peripheral beneficiary of EU regional programmes, as opposed to Fiji's position as a hub for Pacific activities. The EU Delegation to the Pacific and major regional organisations sit in Suva, and the first EU–Pacific Business Forum in 2025 was hosted in Fiji. In EU co-supported multilateral initiatives, Palau is often a potential participant but lacks partnership access, illustrating a balance between inclusion and exclusion in its relations with the EU.

### *EU internal fragmentation and its causes*

European engagement in Pacific development varies due to differences in their presence and motivation across sub-regions. France has the strongest strategic rationale and financial presence due to its Pacific territories. Germany focuses on climate and biodiversity, while Spain and Portugal have a more limited level of regional engagement. Fiji regularly engages in these activities, while Palau experiences European expertise only occasionally and through programmes conducted by other organisations. Expanding the D4D Hub to include Pacific Island countries would create more opportunities for public and private sector engagement within Team Europe. However, this would first require a deeper understanding of sub-regional digital opportunities from Member States. While the 2025 Business Forum discussions may have provided such insights for Fiji, they may not have done so to the same extent for Palau.

### *Limits of the three-tier digital typology*

The three-tier digital typology is useful for highlighting the EU's focus on digital governance and digital inclusion efforts in the Pacific sub-region, especially since PICs like Fiji and Palau face similar challenges in their digital transformation. However, the typology does not consider the specific factors driving these development initiatives or their level of intensity. For example, Fiji's financial services programmes are a response to the country's severe financial crisis caused by the pandemic and its aftermath. The EU has therefore focused on promoting recovery through innovation and improved services. In Palau, disproportionately large investments—relative to its needs and population size – from QUAD countries in telecommunications infrastructure are driven primarily by strategic security concerns and great power competition.

### *State capacity and government-as-channel risk*

State capacity for development delivery varies between Fiji and Palau, with Fiji facing implementation risks and Palau facing absorption risks. Both countries are challenged by chronic understaffing, though Fiji has a larger professional administration. Fiji's uptake of ODA is more recent, and it nurtures a diversified portfolio while relying on Australian support. Donor coordination is fragmented except for certain sectoral dialogues.

Palau has maintained a high aid-to-GDP ratio and receives large US funding through its COFA agreement. ADB in Palau helps the country to channel such funding into a development pipeline, and donor coordination among Palau's concentrated pack of main supporters, all locally represented (Taiwan, Japan, Australia) takes place formally and informally. The Palauan state is gradually developing coordination mechanisms and tools. Strategic policy direction, while decided in Congress, is formulated by the President and his office, with Cabinet support. An example of the Office of the President's proactive role is Palau government's cybersecurity-first approach to digital transformation. It is not the fruit of long-term national development priorities, but an attempt to protect the country in the long-term, while it lacks the homegrown capacity to do so in the short term.

### *Taiwan's recognition status and operational effects*

While both Southeast Asia and the Pacific sub-region are theatres of great power competition, the intensity in the Pacific puts significant pressure on relatively small states to align with one side or the other. Their alignment choices and dependencies may have significant consequences at the national level. Palau's formal recognition of Taiwan has allowed for the establishment of a Taiwanese embassy, a significant resident technical team, extensive government-to-government programmes, and networking opportunities with other international donors on the ground. In 2023, Taiwan was Palau's largest ODA partner. While Fiji's One China policy does not prevent cooperation with Taiwan, it makes such collaboration less politically secure and more restrictive. Taiwan maintains a Taipei Trade Office and the Taiwan Technical Mission (TTM) in Fiji, actively involved in agriculture, aquaculture, and digital health projects; however, official interactions remain sensitive. Fiji publicly reaffirmed its alignment with the One China policy following a senior Fijian diplomat's recent Taiwan visit.

### *Civil society as a cooperation channel*

Fiji's larger CSO, academic and private-sector ecosystem offers scope for policy dialogue, cooperation and innovation partnerships. Palau's NGOs and community organisations possess strong local legitimacy but operate within a smaller human-resource pool, limiting their ability to substitute for government capacity. CSO in both countries may be

valuable partners in digital inclusion initiatives, despite programmes continuing to be delivered mainly through governments, UN agencies and regional bodies.

### *3.1.6. Asia-Pacific regional assessment*

The Asia-Pacific development framework gives the EU a broad strategic space in which to connect traditional ODA objectives with economic, security and connectivity interests. However, it does not serve as a uniform operational category applied to different sub-regions. Southeast Asia combines large and rapidly growing digital economies, strong state ownership and intense competition among external partners. Pacific Island Countries face smaller markets, high infrastructure costs, climate exposure and more acute human-resource constraints. Even within these sub-regions, country-specific factors produce fundamentally different cooperation environments: Indonesia's market power, Vietnam's centralised digital sovereignty, the Philippines' geopolitical alignment, Fiji's regional hub role and Palau's COFA-based security position.

Under Global Gateway, powered by the Team Europe Approach and the International Digital Strategy, the EU's digital development offer to Asia–Pacific has nevertheless expanded. Digitalisation has moved from a cross-cutting element of to a strategic sector with its own cross-cutting enablers. Projects such as CopPhil, Nusantara-Indonesia and Fiji's digital finance programmes demonstrate the value of this 360-degree approach. They also show that hard infrastructure, digital governance and inclusion cannot be analysed separately. Infrastructure requires regulation, maintenance and skilled users, digital services require connectivity and trusted data systems, and inclusion depends factors on innovation, policy and political environments.

Across the case studies, the EU is often a secondary digital development actor in ODF terms. Asian and multilateral partners continue to provide most development finance. The US, China, Japan, Australia and South Korea shape infrastructure and technology ecosystems. The EU's comparative advantage does not lie in matching their financial scale, but by combining investment with regulatory cooperation, institutional support, sustainability, skills and rights-based approaches. This offer is most visible in Southeast Asia, where the D4D Hub, EIB financing and European technology companies can be mobilised around commercially attractive projects. In the Pacific, EU cooperation remains more dependent on regional programmes, multilateral implementers and Fiji-based engagement, leaving smaller Pacific countries like Palau with limited direct partnership access.

Implementation capacity is as important as the availability of finance. Government is the indispensable cooperation channel in all five cases, but strong ownership does not guarantee delivery. Government cooperation risks vary widely from country to country in

Southeast Asia, versus staff turnover in Fiji and absorption constraints in Palau. In contrast, Vietnam, Indonesia and the Philippines can rely on specialised ministries, regulators and investable markets. Pacific cooperation requires greater emphasis on embedded technical personnel and training, maintenance, and locally anchored implementation.

Taiwan's position illustrates the limits of uniform regional assumptions. In Southeast Asia, diplomatic non-recognition does not prevent substantial Taiwanese investment, industrial exchange, research or technical cooperation, although it restricts their political visibility. In the Pacific, recognition produces more direct operational consequences. Palau's diplomatic relationship enables deep and broad development and diplomatic ties, while Fiji's One China commitment narrows cooperation opportunities and creates political sensitivity. EU–Taiwan complementarity may be found through technical exchanges, non-state dialogue and sectoral pilots, particularly in Palau where Taiwan possesses local presence that the EU lacks.

The next Asia–Pacific MIP is likely to retain sub-regional differentiation. It may or may not provide clearer pathways and distinctions between regional initiatives and country-level partnerships. The EU should continue expand successful platforms – like the D4D Hub, and flagship project – like the SCOPE project, connecting Southeast Asian experience with Pacific needs where applicable. It can advance regional development through a combination of concessional financing, European technology and capacity support, and of course by joining forces with Asian HICs like Taiwan.

## 3.2. EU Engagement: West and East Africa

### *3.2.1. The African development cooperation landscape*

Collectively the EU and the Member States are the largest ODA provider in sub-Saharan Africa, as per OECD's data on ODA spending in 2024. The EU Member States and the EU institutions' combined ODA to the region was USD 15.7 billion, which surpasses the ODA provided by other major partners including the US.

Digital transformation is one of the key areas for the EU's engagement in Africa, and it is expected to become increasingly prominent in the future. While it is a comparatively new area of collaboration, emerging more prominently since 2021 under the NDICI Global Europe regulation, it has become increasingly prominent over the years (Teevan et al., 2026).

The EU's international digital strategy, adopted in June 2025, aims to expand the EU's international partnership on digital transition by deepening existing Digital Partnerships and Dialogues, establishing new ones, and fostering collaboration through a new Digital Partnership Network. While much pf the focus is on boosting the EU's competitiveness,

and security interests, the EU also sets a goal to strengthen global digital governance, by promoting a rules-based global digital order. The strategy is global in nature but also includes examples of investments in Africa.

More specifically on AU-EU relations, the Joint Vision for 2030 agreed on at the 6th EU–AU Summit in 2022 also includes important commitments to digital transformation in the continent. Under the Global Gateway Africa – Europe Investment Package, which is the key funding stream to implement the Joint vision, the EU aims to facilitate projects in submarine and terrestrial fibre optic cables, as well as cloud and data infrastructure, while supporting regulatory frameworks that promote a human-centric digital transition and uphold the principles of trusted connectivity, including data protection. In practice, this has materialised in several initiatives and investments from the EU. pillars: digital governance, which supports the development of a secure and integrated digital market through stronger regulatory frameworks, e-governance systems and data protection; digital infrastructure, which expands affordable and trusted connectivity, data infrastructure, and research and education networks across the continent; digital literacy and skills, which promotes digital skills development, cross-border collaboration and regional knowledge networks; and digital entrepreneurship, which strengthens innovation ecosystems, policy frameworks and access to finance for digital start-ups and businesses (EU 2025). As such, this TEI integrates the dimension of digital cooperation into one more systemic approach.

Digital transformation was also featured in the declaration of the 7th AU–Africa summit held in November 2025. The declaration highlights the joint commitment to and recognition of the huge potential of ‘a secure and trusted digital transformation, supported by effective e-governance systems and digital skill development, for creating economic opportunities, boosting sustainable and inclusive economic growth, while stressing the urgency to bridge the digital divide’.

The 4th industrial revolution, characterised by new technologies in AI, robotics in rapid technological development, could bring substantial economic opportunities to Africa (Brookings, 2023). Countries want to take advantage of the opportunities for prosperity that digital transformation can offer, as exemplified by the plethora of strategic approaches to digital transformation created at the national and regional levels in recent years, as well as new agencies and ministries dedicated to guiding digital transformation.

Several examples exist across the continent: Many leading African countries have made progress in digital transformation for years and more recently detailed specific AI strategies. For instance, Ghana, South Africa, Kenya, Nigeria and Rwanda have launched AI strategies since 2023 (van der Meer et al., 2025). But beyond the front runners, like Kenya and South Africa, other African countries are also catching up. In 2025, the

Government of Mozambique, one of the poorest countries in the world if GDP per capita is considered, established the Ministry of Communication and Digital Transformation (MCTD) to strengthen cybersecurity, enhance digital infrastructure, and coordinate strategic initiatives. In addition, in 2026, the country established the Digital Transformation and Innovation Agency (ATDI), that is tasked to improve the integration of digital public governance in Mozambique (Club of Mozambique). The Mozambican Government is preparing a National digital transformation strategy, but this has not been launched yet (see ITU).

Despite ambitions, however, implementation gaps are a reality in many countries. These are often linked to lack of resources and capacities. In several countries, such as Mozambique, the key barriers include lack of electricity in remote areas, which is necessary for connectivity. Widespread poverty also limits the economic incentives for the private sector for digital infrastructure investments as the population may lack access to digital devices and cannot afford subscriptions.

Supporting digital transition in partner countries in Africa can be valuable for the EU in both economic and geopolitical terms. It can help to create business opportunities for European companies, and give them access. For instance, Nokia, a Finnish company, is working actively in Mozambique, acting as a network supplier to Vodacom, and is considering scaling up its presence in other sectors linked to digital transformation (interview, May 2026). Creating opportunities for the private sector is increasingly becoming a goal of the EU's Global Gateway. Over the years, Global Gateway has moved from the EU's infrastructure and connectivity-focused response to China's BRI, towards serving the European geostrategic interests more strongly. While the Global Gateway has focused on mobilising private finance from the beginning, it has increasingly evolved from a development cooperation centred initiative to a vehicle that is meant to deliver the EU's economic and geopolitical interests (Bilal, 2025).

In practice, the strategic ambitions have translated to several regional initiatives and investments on digital infrastructure, support to regulatory processes and inclusivity in Africa. One of the earlier and most notable initiatives is the Digital for Development Hub, which was launched in 2020. It involves 16 EU Member States, and it has allowed them to coordinate and to develop the Team Europe Approach to digital transition at Headquarters level, playing a role in the development of Team Europe Initiatives, bringing together different Member States alongside the European Commission. The D4D Hub has also grown from a regional initiative in Africa, to a global one, facilitating the coordination of digital cooperation and acting as forum for discussing the bilateral investment and digital governance agenda. The hub has many focus areas, stemming from infrastructure and connectivity, regulatory support and digital inclusion (D4D Hub, n.d.).

While the Team Europe Approach is useful and often appreciated by several Member States for bringing them together in a more coordinated manner, there are some often-cited issues in terms of the trade-off between joint visibility, impact, alignment and coordination on the one hand and perceptions of cumbersome and complex coordination processes on the other (see e.g. Jones & Sergejeff, 2022). Indeed, Member States, particularly smaller ones, may lack capacity to engage actively in TEIs and take the initiative on coordination. This is particularly true for Member States that only have a limited presence in the country (OECD, 2025).

Team Europe Approach may facilitate alignment with the EU Member States, yet, the interests of Member States may only align to a certain extent. For instance, as regards cooperation with private sector actors, Member States may prefer to boost opportunities for the private sector of their own country first. Member States continue to favour bilateral cooperation in areas such as economic diplomacy and infrastructure financing, prioritising national interests and actors over collective EU action. This can result in trade, investment, and migration considerations taking precedence over coherent and coordinated EU engagement (OECD, 2025).

The concept of 'Team Nationals,' which refers to the collaboration between governments, development agencies, development banks, the private sector, and other actors from a donor country, can help facilitate private sector involvement in international cooperation. This approach can play a crucial role in aligning the private sector with the goals of the Global Gateway initiative. However, it also raises questions about how to manage competition among companies participating in the initiative.

Regarding regional cooperation, it is also important to note that different EU Member States prioritise different countries in the region, often due to historical colonial ties. In our case study countries, Germany was the leading European bilateral donor in much of East Africa, while France had the strongest presence among European actors in Côte d'Ivoire and Nigeria. That said, smaller Member States, although not present in every country, maintain a presence in key strategic locations. For instance, Estonia is actively involved in Kenya's digital sector.

Another regional trend observed in this study is a movement from in-country presence towards centralised regional hubs. For instance, the EU institutions are downsizing in Eswatini, and moving the programming and management of development cooperation projects to the EU delegation in South Africa. Similarly, Finland and Sweden have phased out their country programmes in several African countries in recent years (Sida, 2025; Ministry for Foreign Affairs of Finland, n.d.). This development is driven by budget cuts to development cooperation and administration, but shrinking funding may only be a partial explanation. Beyond funding issues, the withdrawal from broader country-level presence

underpins the political drive to focus on countries and regions that are considered to be delivering strategic benefits to Europe at this moment, be it in competitiveness, or in other geostrategic considerations.

With shrinking aid budgets and the increasing politicisation of development cooperation, it may not be realistic to expect particularly small countries to maintain the same level of country presence as in the past. However, the downsides should not be overlooked. Phasing out cooperation and reducing in-country presence may lead to a loss of local knowledge and networks in smaller countries. A lack of deep and nuanced understanding of the country can create challenges for international cooperation and may cause European countries to miss early signs of important developments or emerging priorities. In the case of Eswatini, the ambassador will stay in Mbabane with a small team, while the programming will be managed from Pretoria. Relocating the programming outside the country increases the risks of fragmentation and disrupts information flows, as well as complicating the consultation process with local stakeholders.

The landscape of digital development in Africa includes both challenges and opportunities. On one hand, both African leaders and their European counterparts are showing growing interest in collaborating to promote digital transformation in Africa. Several initiatives have been launched by European stakeholders. At the same time, there are still gaps in implementation and funding. This section has also argued that European actors operate in the African digital development space driven by their own motivations and incentives, which are often connected to geopolitical and geoeconomic considerations. The following sections provide a more detailed analysis of our five case study countries: Kenya, Côte d'Ivoire, Nigeria, Eswatini, and Uganda.

### *3.2.2. South and East Africa*

## Eswatini

### *Country context*

Eswatini is a small, landlocked country in Southern Africa, with a population of approximately 1.27 million. Despite progress made in the last years, it suffers from several challenges, including widespread poverty, and weaknesses in its education and health systems. Poverty rates remain high, at 59 %, while 25 % of the population experiences acute food insecurity (United Nations in Eswatini, 2025; UN, 2020). The country also faces high levels of unemployment. According to the World Bank the unemployment rate in 2025, was 34.2 % of the total labour force. Youth unemployment is a key issue: in 2023, 54 % of Swati youth were unemployed (World Bank 2026).

Eswatini faces challenges in several sectors. One of the major development challenges is in the health sector. In 2024, Eswatini had the highest HIV rate among adults aged 15–49 in the whole world with 23.4 % of the population being HIV positive (World Bank, 2025). Eswatini is also highly vulnerable to climate change, and challenges linked to it such as declining rainfall, increased water scarcity, soil degradation, lower crop yields, and livestock losses (Mbatu et al., 2025).

Like many other African countries, Eswatini has experienced significant technological advancements in the past 20 years. In our interviews with some digital industry lawyers and government officials we discovered that approximately 96 % of the population has access to 4G and LTE network coverage and an internet penetration rate of 57.6 %. Despite relatively high levels of network coverage, Eswatini continues to face important challenges in its digital transition. Access to and use of digital technologies remain uneven, with a significant number of people still unable to afford data and devices that can access the internet. Gaps also exist in both digital infrastructure and digital skills especially in the mountainous regions as they require significant funding to develop infrastructure. According to the UNDP Digital Readiness Assessment, older people, rural populations and persons with disabilities face the highest risk of digital exclusion, while other vulnerable groups include NEETs, children, migrants, women, veterans and minority groups. At the same time, digital transformation represents a key development opportunity for the country. The National Development Plan 2023-28, prioritises connectivity, digital infrastructure, digital services, innovation and the broader digital transformation of the economy. These priorities are further operationalised through the Government Programme of Action (2024/25–2028/29), which includes investments in school computer laboratories and ICT education, the digitalisation of government services, nationwide fibre optic deployment, smart city initiatives, and the integration of ICT into agricultural practices. These efforts are complemented by dedicated strategies such as the Eswatini Digitisation Strategy (2024–2028), the National Fintech Strategy (2025–2030), and the Government in Your Hand (GYH) initiative aimed at expanding access to public services through digital platforms. In one of our interviews, we learnt that downloads for the GYH were currently at 10 000, which is very low. This low uptake has been attributed to low digital skills and general mistrust of digital services deployed by the government. Some other challenges these initiatives experience include government's low capacity to provide cybersecurity and data protection which could improve public trust.

Eswatini is a member of some key regional bodies including the South African Customs Union (SACU) and SADC. Beyond those, Eswatini signed a Digital Cooperation Pact with South Africa aiming at boosting cooperation in regulatory harmonisation, cross-border broadband expansion and other topics. This Declaration of Intent aims at aligning efforts

to support key pillars of the digital economy. While it does not have regulatory power, it does signal efforts for joint cooperation. In the case of Mozambique, the collaboration focuses more on electricity and natural resources.

*The EU and beyond: Digital development cooperation*

### Eswatini is not a priority country for European actors

Due to its size and other contextual factors, Eswatini is not usually seen as a key priority country for international actors and bilateral donors. The broad ODA flows to the country have remained relatively modest. Whereas countries like Ethiopia, Kenya and Mozambique, were major recipients of ODA with sums ranging from USD 3 to 8 billion, total ODA disbursements to Eswatini were USD 116 million in 2024.

The relationship between EU and Eswatini is well established, but not very close. The EU has been a partner to the country since 1977, and in 2024 the EU institutions were the third largest donor to Eswatini after the US and the Global Fund, having disbursed roughly USD 6.7 million in ODA. The EU's MIP focuses on Human Development and Social Inclusion, particularly on strengthening technical and vocational training (TVET) system in the country. The Action Document for Skills for Youth Employability, Entrepreneurship and Empowerment Programme in Eswatini (S4YEEE) focuses on education and TVET system strengthening. Digital transformation and skills are part of the scope. In addition, the EU is also supporting agricultural value chains in Eswatini.

While the EU has a presence in the country, most of the Member States do not. The very limited development cooperation activities in the country are managed by the embassies in either Maputo or Pretoria. Priorities include TVET, renewable energy, health and education. Much of the cooperation is also implemented by CSOs based in the donor countries. Some examples of the activities funded by EU Member States include:

- Activities are carried out under the Team Europe Initiative, Regional Teachers Initiative Africa (RTIA), which is co-led by Finland, France, and Belgium. The Initiative aims to tackle the critical shortage of qualified teachers in Sub-Saharan Africa.
- The initiative aims to address the critical shortage of qualified teachers in Sub-Saharan Africa. While these scholarships are not tied to specific sectors like digital transition, the areas of study often focus on business, marketing, and climate sustainability.
- Italy has in the past supported the energy industry in the country. Since 2017, Italy's Ministry of Environment and Energy Transition has been active in Eswatini through a bilateral agreement, primarily implementing projects through the

UNDP. An MOU was signed in 2025, to continue and deepen the collaboration in environmental sector.

- France's activities in Eswatini are primarily centred on language and culture, managed through a focal point at the Alliance Française. This institution provides French language training and hosts cultural events, such as screenings for the European film festival and performances by young musicians. In the education sector, France supports the Ministry of Education by implementing a 'train the trainers' programme for French teachers in high schools.

- Several European CSOs are also present and carrying out programmes in the country, including the Finnish Red Cross, Digni (Norway), and Cospe (Italy).

- Germany through their development agency – GIZ – has a few projects in Eswatini. These are implemented as regional projects as Eswatini is not a partner country for Germany. One such project is the Harmonised and Inclusive Digital and Data Policies in Africa where the government of Germany in partnership with AU ISD and DataCipation will assist African governments and regional economic communities in creating and implementing an appropriate and harmonised framework for digital and data policy.

Overall, the development cooperation carried out by EU Member States in Eswatini appears to rely primarily on individual projects and some regional initiatives, but lacks a systemic and strategic approach. This is not surprising given the relatively low political motivation for systematic engagement in the country, as evidenced by the absence of country-level engagement strategies.

It is also noteworthy that the EU Member States have very limited involvement in the digital sector in Eswatini. While this is a key priority of the government, the European donors focus largely on basic services such as health, education, and TVET, as well as environmental protection and energy. This potentially indicates a mismatch between the government priorities and development cooperation activities. The misalignment may in part result from the government of Eswatini not taking an active role in engaging partners on the development needs of the country. On the other hand, development partners have their own priorities and strategic considerations and areas where they consider they can add value. Furthermore, with limited budgets, carrying out large-scale initiatives in the digital sector may not be feasible.

From the perspective of the EU Member States, the EU is a significant actor in Eswatini, and also their presence in the country is valued, as most Member States themselves do not have resident staff in Eswatini. In that sense, the interviewees pointed out that the EU serves as a key donor and a central hub for diplomatic and developmental coordination

among European actors. That said, the interviewees indicate that while the EU's programming priorities are aligned with the country's National Development Plan (NDP) the EU delegation could better respond to local priorities.

However, The EU is currently scaling back its local presence in Eswatini. The ambassador will continue in the country, but the programming and project management will be carried out from Pretoria. While this does not automatically mean funding cuts to EU's cooperation portfolio in the next programming period (2028–2034), it does signal that Eswatini is a low priority for the EU. It also f highlights the EU's increasing focus on 'strategic partnerships' and serving mutual interests, rather than focusing on traditional development cooperation.

*Eswatini is one of the key partners to Taiwan*

Taiwan's engagement with government and the private sector in Eswatini:

As the only diplomatic partner of Taiwan in Africa, the ICDF and the Taiwanese mission has implemented several projects which are mostly facilitated through the different relevant government agencies. Taiwan through their diplomatic mission and the ICDF have implemented projects with ministries such as Health, Education, Industry, Agriculture and ICT. Most projects are implemented through the different relevant departments within the ministries. However, in our interviews we found that in some cases, there are internal clashes on which departments are more appropriate as many share similar mandates. The issue of mandate is one that the government of Eswatini should structurally address. The private sector in Eswatini also plays an active role in development cooperation, implemented privately or through their association called Business Eswatini. Most businesses prefer the development aid model, with projects implemented usually in collaboration with CSOs and local NGOs. Some businesses have partnered with national development agencies to implement programmes within areas of similar interest.

Taiwan is one of the leading development cooperation partners in Eswatini, through the diplomatic mission and their development agency ICDF. They are one of the leading partners in agricultural development. Some of their projects include the aquaculture research and project centre in Malkerns where they breed different types of fish including tilapia, catfish and crayfish for sale and research. The facility has been developed to even produce fish feed using locally sourced river weeds. Their agricultural footprint also extends to farming where they grow strawberries, guavas, dragon fruit, and bananas. Through the ICDF they have also implemented livestock projects such as pig farming and in partnership with the EU started a goat industry enhancement project where they will establish a goat breeding centre.

Taiwan has also extended their influence in the health sector, bringing in their technologies and expertise to help strengthen the health systems in Eswatini. Notably, they built a new hospital block for the Mbabane Government hospital, the biggest and only referral hospital in the country. In the new building, they have assisted in designing streamlined processes that ensure that patient care is fast and efficient. They have also provided equipment and training to different health specialist in hospitals and clinics across the country. Through their diplomatic mission, they occasionally conduct medical outreach programmes where they conduct free consultations, ultrasound screenings, cancer checks and medication in remote parts of the country.

To address the high unemployment rate, Taiwan has implemented TVET programmes. In collaboration with the Directorate of Industrial and Vocational Training (DIVT), the Taiwan Mission has strengthened the technical and vocational education and training (TVET) sector. Their work includes upgrading the curricula of different training institution, increasing the capacity of lecturers, establishing management systems for workshops and laboratories, establishing a training quality assurance system, establishing continuing education centres and strengthening the career guidance system.

Some other development projects include providing scholarships for university students and training programmes. The ICDF partners with different Taiwanese universities to provide fully funded scholarships for both undergraduate and graduate programmes for students in Eswatini. Students are provided with stipends on top of the covered tuition. Taiwan also targets key decision-makers in government and critical civil servants for different exchange and training programmes in Taiwan.

During our interviews we also learnt of more projects in the pipeline which include the establishment of an industrial innovation park. Both governments are supportive of the initiative, with the government of Eswatini providing incentives for businesses that will set up there and land which will be parcelled out then developed in three different phases (phase 1 is 45 hectares, phase 2 is 150 hectares and phase 3 is to be determined). Taiwan will donate most of the materials that will be used to develop the park. Many businesses have shown keen interest in operating in the park, and one textile company has already begun to establish itself there. Yet, long bureaucratic process of land transfer and the lack of adequate supply chains to support some businesses that want to setup has hindered this initiative.

### *ODA and donor landscape*

Formally the cooperation between donors is organised in a coordination group that is chaired by the EU and the UN. In the development partners platform the partners meet regularly, and some thematic groups are under establishment. While the interviewees

from EU Member States pointed out that there are ongoing informal discussions, true "coordination" is difficult because most donors have only few, quite sporadic activities in Eswatini or are focused on very different sectors. Therefore, for coordination to be effective, there needs to be enough understanding of what each actor does in the country, and where potential synergies could be.

Coordination with Taiwan was considered nearly nonexistent, and when discussions took place, they were entirely informal and technical due to (geo)political considerations. Furthermore, the interviewed EU Member States pointed out that they have very limited knowledge of Taiwan's priorities and activities in Eswatini, which would make exploring synergies more challenging. Generally, interviewees estimated, that Taiwan does have a significant role in Eswatini, but they were not aware of what that cooperation entails. In the diplomatic and political level, the interviewees pointed out that One China policy and lack of formal recognition is barrier to collaboration. However, on more technical level, some examples of cooperation were found. For instance, GIZ and Taiwanese collaborated in Eswatini in the context of a TVET workshop. This was a training workshop for TVET teachers from different colleges in Eswatini under the Skills for Youth Employability, Entrepreneurship and Empowerment (S4YEEE) Programme. The EU and ICDF have also collaborated in agricultural sector in Eswatini. In project that was financed by Norway, the Norwegian CSO Pentecost missionaries (Pinsebevelgesen) collaborated with Taiwan in Eswatini in the context of solar power and renewable energy training project.

## Kenya

### *Country context*

Kenya is a coastal country in East Africa, with a population estimated to be around 56 million (World Bank n.d). It is a lower-middle-income country, often dubbed as a front runner of the digital economy in the East Africa. The country is also experiencing solid economic growth, estimated to continue at around 4.75 % in 2026. Despite promising signs of steady growth, Kenya is still facing some major development challenges. Poverty is widespread: in 2022, 45.48 % of the population lived on less than USD 3.00 per day. In addition, there are high inequalities and other societal challenges. The country is vulnerable to climate change, leading to unpredictable weather patterns, including drought and flooding which contribute to the humanitarian crisis in the country.

In the digital sector, however, Kenya is considered a front runner in the region. Kenya has established itself as a leading digital hub in both the region, and, increasingly, on the international stage. The country has attracted major global technology firms and fostered a dynamic ecosystem of start-ups and international digital partnerships. Reflecting this growth, foreign capital inflows into the technology sector increased by 71 % in 2024,

becoming the largest sector in Kenya receiving foreign direct investment (FDI) (Teevan et al., 2026). While gaps remain in terms of access to digital services particularly for people living in poverty, in rural areas and for vulnerable groups, Kenya is a growing digital player, with a vibrant tech start-up ecosystem that the government actively nurtures. For instance, Kenya has launched a digital nomad visa, to attract talent into the country.

The Government of Kenya has also made digital transformation one of its key strategic priorities. The Kenya Vision 2030 already emphasised the ICT sector, the National Digital Master Plan (2022-2032) now presents even more concrete ambitions. The Master plan is built on 5 key pillars; infrastructure, digital skills, digital products and data, enterprises and innovation and regulatory aspects. Furthermore, Kenya's national AI strategy, launched in 2025, sets a vision of becoming 'a regional leader in AI R&D, innovation and commercialisation for inclusive socio-economic development.' In 2023, the government also launched a Digital Superhighway project, which aims to increase the fibre networks across the country, reduce the cost of internet and expand e-government services in areas like healthcare and agriculture.

Beyond making digital transformation a central domestic priority, Kenya has also intensified its engagement in regional and multilateral digital initiatives. Through active digital diplomacy, the country has strengthened both its regional influence and its international profile. Kenya is positioning itself not only as a regional leader but also as a major continental digital actor). Analysts have also shown that it is asserting itself as a key player in AI safety: it was the only African member in the establishment of the International Network of AI Safety Institutes, and it co-convened a ministerial side event during the 2023 United Nations General Assembly, focusing on AI's potential to accelerate the SDGs (Thigo, 2025).

### *The EU and beyond: Digital development cooperation*

Due to Kenya's prominent role as a regional hub for technology and the digital economy, as well as its position as a regional power player, it is also an interesting partner to several international actors.

### *The EU is investing heavily in the digital sector in Kenya*

In recent years, the digital sector has been a key priority for the EU in Kenya, even to the extent that analysts view it as somewhat of a 'test case' for Team Europe's ability to reach digital leaders in LMICs (see Teevan et al., 2026). For the EU, the MIP – the most important single country-level programming document – human-centred digitalisation is also a cross-cutting priority across the thematic areas. The MIP includes potential activities in digital skills and training, last-mile digital connectivity, and development of digital services to promote open government. In 2021, the EU and Member States also created a specific

Team Europe Initiative on human centric digitalisation in Kenya (with a total budget of over EUR 120 million, according to the action document) and a couple of years later, the EU launched a Digital Economy Package for Kenya under Global Gateway and as a part of the TEI. Under the TEI, the EU aims to reduce connectivity gaps by investing in infrastructure in underserved areas in Kenya, invest in capacity building by Kenyan businesses to export digital services to Europe and by skilling Kenya's young IT talent for global digital jobs, as well as strengthen digital governance.

In 2023, as one of the first African partners, Kenya and the EU signed an Economic Partnership Agreement (EPA) aimed at boosting economic opportunities for both Kenya and the EU. While this focuses largely on trade of physical goods, the European private sector has increasingly invested in the country's digital markets. For instance, French company, Teleperformance, entered the Kenyan market in 2021 and has since grown its footprint in the country (Teevan et al., 2026). Another example is Nokia's work on expanding commercial 5G services in Kenya (Nokia 2021). However, according to one analysis, the European private sector is facing various challenges in the country, including lack of skilled labour, bureaucracy and corruption as well as work permits for foreign professionals (Teevan et al., 2026).

Kenya is one of the African countries, where most, if not all, EU Member States, are represented, and where the potential for pursuing mutual interests are often perceived to be high. Large EU Member States, including Germany and France have extensive portfolios in Kenya, also focusing on digital cooperation. Smaller players are also present. For instance, Estonia has sought to deepen its relations with Kenya, and is expected to open an embassy in 2026 (ERR, 2026). Digital is a clear niche and a priority area for Estonia, which has dedicated development cooperation resources to this sector.

### *Regional digital relations*

Beyond the EU, Kenya is also actively fostering its relationship with both the US and China and benefiting from cooperation with several external players. The US is one of the key players in the digital sector. Under the Biden administration, cooperation in digital sectors was also one of the key priority areas in US–Kenya bilateral engagement (Munga, 2024). In August 2022, President Biden signed the CHIPS and Science Act to strengthen US industry, reinforce global supply chains, and safeguard critical national and economic security interests. In 2024, the US Trade and Development Agency signed a grant agreement with Kenyan technology company, Semiconductor Technologies Limited (STL), to support a feasibility study for a new semiconductor fabrication facility aimed at diversifying and strengthening global supply chains for legacy chips used in a wide range of commercial applications (USTDA 2024). The US private sector is also present: for instance, Google alone has contributed USD 900 million in economic value in Kenya in

2023 (CIO Africa, 2024). Under the Trump administration, the US has forged several Technology Prosperity Deals, but to date these have not been formed with African countries.

China's investments in the digital sector have become significant over the years in several parts of Africa, including in Kenya. China has played a key role in Kenya's digital transformation, for instance through initiatives such as the National Optic Fibre Backbone Infrastructure (NOFBI). Huawei entered the Kenyan market a in 1998, and Safaricom one of the leading telecom operators in Kenya is one of its key partners, having given the Chinese company an edge over its competitors in Kenya (Calzati, 2022). Under president Ruto, Kenya and China have also scaled up their collaboration on trade, signing over 20 agreements fostering major investments in manufacturing, agriculture and other priority sectors. On digital, the agreements aim to enhance electronic commerce, cybersecurity cooperation, and support for Kenya's National Digital Superhighway Programme (Kenya Ministry of Foreign Affairs, 2025).

Taiwan does not have representation or diplomatic relations with Kenya, and Kenya does not recognise Taiwan. There is only limited information available of any development cooperation or joint project between Taiwan and Kenyan authorities. Some activities have been carried out by ICDF, on drought relief (in 2018), WASH and a volunteers programme, but details of these are not available (ICDF n.d). However, Taiwan is actively working in Kenya in the private sector or trade development. The Taiwan External Trade Development Council (TAITRA) has established a Taiwan Trade Center in Nairobi. It effectively acts as Taiwan's commercial representation in East Africa, focusing on activities such as marketing and industry promotion. TAITRA launched Go Healthy With Taiwan –in 2026, calling for proposals to find innovative approaches and foster collaboration with Taiwan in health innovation.

There are also some indications of Kenya's policy hardening towards Taiwan. In June 2026, relations were strained when Kenya denied entry toTaiwanese nationals swishing to attend the Our Ocean Conference in Mombasa. This was arguably due to strengthened pressure from China to exclude Taiwan. Taiwan's Ministry of Foreign Affairs reacted by demanding that China cease pressuring Kenya and violating international practices.

The analysis thus suggests that because of Kenya's successes in the digital economy and position as a sub-regional power it attracts collaboration offer and interests from various partners. Kenya is also effectively able to navigate the tensions between the US, Europe and China, and it has not formally taken clear stances or alignments in geopolitical questions (Chilukuri & Scanlon, 2025). Indeed, President Ruto has said that Kenya will face neither East nor West, but 'forward, where the opportunities are' ( The Star 2024). Yet, Kenya may have calculated the risks of formal cooperation with Taiwan to be too high

politically and economically, with immediate and measurable benefits to lose, but without a clear understanding of the potential benefits to be gained from closer association with Taiwan (see e.g. Kenya Foreign Policy).

## Uganda

### *Country context*

Uganda is a country in East Africa with neighbouring countries including Kenya, Tanzania and Rwanda. Like most countries in Africa, Uganda has been classified by the OECD as a least developed country (LDC) and, experiences a lot of economic challenges with a GNI per capita of USD 970. Energy poverty is rife in the country with access to electricity in the rural areas at 36 % and 71 % in urban areas. In addition, access to electricity in urban areas is inconsistent with loadshedding and more than 90 % of households continue to rely on solid fuels for cooking. These statistics highlight the depths of energy poverty Ugandans experience.

The energy poverty has trickle down effect that impacts other spheres of the economy and industry such as the digital and telecommunications sector. According to a report by the Global System for Mobile Communications Association (GSMA) on the state of the digital economy, the mobile penetration rate for networks of 3G + is approximately 66 %. The internet penetration rate is much lower at 32 %. As much as75 % of the population lives within mobile internet coverage, indicating a significant usage gap of existing despite the availability of infrastructure that provides internet access.

Education plays an important role in fostering access to digital solutions. Uganda has a literacy rate of 79 %, which is slightly higher than the regional average. However, digital literacy is very low. A study by Hive Colab in rural Uganda found that 60 % of respondents lacked mobile phone operational skills and knowledge to complete mobile digital transactions independently.

Uganda's fourth NDP 2025/26–2029/30 places strong emphasis on economic transformation through industrialisation, productivity growth, and the development of a knowledge-based economy. Particularly relevant to the digital transition are planned investments in science, technology and innovation (STI), information and communication technologies (ICT), digital infrastructure, and skills development, alongside broader efforts to modernise key sectors such as agriculture, industry, and services. The plan identifies digital technologies as important enablers of competitiveness, innovation, service delivery, and economic growth.

### *ODA and donor landscape*

Uganda has several development partners, mostly from Europe and the United States. These partners are mainly in the form of international organisations such as the United Nations (UN), multilateral banks, government missions, foundations and NGOs. Highlighted below is a snapshot of some of these actors and some of their work.

The UN is the leading international organisation working as a development partner in Uganda, with approximately 32 UN organs implementing different projects as of 2025. Their work is guided by 3 strategic priorities which are transformative and inclusive human development, sustainable ecosystems and climate-smart development, and integrated, inclusive and rights-based governance.

The US Agency for International Development (USAID) as of 2023 had been a development partner in Uganda for 60 years. Their projects were mainly in education, health, infrastructural development, agriculture and refugee welfare. As of 2025, USAID halted most programmes and funding in Uganda after a directive from the US administration to halt all USAID programmes. This has left a significant void in the development cooperation space in the country.

The World Bank is also an invaluable development partner to Uganda, with currently 20 active projects. These span across different thematic areas such as water and sanitation. In 2025, the Bank made a commitment to provide USD 2 billion after an imposed suspension in 2023 because of the enactment of Uganda's controversial anti-LGBTQ law. The loans will target infrastructure and productivity sectors including transportation, energy, ICT, and agriculture; which are expected to grow after the crude oil boom expected in Uganda post 2026.

### *The EU and beyond: Digital development cooperation*

#### *The European Union in Uganda*

In February 2026, the EU and Uganda celebrated 50 years of partnership, with a press briefing by the EU Ambassador to Uganda, HE Jan Sadek highlighting that the EU has contributed over EUR 5 billion in development support to Uganda. Between 2021 and2024 through the Multiannual Indicative Programme (MIP) for Uganda, the EU contributed EUR 375 million on projects targeting 3 priority areas: (i) green and climate transition, (ii) promoting sustainable and inclusive growth and jobs, and (iii) promoting democratic governance and social inclusion. Uganda is also part of the recipient countries of the Global Gateway Initiative, Europe's new development strategy with also 3 priority areas in Uganda; namely health, climate and energy and, education and research. On digital cooperation, the EU has been supporting the construction of new telecom

infrastructure and digital connectivity projects, as well as e-Commerce and e-Government services.

In practice, based on the analysis of Annual Action Plans, much of the cooperation managed by DG INTPA in Uganda focuses on digital skills and inclusion. For instance under the programme: *Breaking Barriers, Building Futures: Enhancing Economic and Social Inclusion of Women and Girls in Uganda*, the EU aims to empower women and girls to access opportunities linked to the digital economy (see Multi-annual action plan 2026–2027 for Uganda). The *Action Document to Support the Sustainable Tourism Value Chain in Uganda* includes activities to strengthen digital tourism platforms and services, improve the visibility and accessibility of sustainable tourism products, enhance stakeholder digital presence and visitor engagement, and build local capacity for ICT-enabled tourism delivery.

However, the EU's footprint is broader than actions managed by DG INTPA. The EIB is involved in the infrastructure side. For instance, in 2023 it signed a financing agreement for the expansion of telecom services in Uganda with the construction of 659 new mobile sites. At least 50 % of the towers will be located in rural areas without mobile service coverage (EIB, n.d). Through D4D Hub, the EU and Member States are also collaborating with Uganda's Ministry of ICT and National Guidance on an assessment of the potential of post offices to deliver online public services as well as providing technical assistance in the education sector (d4dhub).

EU Member States are also active players in Uganda. Governments such as the government of Germany through their Federal Ministry of Economic Cooperation and Development and their development agency the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) implement several development projects in Uganda. The ministry's development cooperation model focuses on three core areas which are peaceful and inclusive societies, climate and energy just transition and transformation of agricultural and food systems. The GIZ currently has 42 ongoing projects with 3 focus areas which are peace and security, agriculture and nutrition and sustainable infrastructure. Other governments operating in Uganda include France, Belgium, the United Kingdom and Austria.

### *Taiwan in Uganda*

Although Taiwan and Uganda have no diplomatic relationship, Taiwan has been implementing several development projects in the country. Their areas of work are in education, the environment, agriculture, public health and medicine and information and communications technology. Currently two ongoing projects are being implemented through the Taiwanese ICDF. In collaboration with IsraAid, they have been providing water,

sanitation and hygiene products to 9 primary schools in Nakivale, a region experiencing an influx of refugees. ICDF also hosts an overseas volunteer programme where volunteers from Taiwan's diplomatic partners can collaborate and exchange knowledge on economic development and promote international cooperation.

Given their experience working in the country alongside established development partners and government, extending their cooperation to digitisation will be easier and strategically aligned with Uganda's NDP. Priority 3 of the NDP is to create a knowledge economy through funding of Science, Technology, and Innovation and Information Communication and Technology (ICT). Taiwan can contribute its expertise through exchange programmes to help develop human capital in Uganda and fund digital projects that enhance the knowledge economy.

### *3.2.3. West Africa*

#### Nigeria

*Country context*

Nigeria is the most populous country in Africa with a population of over 240 million people and is one of biggest economies in Africa with a GDP of approximately USD 252 billion. It is one of the five Economic Community of West African States (ECOWAS) Member States that uses English as an official language and is bordered by Chad, Niger, Cameroon and Benin. Nigeria is a federal republic with a three-tier system comprising of the federal, state and local government. It is also the biggest recipient of ODA in the region having received approximately USD 3.6 billion in 2023. Despite being a large economy, 7 in 10 people face hunger and the country has one of the highest wealth disparities in the continent at 44.2 %.

Poverty in big cities like Lagos and Abuja is multidimensional, displaying different levels of deprivation that need to be addressed by a more nuanced approach. The paradox of energy resource-rich Nigeria is in the level of energy poverty that exists in the country which affects approximately 70 % of the population (Obileke, 2026). The energy crisis is caused by poor infrastructure and limited investments in renewable sources of energy. This has a trickle-down effect that impacts other core industries that are heavily reliant on energy.

One such industry is the digital economy. The National Development Plan 2021–2025 identified the digital economy as one of the key pillars of Nigeria's economic development. The digital economy was the third-largest contributor to real GDP in 2024, with telecommunication companies (MTN, Globacom, Airtel, 9mobile) being the biggest players in the sector. The government has come up with different regulatory and policy

instruments such as the National Digital Economy Policy and Strategy 2020–2030 document and the Federal Ministry of Communications, Innovation & Digital Economy published its strategic plan for the period 2023–2027. The strategic plan identified five pillars (knowledge, policy, infrastructure, innovation entrepreneurship and capital, and trade) that will raise productivity through technological innovation.

Nigeria also actively participates in regional digital sub-blocs and policy frameworks that further strengthen their national strategy. They are a part of a systematic platform that tracks the development, trends and performance of the telecommunications and postal sectors of the region to support the establishment of a single digital market and development of the digital economy of West African. Nigeria is also a signatory to the Malabo Convention and the Nigerian president together with other African heads of state sits on the board of Smart Africa Alliance, a partnership by African countries to promote ICT and broadband services for sustainable development.

Although it is one of the leading digital hubs in Africa, Nigeria still faces a lot of challenges in having robust DPI. Broadband penetration rose to approximately 48 % which is much lower than the desired national target of 70 %. This is mainly caused by poor infrastructure, expensive data and devices and critical energy shortages which make the business environment unconducive. Digital literacy is also a challenge with an estimated 50 % of the population lacking basic digital skills. The government has established several initiatives including the National Digital Literacy Framework and the Digital Literacy for All programme to raise digital literacy to the desired national target of 70 %. E-governance is one of the domains the Nigerian government is pushing to make strides despite ranking 144th out of 193 in the E-Government Development Index. It is important to note that despite these challenges, Nigeria has had functional DPI such as the Nigeria Interbank Settlement System and the National Identification Number. The government is initiating more e-government initiatives which include a Government Service Portal, Open Data Portal and the National E-Health Strategic Framework. Significant progress is still needed especially in data storage as much data are stored in foreign databases; Nigeria currently only hosts 22 per cent of its top 1 000 most-accessed websites in Nigeria.

### *ODA and donor landscape*

#### *Key actors present*

Nigeria is the largest recipient of development cooperation aid and funding in the ECOWAS region. According to the IATI, in 2023 over 158 organisations had registered their projects in Nigeria, totalling over USD 5 billion. According to data by the Nigerian Federal Ministry of Budget and Economic Planning, the top funders include USAID, International Development Association, the Global Fund and the African Development Bank. Although

the top funders are international organisations and institutions, unlike the other African countries, Nigeria also gets funding from regional development agencies.

USAID, despite cutting back their funding, as of 2025 is in the top five providers of development aid in Nigeria. For the 2026/2027 funding cycle USAID has 15 funding programmes for Nigeria totalling over USD 898 million mainly targeted towards health, education and governance-related projects. Some of their notable projects include the Global Health Supply Chain Program-Procurement and Supply Management aimed at scaling up of HIV/AIDS services across 36 states and the federal capitals and; the Feed the Future Initiative which has equipped 3.6 million farmers with new tools and technologies to incorporate and links farmers to specialised markets to increase their visibility and access to clients.

The African Development Bank is one of the top contributors of development funding in Nigeria, a first when comparing with the other big economies in this study or across Africa. This can be attributed to Nigeria being the biggest contributor to the African Development Fund. The Bank has disbursed approximately USD 5 billion with 36 ongoing projects, with the majority (67 % ) under the banks two main priority areas; industrialise Africa and improve the quality of life for the people of Africa.

The UN has been operating in Nigeria for 66 years and currently has 267 different programmes being implemented by 21 different UN agencies in partnership with federal government agencies and international development partners. They have four strategic priorities which include sustained and inclusive economic growth and development and, clean energy, food systems, environmental protection and climate change resilience. The 2025 results report has categorised some key results from the programmes implemented into four groups: People, Planet, Prosperity and Peace.

### *Donor cooperation in Nigeria*

The state of relations among development partners and other relevant stakeholders such as CSOs and government in Nigeria can be described as semi-structured. Most partners align their projects with the priorities of the country's NDP. Coordination among the stakeholders is usually through working groups organised by the government or donor led such as the Nigerian Development Partners' Group by the UNDP. Projects are mostly implemented in partnership with government agencies, local CSOs and NGOs. However, this setup has been associated with corruption in financial management and unequal partnerships between the donors and local implementors (Nwaneri and Szent-Ivanyi, 2025). For the health sector which arguably receives the largest share of ODA in Nigeria, through the facilitation of government, the Country Coordinating Mechanism (CCM) was established. This entity comprises both public and private players in the health sector and

is the only one mandated to receive and administer all Global Fund grants on behalf of the government and the people of Nigeria. The CCM has been credited with boosting donor confidence and reducing the number of financial management queries. As mentioned above, the relationship between development partners and local CSOs and NGOs has been characterised as unequal with the latter usually implementing projects, they did not help design. This often leads to irrelevant activities and poor post-implementation sustainability (Olawoore & Kamruzzaman, 2019). Development partners do collaborate in implementing projects in areas of similar interest. However, these are not as frequent, usually do not follow a formal coordinated structure and lead to duplicated efforts.

### *The EU and beyond: Digital development cooperation*

#### *The EU in Nigeria*

The EU's presence in Nigeria is through the Team Europe Initiative, bringing together different stakeholders such as the EIB and several Members States such as Denmark, Finland, France, Germany, the Netherlands, Portugal, Spain and Sweden. According to the MULTI-ANNUAL INDICATIVE PROGRAMME for 2021–2027 the EU allocated EUR 731 million in funding, targeting seven key priority areas including digital, health and education, clean energy and transport and trade. Partnership between Nigeria and the EU over the years has extended beyond just development cooperation. This year in February, the two held the first ever Peace, Security and Defence Dialogue in Brussels where they agreed to deepen collaboration on regional stability, strengthen efforts to counter terrorism, drug trafficking and violent extremism and, enhance cooperation on maritime security and cybersecurity. Some of the key projects being implemented include:

- Manufacturing of medicinal products and devices: In partnership with the EIB and the Bank of Industry, a EUR 50 million agreement was signed to support the manufacture of medicinal products and devices such as pharmaceuticals, vaccines, and diagnostics across Nigeria. This credit line is intended to strengthen the healthcare ecosystem and reduce reliance on the export of healthcare products.

- EUSPIN health project: This project is coordinated by the Federal government of Nigeria, with funding from the EU and technical partnership with the WHO. The project focuses on strengthening health institutions at national and state levels, supports workforce development and better use of data to improve coordination across sectors. The project is expected to improve detection and response to disease outbreaks and improve the use of data for decision-making.

### *Key digital cooperation projects*

As the most populous country in Africa, Nigeria naturally is one of the largest recipients of ODA on the continent. They are arguably one of the continent's technological advancement leaders and have produced some of the biggest tech firms including Flutterwave, Andela and Jumia. Below is an outline of some of the key digital projects implemented through the cooperation of different development actors:

- Investment in Digital and Creative Enterprises (iDICE), the flagship initiative by the government designed to unlock the economic potential of Nigeria's fast-growing technology and creative sectors. The project is co-financed by the African Development Bank, the Islamic Development Bank, the Nigerian Bank of Industry and Agence Française de Développement. This partnership is crucial in highlighting the participation of both national and regional development partners more as compared to international ones. This is important especially in retaining sovereignty in creation and ownership.

- The Africa Technology and Innovation Partnership (ATIP) is a GBP 28 million programme funded by the Foreign, Commonwealth and Development Office of the UK. This project is being implemented in six countries including Nigeria and aims to strengthen innovation ecosystems in Africa to stimulate economic growth and technology-enabled businesses. The implementing partners include the African Observatory on Responsible AI and the UNDP. This programme is unique because it has an element of cross-regional collaboration, bringing together partners from the East, West and Southern Africa.

- The World Bank approved funding of USD 500 million for the Building Resilient Digital Infrastructure for Growth (BRIDGE) Project which will be implemented through a Special Purpose Vehicle. This project will deploy 90 000 km of fibre optic cables in underserved parts of Nigeria and will be co-financed by the Nigerian government through the Federal Ministry of Communications, Innovation & Digital Economy, the AfDB and private sector companies.

- The EU through TEI s and Global Gateway have been involved in several digital projects in Nigeria such as the €45 million towards the BRIDGE project. The D4D Hub also has regional projects that target Nigeria as a recipient country, and these include iPRIS which aim to promote the strengthening of policy, regulation and institutional capacity and Africa–Europe Digital Innovation Bridge (AEDIB) which connects governments, investors, and innovators across 14 African countries to improve policies, strengthen innovation hubs, and expand access to finance.

### *Taiwan in Nigeria*

Taiwan has implemented several projects in Nigeria, implemented mainly through the ICDF. Their focus is on public health and medicine. Through the Healthcare Personnel Training Programme, Taiwan has provided Nigerian medical personnel with one to 3 months of on-the-job training in Taiwan, enhancing their knowledge and experience, to improve the quality of healthcare and service provision Nigeria.

## Côte d'Ivoire

### *Country context*

Côte d'Ivoire is a West African, French speaking country bordered by countries such as Liberia, Guinea, Ghana and the Atlantic Ocean in the south. The predominantly Islamic nation has a population of approximately 32 million people, of which 32 % o is aged between 10 and 24 years old and about 52 % have completed upper secondary school level of education. Côte d'Ivoire is the largest economy by size in the West African Economic and Monetary Union, with a GDP per capita of USD 2 727. The services sector is the highest contributing sector to the GDP at approximately 55.1 % followed by industry at 24.3 %. Agriculture is a significant sector, employing over 50 % of the population and contributing 20.6 % to GDP.

The digital economy is one of the fastest-growing sectors in Côte d'Ivoire, and is being adapted to support other sectors including agriculture and health. The average internet penetration rate stands at 38 %: the penetration rate is 50 % in urban areas and only 22 % in rural areas. Mobile penetration is 66 % and approximately 95 % of these devices have access to a 4G network, while only 4 % can access a 5G network. Approximately 43 % of people with access to the internet are male, while only 34 % of women can access 5G network. The digital divide remains widespread, primarily affecting rural communities and women, which limits their use of and participation in the digital sector.

The digital sector has been gaining increasing relevance and priority, particularly from the government. A sectoral outlook report by the Ministry of Economy, Finance and Budget highlighted that in 2023, the sector had a total revenue amounting to over FCFA 1.2 trillion (West African Franc), with more than 75 % derived from mobile services (mobile voice, mobile internet, SMS). Investments in the sector were also relatively high; the total volume amounting to approximately FCFA 244.4 billion.

Guided by the 2026–2030 Digital Master Plan, Côte d'Ivoire has moved beyond basic connectivity to creating an integrated digital ecosystem. This strategic move led to a 37 % increase in the digital budget reaching FCFA 83.2 billion targeted towards the modernisation of public digital infrastructure and rural inclusion. Over 33 000 kilometres

of fibre optic cable has been installed and the Ministry of Digital Transition commissioned new sites of 4G and 5G coverage, benefiting 175 previously underserved communities.

Digitisation has also permeated the governance structure of the country, with many government procedures and services being digitised. At the Cyber Africa Forum, the director of Digital Transformation in Côte d'Ivoire's Ministry of Digital Economy highlighted the number of programmes the government has put in place. These include the creation of a single digital platform where citizens can access government services, the development of a national digital identity card and the development of a national AI strategy. Through the Digital Master Plan, the government also places significance towards citizen cyber security. The government has setup a national data centre and integrated security networks to ensure data stays within the national borders. They have also introduced policies to attract highly skilled Ivorian professionals returning from abroad to lead tech firms in Abidjan.

### *ODA and donor landscape*

#### *Key actors present*

Development cooperation partners have played a significant role in strengthening the economy of the country following several decades of civil war and economic decline. These partners are mostly international organisations like the UN and EU Member States, with France playing a significant role based of the shared colonial history. Through partnerships, Côte d'Ivoire has progressed the most in terms of its SDG Index score since 2015 according to the 2020 SDG report. This section will highlight some of these actors and their work in the country.

The UN has been implementing projects in the country since 2004 through the United Nations Operation in Côte d'Ivoire whose main objective was to promote peace, civilian protection, disarmament, and human rights during the post-election crisis. After running a successful mission until 2017, the mandate shifted to focus on reconciliation and sustainable development projects. Currently, the UN is implementing 273 programmatic interventions, led by 21 agencies including the World Bank. The UN has several digital-related projects, notably the digitisation of the education system in Bouake which they are implementing in collaboration with the governments of Canda and South Korea and; the use of GIS technology for agricultural mapping through the International Fund for Agricultural Development (IFAD).

European countries are present through their development agencies, and are implementing different projects in Côte d'Ivoire. The GIZ currently has 44 ongoing projects focusing on 7 core themes namely security, environment, biodiversity conservation, resource governance, rural economic development, renewable energies

and energy efficiency, and employment and business development. The GIZ also supports the development of digital infrastructure through initiatives such as the DigiGreen & Agri project where EUR 7.6 million has been invested in developing sustainable agriculture value chains through digital technology.

The ties between France and Côte d'Ivoire extend beyond diplomatic relations to development cooperation implemented by the AFD. The AFD is Côte d'Ivoire's leading bilateral donor in volume of financing having contributed EUR 2.9 billion in loans and development finance since 2016. They have 6 focus areas informed by the country's NDP and these range from promoting youth employment, boosting sustainable agriculture, improving healthcare, and supporting the private sector. Some of the notable projects include the Open Government Support programme which will facilitate the creation of a government digital portal to facilitate administrative procedures and open data in transport governance.

Japan, through their Japan International Cooperation Agency, has been a development partner with Côte d'Ivoire since 1975 and contributed approximately FCFA 92 billion in technical cooperation funding. Japan views the cooperation between the two countries as a strategic leeway for the expansion of Japanese companies into the region, taking advantage of the important position of Côte d'Ivoire in the ECOWAS block. Their cooperation strategy has 2 cooperation priorities implemented via 4 programmes and with 3 cross-functional elements (see Figure 1). Some of the notable projects include the rehabilitation of the University Hospital Center of Cocody to improve maternal and neonatal care; and the Local Government Social Infrastructure Improvement Plan project implemented in collaboration with the UNDP.

### *Donor cooperation in Côte d'Ivoire*

Côte d'Ivoire has set up the Directorate-General for Development Cooperation (DGCOD which is responsible for coordinating all the development cooperation that occurs in the country. Their mandate includes setting up operational tools and instruments for the strategic coordination of bilateral cooperation intervention, monitoring, harmonising and improving the traceability of development finance institutions' interventions in relation to national priorities; and developing strategic partnerships at the bilateral and multilateral levels. Compared to other countries in the study, this is an exemplary way of exercising agency and managing a development partnership by a recipient country. The private sector also plays a critical role in strengthening relations between government and international donors. Ivorian members of the US–Africa Business Center hosted a conference on how to boost investments between the USA and Côte d'Ivoire to reduce the digital divide in the latter country. Different stakeholders including government officials, business leaders and members of the US Chamber were in attendance. As many

development partners are changing their strategy from a donor model to an investment model, having business leaders involved in donor relations could be a strategic move by the Ivorian government to boost external confidence on the nature of their business environment.

## The EU and beyond: Digital development cooperation

### *The EU in Côte d'Ivoire*

The EU through the Team Europe Initiative and the Global Gateway recognises Côte d'Ivoire as a strategic development partner in West Africa as the second largest economy in the Economic Community of West African States (ECOWAS) region, after Nigeria. Leading EU Member States working in this country include Belgium, Finland, France, Germany, Italy, Spain, the Netherlands and the European Investment Bank (EIB). The EU's cooperation is guided by three priority areas which are developing human capital, fostering inclusive, sustainable, and digital growth and strengthening the rule of law and democratic governance, maintaining peace and stability. The EU's Multi-year Indicative Programme 2021–2027 on Côte d'Ivoire outlines the different initiatives within the priority areas.

Some of these flagship initiatives are:

- The Sustainable Cocoa Initiative is a EUR 25 million project aimed at improving the sustainability of the cocoa supply chain in West African countries (Côte d'Ivoire, Ghana, and Cameroon. This project promotes the protection and restoration of forests in cocoa-producing regions, advance the elimination of child labour and improve the lives of small-scale cocoa farmers.
- Low Carbon Transition project which includes support with the construction of the first on-grid 37.5 MWp solar power plant in Boundiali, a solar power plant in Sérébou of 33 MWp and battery energy storage system with a capacity of 14 MW and the construction of a 400kv transmission line from the North of Abidjan to Ferkessédougou.

### *Key digital cooperation projects*

Côte d'Ivoire is also a regional leader is digital transformation, especially in the West African Economic and Monetary Union. Most of the projects focus on infrastructure development, fintech and digital literacy; with the private sector playing a significant role in financing and implementation. Below is an outline of some of the key digital projects implemented through the cooperation of different development actors:

- The UNDP in partnership with the Ministry of Technical Education, Vocational Training and Apprenticeship set up UNIPODS, which are national innovation hubs that connect academic knowledge with practical application. These focus on youth entrepreneurship, innovation networks and market access and, AI and digital transformation. The UNDP also partnered with Orange on a digital inclusion project where they will use the already established Orange Digital Centre to provide digital training programmes, mentorship, and resources to aspiring entrepreneurs.

- In a government-led initiative to retain sovereignty on data, Côte d'Ivoire in May 2025 started building a Digital City in Grand Bassam. The first phase began with the construction of the data centre which will serve as a cornerstone of the country's digital sovereignty. The Digital City is being built with the collaboration of government, stakeholders from the US and the private sector. Companies like ST Digital, a pan-African digital services company operating in Central and West Africa, have also setup shop in the Digital City. This move symbolises the involvement of the private sector in supporting digital sovereignty for the African clients they serve and is a step towards promoting interoperability amongst states in the same regions.

- The World Bank has also funded some digital projects in the country with a particular focus on digital inclusion and strengthening digital institutional and regulatory frameworks. In 2018, the Bank funded an approximately USD 63 million three-component project. This focused on digital services for sustainable agriculture, digital connectivity in targeted rural and remote areas and, the rehabilitation of rural access roads. This was followed by the 2023 Côte d'Ivoire Digital Acceleration project whose aim was to boost the uptake of e-government services, expand broadband connectivity and improve digital skills and entrepreneurship.

- Through the Global Gateway Initiative, Côte d'Ivoire will benefit from digital transformation projects aimed at Sub-Saharan African countries. These projects include the Africa–EU Space partnership programme, Africa–Europe Digital Regulators Partnership and the AfricaConnect4. These will tackle digital inclusion, strengthen regulatory frameworks and boost digital based industries.

### *3.2.4. European digital ODA to Africa: data mapping findings*

## Europe has a marginal (digital) ODA footprint in the African countries

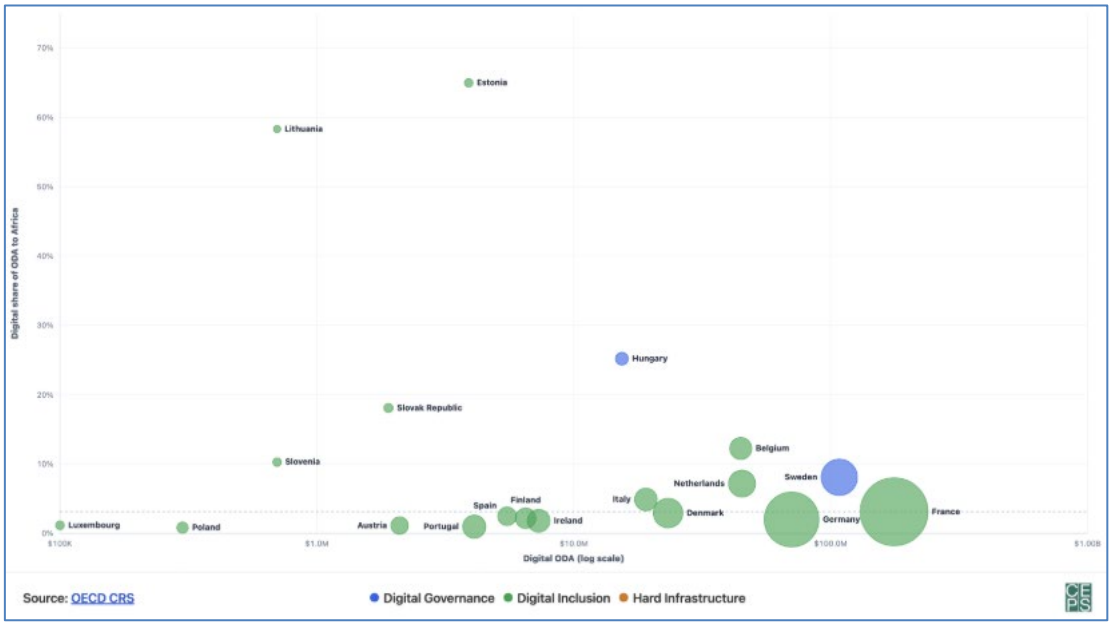
Figure 7. Overview of digital ODA to priority countries in Africa




The Global Fund is the largest donor among the African countries. A few of their larger projects are very much health interventions and contain specific digital parts such as health information systems. After the Global Fund, the EU Member States together disbursed the most digital aid in Africa between 2019 and 2024, they were followed by the Gates Foundation, United Kingdom, United States and Mastercard Foundation. France and Sweden in particular are among the top digital donors. For non-digital projects the US has a share of over 25 %, significantly higher than its closest competitor, the African Development Bank, which has 7.7 %. However, following the dismantling of USAID, this share is likely to fall very rapidly.

## Disbursed European ODA to African countries is mixed across digital project types

Figure 8. EU donor scatter plot showing the share of digital ODA projects allocated to recipients in Africa

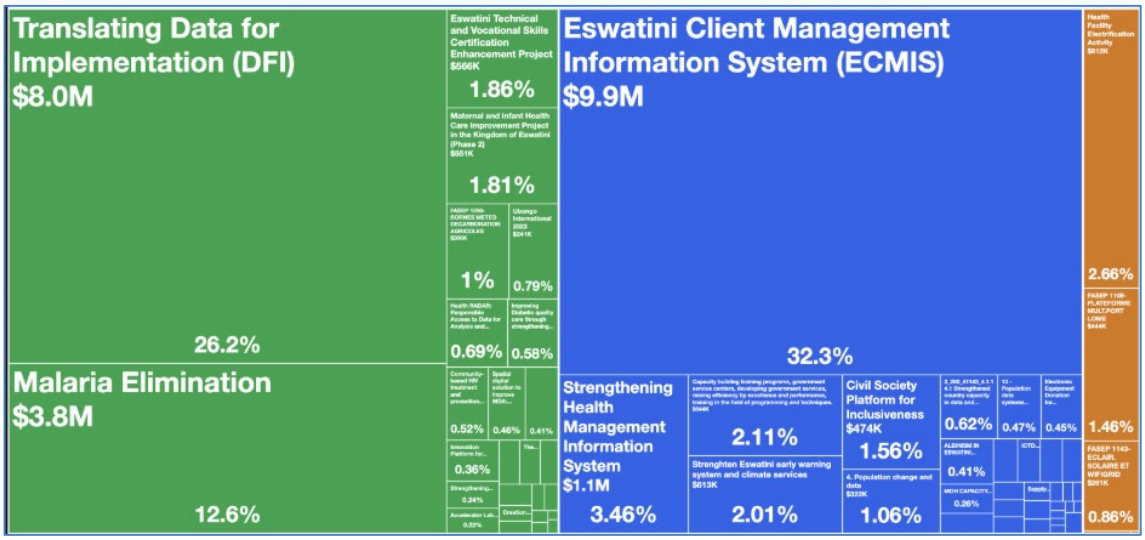



Zooming into the EU contributions shows most countries disburse a majority to digital inclusion projects, except for Sweden and Hungary. Lithuania and Estonia stand out for their large digital share of ODA. Digital projects to African countries are smaller than those for Asian countries (see visual below). Renewable energy is a focus for digital infrastructure investments. While inclusion projects focus more on skills and training, governance projects go towards building digital centres or catalysing digital transformations.

## Eswatini receives limited funding from EU partners

In recent years Eswatini received the most digital aid from the United States (USD 20 million) and then the GlobalFund (USD 3 million). The largest projects, DFI and ECMIS, both focus on digital health data. DFI focuses on analysing data related to HIV and other emerging health threats (also preventative) and ECMIS focuses on digitising existing paper data.

Figure 9. Treemap of digital ODA disbursements to Eswatini




EU-funded projects include an early-warning system for floods and other threats, funded by Italy and a platform for civil society debate on democracy and human rights (funded by the EU institutions) as well as two infrastructure projects funded by France. The multilateral share of the EU-27 countries has been around 46 % for the last few years.

### *3.2.5. Comparative analysis and concluding insights*

Across the case studies, digital maturity varies significantly, with Kenya and Nigeria established as regional front runners that have launched specific AI strategies and attracted substantial foreign tech investment. In contrast, countries like Mozambique and Côte d'Ivoire are focused on strengthening their institutional frameworks by creating dedicated digital ministries and innovation agencies to coordinate their national transitions. Uganda and Eswatini represent a third tier, where despite relatively high network coverage, a significant 'usage gap' persists because most of the population cannot afford data or digital devices.

The analysis also indicates that digital infrastructure is gaining prominence, driven by the need to boost connectivity in underserved areas and to match international standards. Demand for infrastructure partners is high, as such projects are expensive and labour-intensive, particularly in difficult terrains like the mountains of Eswatini. Digital sovereignty and regulatory independence have meanwhile become top priorities for larger economies such as Nigeria and Côte d'Ivoire, which are investing in national data centres to host their data domestically rather than in foreign databases. Yet the fundamental barriers to transformation remain infrastructure, technical expertise and energy poverty: in rural Uganda, for instance, electricity access is as low as 36 %, which undermines connectivity efforts at their base.

To overcome these costs, countries are turning to co-financing models that pool resources from government, the private sector, and international donors. Initiatives such as the BRIDGE programme illustrate the approach, allowing these actors to jointly finance infrastructure development. Beyond easing the resource burden, the model combines the complementary expertise of different partners and encourages national ownership through government participation, making it well suited for adoption in future infrastructure projects.

The case studies also indicate that all countries have been prioritising the development of e-governance platforms. These include the Government Service Portal for Nigeria, GYH in Eswatini and the Single Window Platform in Kenya. These platforms are a step towards improving transparency and efficiency in government systems, however there is still low usage and uptake by the citizens. Research shows the low uptake can be attributed to data costs, digital illiteracy and low public trust especially in countries like Eswatini.

Inclusion strategies are increasingly tailored to address specific socio-economic divides, such as the gender gap in Uganda and Côte d'Ivoire, where women have significantly lower internet penetration rates than men. Digital literacy is also a major focus, as exemplified by Nigeria's goal to reach 70 % digital literacy through national frameworks. In smaller nations like Eswatini, inclusion efforts target older people and rural populations who face the highest risk of being left behind by the rapid digitisation of government services.

The EU's engagement is shifting from traditional development aid toward geopolitical strategic partnerships under the Global Gateway Initiative. The EU has carried out multiple investments through ODA but also through the EIB in digital sectors in the case study countries, but most of that aid seems to focus on Kenya and Nigeria. The EU also has several initiatives on the regional level, which usually involve different African countries across the three regions highlighted in the case study. These predominantly focus on digital governance and digital literacy and inclusion. The regional approach is beneficial for strengthening partnership and knowledge sharing between the targeted countries, helping to create more harmonised frameworks across the continent.

Furthermore, a trend toward regionalisation is emerging, with the EU and some Member States downsizing their physical presence in smaller countries like Eswatini to manage projects from regional hubs like South Africa, which risks the loss of local contextual knowledge.

African nations, however, are not simply passive recipients of aid, they are strategically navigating a multipolar geopolitical landscape, balancing the influence of the EU, US, China, and Taiwan. China remains a dominant force in digital infrastructure through major

projects like Kenya's fibre backbone, along with the US and the EU. Taiwan maintains a unique and deep development role in Eswatini, focusing on TVET, health, and agriculture– but faces increasing political pressure and exclusion in non-allied countries like Kenya due to its lack of formal diplomatic recognition.

Collaborations between donors, especially between the EU and Taiwan, are hampered due to different project and planning cycles, different forms of collaboration, and constraints imposed by the One China policy. However, in Eswatini it was clear that these boundaries do not mean a total ban: they can be flexible when carried out at a more technical cooperation level, between organisations and implementers. It is also clear that most development partners prefer to work with bigger countries, especially with better performing economies. This leaves the smaller countries like Eswatini on the fringes of development cooperation and most vulnerable to changes such as the move by the EU to regionalise cooperation. This, however, gives counterparts like Taiwan the opportunity to strengthen their cooperation by being present in these countries.

# 4. Conclusions and Recommendations

This report set out to identify where and how European and Asian donors can find viable digital-cooperation partnerships across Africa and the Indo-Pacific. The comparative analysis yields five structural findings, elaborated with their implications below. Three cross-cutting patterns frame them.

First, the EU deploys the same toolbox everywhere – Global Gateway, Team Europe Initiatives, the D4D Hub – while shifting toward centralisation around priority countries, regional hubs, and mutual interest over need. Second, digital is rising everywhere but unevenly: inclusion is the common entry point and connectivity the flagship, but the status of digital differs sharply – a leading, private-sector-heavy agenda in Southeast Asia, still secondary in Africa outside Kenya, and thinnest as a policy agenda in the Pacific, where it sits behind climate and maritime priorities even as connectivity absorbs a disproportionate share of the EU's small Pacific portfolio. Third, the One China policy constrains EU–Taiwan cooperation everywhere, but differently: it proceeds technically, sub-nationally or through the private sector, and mainly where Taiwan already has a foothold.

Two features of the data underpin all five findings. The EU's digital footprint is highly asymmetric across regions, which can be observed comparing Figure 3 and Figure 8. More over the footprint is secondary but concentrated in Southeast Asia, where a modest funder share is driven by a handful of large German, French and EIB-financed projects; genuinely marginal in the Pacific; and more diffuse in Africa, where a larger share is spread thinly across many small projects.

Across both regions, EU Member States have a much stronger operational presence than the EU institutions, managing significantly more projects and disbursing substantially greater funds. In several priority countries – Palau and Eswatini among them – European donors are collectively outweighed by the US, Australia and intergovernmental organisations, as can be seen in Figure 4 and Figure 8.

### Development paradigm shift reinforces regional inequalities

Economic cooperation-led development gravitates to where infrastructure already exists, because private-sector investment favours pre-existing physical and governance infrastructure and seeks to minimise risk. This dynamic reproduces existing inequalities within regions. The data show the same tendency on the donor side: Commission digital ODA and mid-tier targeted donors alike concentrate their projects where enabling conditions and absorptive capacity are already strongest, rather than where need is greatest.

In order to overcome this structural constraint, the EU regional offices consider transborder projects that would also include less-served countries. However, plans made without bilateral consultation with target countries often result in a lack of local buy-in, if not total resistance. The EU should enlist the donor partners with local knowledge and access to plan transborder projects for the sustainability of the development programming.

TaiwanICDF can play an instrumental role in the design, implementation, and impact assessment stages of these multi-donor and multi-country projects given its expertise in working with other Asian donors and capacity in delivering digital infrastructure, governance, and inclusion projects. It should map the restructuring trajectory of European development agencies to identify regions, sectors, and issue areas that it can proactively coordinate donor cooperation.

### Recentralisation erodes local knowledge and access

While Global Europe envisions proactive engagement with trusted partners, the closure of country offices and the recentralisation of programming into sector-focused, interest-based regional offices pull against the stated aim of strengthening the EU's worldwide presence. Withdrawing from country-level presence sheds precisely the local knowledge and access that secure local ownership and the sustainability of development projects. These are assets that are hard to rebuild once lost. As recentralisation hollows out country-level presence, the EU should rely on trusted donor partnerships for complementarity and invest in proactive donor coordination mechanisms on the ground.

Taiwan is a technically sovereign upstream digital actor, yet the reported data capture only a fraction of its activity in broader support measures. Taiwan’s comparative strengths include economic and diaspora ties, geopolitical alignments, and local knowledge and access, depending on the region. Given its track record of engagement with smaller states and LICs, TaiwanICDF should proactively offer regionally tailored expertise in the EU’s transborder projects through donor coordination mechanisms.

### Development agencies are transitioning at different speeds and in different formats

The paradigm shift in international development lands unevenly on the European side, as development agencies are transitioning to the new paradigm at different speeds and in different institutional formats. National development agencies’ capacity to mobilise blended development finance and facilitate, or take part in, multistacked digital projects are shaped by their institutional structure and by the industrial and foreign policies of national governments.

European development agencies fall into three categories by mandate. Development-primacy agencies exist to reduce poverty, and work mostly through grants and untied concessional aid to low-income countries in the social and inclusion sectors. Foreign-policy-driven agencies treat aid as a tool of diplomacy, security and migration, directing it to countries of strategic interest rather than greatest need. Economic cooperation-driven agencies frame development around trade and investment, favouring infrastructure and private-sector projects financed through loans, blended finance and guarantees in middle-income markets. Under budget pressure and geoeconomic competition, all three are now sliding toward the economic cooperation model, and the agencies built for the first two are struggling to keep up.

Most Member States still work mainly through public-sector institutions while the EU institutions channel their ODA predominantly through multilateral organisations and are visibly further along in the move to an interest-based approach thanks to their ability to better utilise blended finance tools.

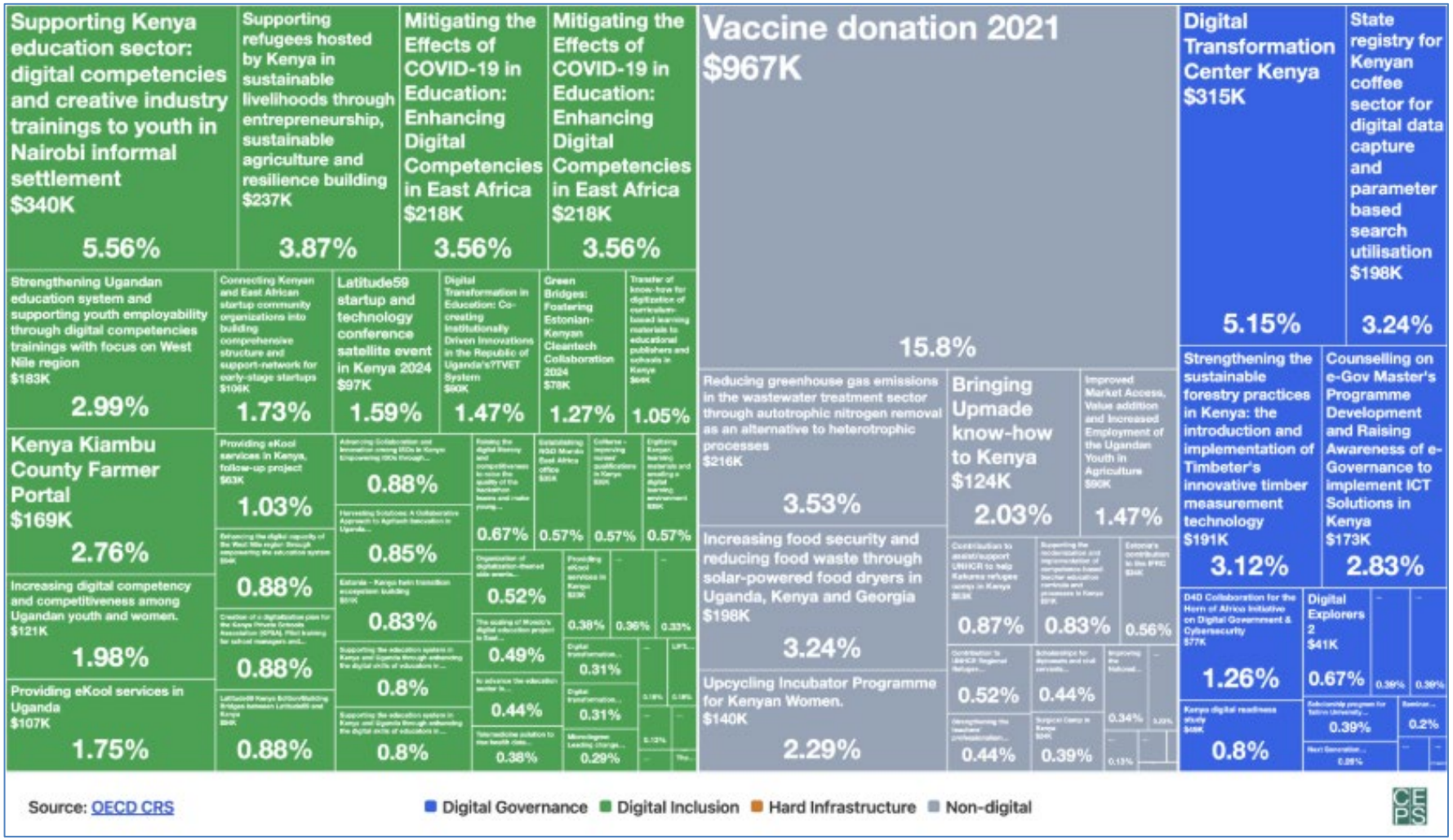
Figure 10. Comparison of digital ODA provided by EU institutions and Member States





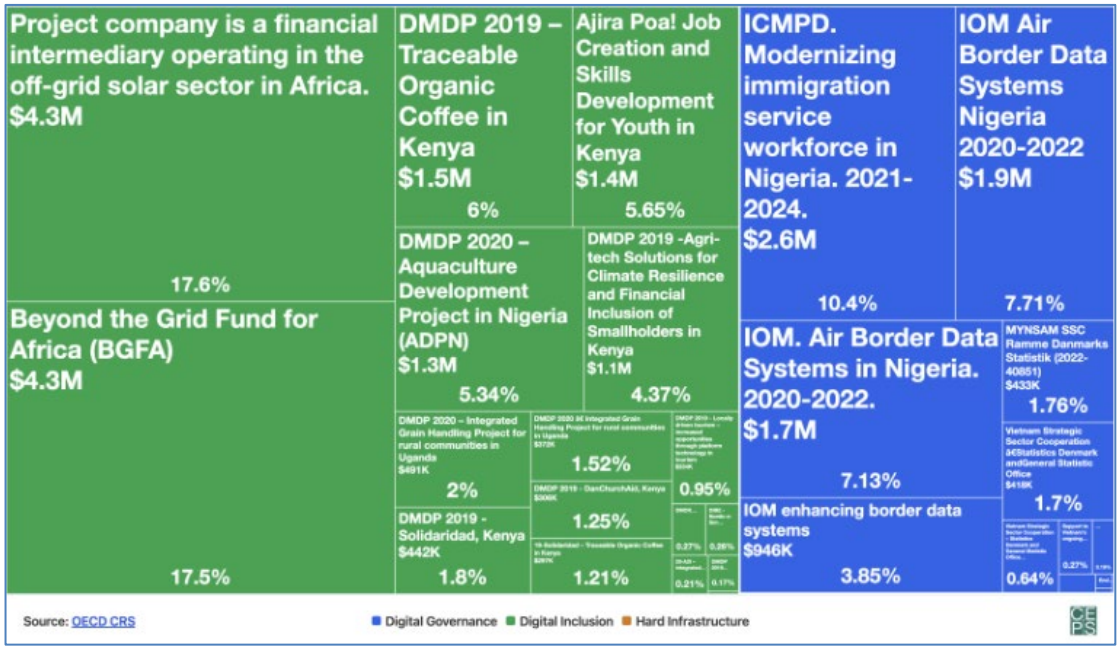

Bilateral priorities diverge just as much, with development agencies focusing on different partner countries or regions depending on the Member States' industrial and foreign policies. Case in point, a small state such as Estonia has been carving out a digital niche disproportionate to its budget. The practical consequence is that the most productive entry points into EU-aligned cooperation frequently run through specific member state agencies rather than through the EU institutions alone.

Figure 11. Treemap of Estonia's digital ODA, illustrating how smaller donors specialise in digital projects relative to their overall ODA budgets



The composition of European digital portfolios also maps only partially onto the EU's comparative advantage claims. In Africa, engagement skews toward governance and rights – data protection offices, cybersecurity legislation, national digital master plans, eID systems, and digital components woven into health, education and agricultural programming – alongside a strong inclusion and literacy strand. In the Indo-Pacific, EU digital engagement leans more toward connectivity infrastructure, reflecting both the region's infrastructure deficit and the more explicitly geopolitical framing of EU involvement there.

Figure 12. Comparison of Denmark's digital ODA and overall ODA spending, highlighting the limited share allocated to digital projects and its concentration in inclusion and governance




An agency's ability to transform its mandate to economic cooperation and build capacity to execute it depends on what it was built to do. For example, Estonia can lean into the economic cooperation turn because it is small, new, and digital by default, with few legacy structures to unwind. In contrast, Denmark has the technological weight to lead on digital infrastructure, but its development-cooperation system is historically equipped for inclusion, rights and civic tech, so its competencies and instruments pull against its new mandate. For many European development agencies, the mandate is converging on economic cooperation as an ambition, while the capability is converging much more slowly, and the gap between the two is where the practical constraints, and the openings for new partners, now sit.

The EU should adopt a variegated Team Europe Approach to mobilise all development agencies and the private sector of varying sizes and capacities to engage in the

multistacked digital development projects. Such a variegated approach would help to avoid a hierarchical or layered approach within Team Europe, ease the tension between Team Europe and Team National priorities, and consequently contribute to donor coordination within Europe.

While the priority of the Team Europe Approach is to prioritise European businesses, most digital projects can be better implemented with collaboration with Asian donor partners who are also the digital partners of the EU. The most productive entry points into EU-aligned cooperation frequently run through specific Member State agencies rather than through the EU institutions alone. To this end, TaiwanICDF should develop a twofold engagement strategy for European development agencies. In order to collaborate within the Team Europe framework, TaiwanICDF should engage smaller Member State development agencies for joint projects, where institutional asymmetries are least and political sensitivities are most manageable.

### Digital capability gaps require case-by-case matching

Digital projects come in two forms: those that build digital infrastructure for mutual economic security, and the digital layers now embedded in nearly every other kind of development project. The first still depends on skills upgrading and governance reform to function; the second is sustainable only where physical infrastructure is already running. Whether a given setting needs an infrastructure, governance or inclusion project must therefore be judged on a case-by-case basis.

The data reinforce the point: most major European agencies concentrate on inclusion, where their training capacity lies, while the EU institutions lean toward governance, and only a few large hard-infrastructure projects carry outsized weight in the totals. The digital envelope itself remains small across the board, as it is a minor fraction of both overall European ODA and of what priority countries receive, which means individual large projects can distort the aggregate picture considerably.

The EU should map capacity levels in digital infrastructure, governance and inclusion across recipient regions and develop matchmaking mechanisms with donor partners. TaiwanICDF should identify the gaps in EU and Member State capacity to deliver digital projects and proactively offer collaboration, including technological know-how and inclusion programming wherever appropriate. Given its size and capacity, TaiwanICDF can also act as a donor coordinator platform for Asian and European donors who historically work next to each other but not with one another.

Although ODA with digital projects is an evolving field, European development partners have been slow to scale this up. Many projects have a digital part amongst other aspects, and many of the digital projects have elements belonging to multiple digital types. Taiwan

could use its digital expertise to contribute to specific parts of these projects as an especially good opportunity to engage further. Richer operational opportunities for EU–Taiwan digital cooperation lie with the larger and more active EU partner countries.

### The China factor differs by region

Research on Global Gateway shows its projects at times competing, coexisting or collaborating with China's, particularly under-blended finance and in the multistacked nature of high-tech projects. Those same two features create opportunities for trusted donor partnerships beyond Europe. The EU should map where China's influence is exclusive and build EU and Member State capacity for subcontracting arrangements for Asian donor partners under the Team Europe scheme. Our research determines that China's influence is more exclusive in Africa, where partners are effectively pushed to choose, whereas neighbourhood dynamics allow Pacific and Southeast Asian partners to sustain ties with Taiwan. This contrast also shapes how European agencies view their cooperation with TaiwanICDF.

One China constraints shape but do not preclude cooperation, and technical-level collaboration with European implementers already occurs, including in Taiwan's diplomatic allies. TaiwanICDF should offer its contribution in two forms; when China's influence on the recipient countries is not exclusive, as in the case of Southeast Asia, the institutional cooperation mechanisms short of binding bilateral agreements (see Figure below) would enable subcontracting Global Gateway project modules to TaiwanICDF; when China's influence on the recipient countries tends to be exclusive, as in the case of Africa, TaiwanICDF should mobilise civil society actors in the Taiwanese development and digital sector to alleviate the various concerns of the EU, Member States, and partner countries.

Table 3. Possible cooperation mechanisms

| Route | Legal instrument | Main constraint |
|---|---|---|
| MDB trust funds (EBRD, ADB) | Contribution agreement (donor-to-trustee) | None significant |
| Subcontract under EU/member state prime | Commercial service contract or sub-grant | Prime must be EU-eligible; Taiwan enters below that tier |
| EIB-financed projects (own resources) | Open international tender | None – all countries eligible by default |
| EIB as EC implementer (Global Gateway) | EC mandate; EC eligibility rules apply | Taiwan not a partner country under NDICI/Global Europe |

| Route | Legal instrument | Main constraint |
|---|---|---|
| Bilateral DFI co-investment (deal level) | Co-investment or shareholder agreement | Parent government must sign off; named fund harder |
| Named joint bilateral fund (e.g. IFU, BII, Norfund) | Fund management agreement / MoU | Political recognition required at fund level |

Taken together, these findings describe a moment of structural opening. The same forces that unsettle European development cooperation, such as the pivot to investment-led programming, the recentralisation of country presence, the uneven transformation of national agencies, and the sharpening competition with China, also create the openings through which new partners can enter. The gap between what European agencies are now mandated to do and what they are institutionally equipped to deliver is also where complementary capabilities become valuable.

Taiwan's upstream digital competence, its track record with smaller states, and its experience alongside other Asian donors position it to contribute to the donor partnerships in the EU's global partnerships strategy. Taiwan has considerable technical capacity but that capacity and the institutional routes through which it can be brought into development cooperation is not readily accessible to European partners. The mechanisms set out above show that those routes exist and are navigable without disturbing diplomatic sensitivities. Realising them will depend less on formal bilateral recognition than on the willingness of European and Asian donors to build the coordination habits that a fragmented, multi-aligned development landscape now demands. It is time for European and Asian donors to work not merely next to one another, but with one another.

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2. Australian Embassy in Palau
3. Belau National Hospital
4. Bureau of Fisheries, Palau
5. CSOs (TTM Headquarters), Eswatini
6. Catalan Agency for Development Cooperation (ACCD)
7. D4D Hub Secretariat – Asia Branch
8. Directorate of Industrial and Vocational Training (DIVT), Eswatini
9. Embassy of Finland, Mozambique
10. Embassy of France, Mozambique
11. Embassy of Ireland, Mozambique
12. Embassy of Italy, Mozambique
13. Embassy of Japan, Palau
14. Embassy of Norway, Mozambique
15. Embassy of Sweden, Mozambique
16. Embassy of the Republic of China (Taiwan), Eswatini
17. Embassy of the Republic of China (Taiwan), Palau
18. ENIDC, Eswatini
19. Eswatini Investment Promotion Authority (EIPA)
20. European Union Delegation to Fiji
21. European Union Delegation to Eswatini
22. European Union Delegation to Vietnam
23. Foreign Investment Board, Palau
24. German Federal Ministry for Economic Cooperation and Development (BMZ)
25. GIZ Philippines
26. IISI, Eswatini
27. Independent Consultant – Digital Transformation, Mozambique

28. Japan International Cooperation Agency (JICA)
29. Ministry of Commerce, Industry and Trade, Eswatini
30. Ministry of Education, Palau
31. Ministry of Health (MISAU), Mozambique
32. Ministry of Information, Communications and Technology (MICT), Eswatini
33. MTN Eswatini
34. National Development Bank of Palau
35. Office of Climate Change, Palau
36. Office of the President – Office of Administrative Technology Services (OATS), Palau
37. Palau National Communications Corporation (PNCC)
38. Sida
39. Tex-Ray Industrial Co., Ltd.
40. UNDP Mozambique

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