AI and hardware

The rising cost of digital entry and widening digital divide

AI for Good Global Summit 2026

Solutions stage | Palexpo | Geneva

July 8, 2026 | 11:00-11:30 CEST

Session report

Joint session organized by International Telecommunication Union (ITU) and IPAG

Executive summary

The dynamics of global digital development have significantly shifted with the rapid emergence of Artificial Intelligence (AI) and the growing importance of the physical infrastructure that supports it. Earlier discussions on the digital divide focused primarily on internet connectivity, access to devices, and affordability of data. However, as AI becomes increasingly embedded in economic activity, public services and social development, a new form of inequality is emerging one shaped by access to computing power, semiconductors, cloud services, data centers, reliable electricity and the technical capacity required to operate them.

Under these evolving circumstances, countries without adequate infrastructure risk becoming dependent consumers of foreign technologies rather than active participants in the global AI economy. It is therefore imperative that governments, development institutions, technology companies, academia and civil society work together under multi-stakeholder partnerships to ensure that the benefits of AI remain accessible, inclusive and development-oriented.

Against this background, the Institute for Policy, Advocacy and Governance (IPAG), in collaboration with the International Telecommunication Union (ITU), the United Nations specialized agency for digital technologies and organizer of the AI for Good Global Summit with over 50 UN partners and the Government of Switzerland, convened the session titled "***AI and hardware: The rising cost of digital entry and widening digital divide***" on July 8, 2026, at Palexpo in Geneva, Switzerland.

The session was spearheaded and organized by Prof. Syed Munir Khasru, representing an international civil society knowledge outfit from the developing Global South, i.e. IPAG, which brought together experts such as Dr. Mehdi Snene of the United Nations, Ms. Yu Ping Chan of UNDP, and Prof. Dr. Nadia Magnenat Thalmann of the University of Geneva. The discussion examined how the rising cost of hardware and unequal distribution of AI infrastructure are widening the technological gap between developed and developing countries and was moderated by Ms. Giulia Neaher of the Stimson Center, US.

The discussion focused on four interconnected areas:

(i) the transition from the connectivity divide to the compute divide;
(ii) the hardware, energy and data-center requirements underpinning AI;
(iii) the risks of technological dependence and declining digital sovereignty; and
(iv) the need for shared computing facilities, smaller AI models, local-language systems and institutional capacity building.

The session brought together relevant stakeholders from the global AI community, Multilateral development agencies, development sector, Civil society and academia to discuss the barriers preventing developing countries from participating meaningfully in the AI economy. It highlighted that access to AI is no longer determined by connectivity alone, but also by the affordability and availability of physical infrastructure, skilled personnel, enabling policies and reliable energy systems.

The discussion charted a way forward based on shared compute resources, international cooperation, investment in locally relevant technologies and stronger national capabilities, with the objective of ensuring that AI contributes to inclusive development rather than creating a new and deeper division between technologically advanced and infrastructure-constrained countries.

Table of contents

Timeline of activities

Date	Milestone	Activity
April 2, 2026	Session proposals submitted to ITU	IPAG shared two proposed session concepts with ITU for consideration under the AI for Good Global Summit 2026 program.
April 8, 2026	Proposed speakers list shared	IPAG shared an initial list of prospective keynote speakers, moderators, panelists, and reserve participants for both the sessions.
April 13, 2026	Initial consultation with ITU	Virtual meeting with ITU's Venkatesen Mauree and Dr. Reinhard Scholl to discuss the proposed session themes, structure, and alignment with the Summit program.
April 28, 2026	Session approved by ITU	Received confirmation from ITU approving the session "***AI and hardware: The rising cost of digital entry and widening digital divide***."
April 29, 2026	Speaker outreach initiated	Began engagement with prospective participants from the UN, UNDP, Google, OpenAI, Microsoft, NVIDIA, Meta, Anthropic, and other relevant institutions.
May 7, 2026	Session format and logistics meeting	Virtual meeting with Guillem Martinez Roura and Polina Nash of ITU to discuss the session format, speaking roles, possible outline, timing, and logistical requirements.
June 29, 2026	Final coordination meeting	Prof. Khasru virtually briefed participants on the overall design and objectives of the session. **Virtual coordination meeting:** • With confirmed speakers and ITU representatives. • Finalized session structure and speaking order. • Agreed on key discussion themes. • Reviewed time management and logistics. **Meeting participants:** **Prof. Syed Munir Khasru** (IPAG), **Dr. Mehdi Snene** (UN), **Norman Sonntag** (UNDP, representing Robert Opp), **Dr. Nadia Thalmann** (UNIGE), **Giulia Neaher** (The Stimson Center, US), **José-Miguel Bello Villariño** (University of Sydney), and **Concorde Kananura** (ITU).

July 8, 2026		Prof. Khasru supervised the session with support from the confirmed speakers and ITU Solutions Stage team. **Session execution by IPAG** • Managed speaker coordination • Supervised session delivery • Coordinated with ITU Solutions Stage • Distributed speaker materials • Managed participant logistics Personalized and branded conference materials were provided to participants and others, which include: • T-shirt • Notebook • Pen • Keychain
July 8-10	Post-summit institutional engagements	Following the session, Prof. Khasru held meetings with senior representatives of key UN institutions during the remainder of his stay in Switzerland, including: • **Nan Li Collins**, Director, Division on Investment and Enterprise, UN Trade and Development (UNCTAD). • **Magdalena Sepúlveda Carmona**, Director, UNRISD. • **Rory Mungoven**, Chief, Asia-Pacific, OHCHR. The discussions explored opportunities for cooperation on technology, human rights inclusive development, sustainable investment, and future joint initiatives. During the meeting with UNCTAD, Ms. Nan Li Collins expressed appreciation of IPAG's work and invited to engage with the UNCTAD World Investment Forum 2026, for sessions related to AI scheduled to be held in Doha, Qatar, from October 25-27, 2026 which Is being organized with ITU. The Forum will bring together global leaders to discuss sustainable investment, digital transformation, and emerging development challenges.

Special remarks

Despite several follow-up communications with the AI for Good media relations team before the Summit, no media representatives contacted Prof. Khasru or the IPAG team regarding the session. No response or further update was received from the media team concerning potential interviews or other media engagement opportunities.

Glimpses from the session


The developing Global South facing a double burden
Increases in hardware prices are amplified by local economic realities.
Duties and VAT raise device costs by >30%
Weak data centers increase cloud dependency
Costly credit raises device prices.
AI for Good Global Summit
7 - 10 July 2026
Geneva, Switzerland


Policy, Advocacy, and Governance (IPAG)
AI for Good Global Summit
7 - 10 July 2026
Geneva, Switzerland

Part I: Background

Concept note

Rationale

AI inclusion is increasingly shaped by access to the physical systems that make advanced models usable. Across the developing Global South, rising costs for semiconductors, memory, device components, cloud services, data centers and grid capacity are increasing the price of digital participation. This emerging hardware and compute burden risks turning the AI divide into a structural form of exclusion, particularly where institutions already face import costs, financing constraints and limited infrastructure. The session therefore sought to move the debate beyond basic connectivity and digital literacy towards infrastructure equity, hardware affordability and the capacity of developing economies to participate in AI development.

Objective

To examine how the rising cost and unequal availability of AI-related hardware, semiconductors, memory, cloud infrastructure and compute capacity are creating new barriers to digital participation in the developing Global South, and to identify practical and multilateral pathways that can reduce these barriers while supporting greater technological autonomy.

Scope

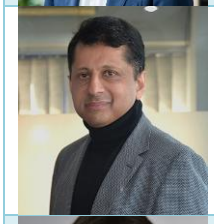
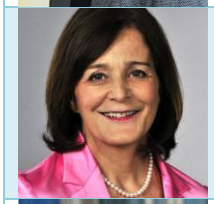
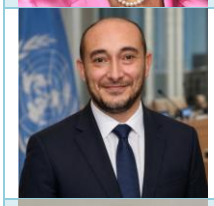
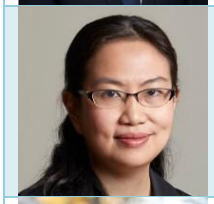
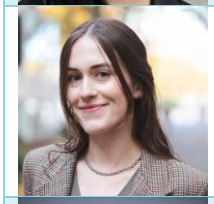
The session will provide factual analysis, assess policy choices and outline scalable responses across the following areas:

- The impact of rising hardware procurement costs, cloud charges and compute overhead on digital inclusion across developing markets.
- Policy options to reduce the “hardware tax,” including tariff relief, pooled procurement, affordable device standards and public-private or blended financing.
- Shared public compute, regional data-center cooperation, low-cost and refurbished device ecosystems, and other models that broaden access to infrastructure.
- Cooperation among governments, industry and development partners to ensure that AI infrastructure growth does not widen the digital divide.
- Actionable roadmaps that enable emerging economies to move from passive consumers of imported technology to active innovators, developers and service providers.

Session agenda

Session	**AI and hardware: The rising cost of digital entry and widening digital divide**
Date and time	July 8, 2026 | 11:00-11:30 CEST
Venue	Solutions Stage, Palexpo, Geneva
Format	Keynote presentation followed by moderated discussion
Organizers	International Telecommunication Union (ITU) and the Institute for Policy, Advocacy, and Governance (IPAG)
Central question	How can developing countries gain meaningful access to AI infrastructure while preserving autonomy and avoiding new forms of technological dependence?

The participants

	Role	Participants
	**Opening remarks *(originally scheduled)***	**Robert Opp** Chief Digital Officer and Global Director Digital, AI and Innovation, UNDP *(unable to join last minute due to preceding session rubbing late.)*
	**Keynote speaker**	**Prof. Syed Munir Khasru** Chairman, Institute for Policy, Advocacy and Governance (IPAG)
	**Panelist**	**Dr. Nadia M. Thalmann** Founder and Director, MIRALab, University of Geneva
	**Panelist**	**Dr. Mehdi Snene** AI Senior Advisor, UN Office of Digital and Emerging Technologies
	**Panelist (representing Robert Opp)**	**Yu Ping Chan** Head, Digital Partnerships and Engagement, UNDP
	**Moderator**	**Giulia Neaher** The Stimson Center Washington D.C, US
	**Rapporteur**	**Jose-Miguel Bello Villarino** Senior Research Fellow, Sydney Law School, Australia

The context

Artificial Intelligence is set out to become a foundational technology for economic production, public administration, scientific research, and essential services. Yet, unlike earlier waves of digitalization, the expansion of AI is closely tied to access to highly specialized and capital-intensive infrastructure. Advanced chips, servers, cloud platforms, data centers, cooling systems, and reliable electricity have become essential inputs for developing, training, and deploying AI systems. This has made technological progress increasingly dependent on physical capacity as much as on software innovation.

The global distribution of this capacity remains highly uneven. Advanced semiconductors and high-performance computing systems are concentrated among a small number of manufacturers, technology companies, and countries. Data-center infrastructure is similarly clustered in high-income economies, where access to capital, stable power supplies, skilled personnel, and established digital ecosystems make large-scale investment commercially viable. In contrast, many developing countries must rely heavily on imported equipment, foreign cloud providers, and externally hosted platforms.

The cost of technological participation is often significantly higher in developing economies. Import duties, value-added taxes, limited access to credit, currency depreciation, unreliable electricity, and weak maintenance networks increase the cost of acquiring and operating digital equipment. These constraints affect universities, start-ups, public agencies and local businesses that may wish to adopt AI but cannot independently afford the required infrastructure. As demand for advanced chips and computing services grows, these institutions risk being priced out of the AI ecosystem.

Infrastructure dependence also has wider implications for national development. Countries that lack domestic or regional computing capacity may have limited control over where their data is stored, how AI systems are designed, and whether those systems respond adequately to local needs. Models developed primarily with foreign data and dominant languages may perform poorly in countries with different linguistic, cultural, and institutional contexts. This can restrict the use of AI in sectors such as agriculture, healthcare, education, disaster management and public service delivery, where locally relevant tools are particularly important.

The growing energy requirements of AI add another layer to the challenge. Data centers require uninterrupted electricity, efficient transmission systems, cooling facilities, water, land, and substantial long-term investment. For countries already struggling to meet household and industrial energy demand, the construction of AI-related infrastructure may create difficult trade-offs. As a result, the ability to participate in the AI economy is increasingly linked to broader questions of energy security, industrial capacity and infrastructure financing.

These conditions demonstrate that access to AI cannot be addressed solely through market expansion or improved internet connectivity. It requires coordinated action to strengthen national and regional infrastructure, develop local technical capabilities, support research institutions, and create affordable access to computing resources. Without such measures, the global AI ecosystem may reinforce existing economic and technological inequalities and leave many developing countries dependent on systems over which they exercise limited influence or control.

Objectives

Through the session, the objective was to bring policymakers, representatives of international organizations, technology experts, researchers, and development practitioners onto a common platform to examine how unequal access to AI hardware and computing infrastructure could deepen the digital divide. The discussion considered the physical systems behind AI, the barriers facing developing countries, and the policies and partnerships required to expand access without creating new forms of technological dependence. It also explored practical approaches for making computing resources, locally relevant AI systems and institutional capabilities more widely available. The key objectives of the session were to:

Examine how the digital divide is shifting from basic connectivity towards unequal access to AI hardware, computing power, cloud services and data-center infrastructure.

Assess the financial, energy, institutional and technical barriers that raise the cost of AI adoption for developing countries, universities, start-ups and public agencies.

Explore practical mechanisms including shared compute hubs, affordable cloud access, smaller models, open-source systems and edge AI to lower barriers to entry.

Identify ways to strengthen local-language models, locally relevant datasets and domestic capabilities while reducing long-term dependence on externally controlled infrastructure.

Promote cooperation among governments, international organizations, development institutions, academia and technology companies to make AI infrastructure inclusive and development-oriented.

Organizers of the session

International Telecommunication Union (ITU)

The International Telecommunication Union (ITU) is the United Nations specialized agency for digital technologies. Established in 1865, ITU coordinates the global use of radio spectrum and satellite orbits, develops international technical standards, and supports universal connectivity and inclusive digital transformation. As of 2026, its membership includes 194 Member States and more than 1,000 companies, universities, civil society organizations, and international and regional institutions.

ITU organizes the AI for Good Global Summit, the United Nations' leading platform for identifying, demonstrating and scaling artificial intelligence solutions that address global development challenges. The 2026 Summit was organized with more than 50 United Nations partners and co-convened by the Swiss Confederation. It brought together governments, international organizations, researchers, technology companies, academia and civil society to advance cooperation on AI policy, standards, skills, infrastructure and practical deployment.

The Institute for Policy, Advocacy, and Governance (IPAG)

The Institute for Policy, Advocacy, and Governance (IPAG) is an independent, international think with focus on AI and digital technology, power & energy, economic development & trade, sustainable development and green growth, international relations & strategic affairs, and governance & leadership.

IPAG undertakes engagement & outreach activities, promotes dialogue among various stakeholders, conducts training & capacity building, and supports advocacy towards social justice. IPAG works with well-respected international organizations, institutions, and individuals in making positive contributions towards achieving inclusive and sustainable development.

As a proactive 'Do' & 'Think' Tank, IPAG emphasizes doing evidence-based policy research with a focus on providing solutions that effectively respond to real-life problems and challenges. Towards that end, IPAG engages with policy makers, senior officials, think tanks, academia, the private sector, civil society, and the media.

IPAG has presence on five continents – South Asia (Dhaka & Delhi), Asia Pacific (Melbourne), Europe (Vienna), the Middle East (Dubai), and Africa (Mauritius). It maintains global outreach through collaboration with International organizations, multilateral agencies, governments, Centers of excellence, academia, think tanks, research institutes and policy bodies around the world. IPAG has a presence in well-respected international media, which include Project Syndicate, World Economic Forum, The Straits Times (Singapore), South China Morning Post (Hong Kong), Nikkei Asia (Japan), The Indian Express, etc.

Part II: The Session

The proceedings

Role	Participants
Opening remarks *(Originally scheduled)*	**Robert Opp** Chief Digital Officer and Global Director Digital, AI and Innovation, UNDP *(Unable to deliver opening remarks due to other Summit commitments.)*
Keynote speaker	**Prof. Syed Munir Khasru** Chairman, Institute for Policy, Advocacy and Governance (IPAG)
Panelist	**Dr. Nadia M. Thalmann** Founder and Director, MIRALab, University of Geneva
Panelist	**Dr. Mehdi Snene** AI Senior Advisor, UN Office of Digital and Emerging Technologies y
Panelist (representing Robert Opp)	**Yu Ping Chan** Head, Digital Partnerships and Engagement, UNDP
Moderator	**Giulia Neaher** Research Analyst, The Stimson Center Washington D.C, US
Rapporteur	**Jose-Miguel Bello Villarino** Senior Research Fellow, Sydney Law School, Australia

Prof. Syed Munir Khasru delivered the keynote presentation and established the analytical framework for the session. He stated how AI has the potential to improve productivity, public services, healthcare, education, agriculture, and disaster management. However, he also cautioned that the same technology could deepen existing inequalities if access to its underlying infrastructure remained concentrated among a small number of countries and companies.

He explained that the nature of the digital divide had changed considerably. Earlier focus was mainly on whether people had access to the internet, whether devices were affordable, and whether mobile data was available. In the AI era, connectivity alone is no longer sufficient. Meaningful participation now depends on whether countries, universities, businesses and public institutions can access the computing power, cloud platforms, data systems and technical expertise required to build, adapt and operate AI technologies.

He stressed that AI is frequently perceived as an intangible or software-based technology, although it relies on an extensive physical infrastructure. He described the hardware chain behind AI as including semiconductors, graphics processing units, high-bandwidth memory, servers, data centers, cooling systems, electricity grids, cloud platforms and skilled personnel. From the user's perspective, an AI application may appear simple and easily accessible, but the systems behind it require substantial capital, energy and technical capability.

He highlighted that growing demand for advanced chips and memory products is increasing competition for computing hardware. Technology companies are prioritizing the production of high-value components for AI systems, which may contribute to higher prices for enterprise servers, personal computers, smartphones, and other digital devices. Prof. Khasru referred to this as an emerging "AI tax" on everyday technologies. He explained that the greater concern was not merely the increase in prices, but the possibility that AI-capable devices and infrastructure could become unaffordable for large segments of the global population.

Developing countries, according to Prof. Khasru, face a double burden. They are affected by rising global hardware prices while also confronting domestic constraints that further increase the cost of technological adoption. These include import duties and value-added taxes on devices, expensive credit, currency pressures, unreliable electricity, limited data-center capacity, and weak technical maintenance networks. As a result, institutions in developing countries may pay considerably more for the same infrastructure than institutions in advanced economies.

He cited the unequal global distribution of data centers to demonstrate the scale of the divide. Most computing and data-center capacity remain concentrated in high-income economies, while developing countries possess only a limited share of global infrastructure. Referring to Bangladesh, he noted that a large population and extensive internet adoption do not automatically translate into domestic computing capacity. Countries may be highly connected while remaining dependent on infrastructure, cloud services, and platforms located elsewhere.

Prof. Khasru argued that such dependence has consequences for digital sovereignty and long-term development. Countries lacking local computing capacity may become consumers of foreign technologies rather than participants in their design and development. AI systems trained primarily on foreign data and dominant languages may fail to reflect local cultures, linguistic realities, and policy priorities. Building domestic and regional capability is therefore essential for ensuring that AI systems respond to local needs and that countries retain greater influence over how their data and technologies are managed.

He also emphasized the close relationship between AI and energy. Data centers require reliable electricity, cooling systems, land, water, and large-scale investment. Countries already facing energy shortages or fragile electricity grids may struggle to support advanced computing infrastructure. For this reason, he stated that the AI divide should not be understood only as a technological divide. It is also an energy, infrastructure, financing, and development divide.

Concluding his presentation, Prof. Khasru proposed several measures to lower the barriers to AI participation. He called for national and regional shared compute hubs that could provide universities, start-ups, public institutions, and smaller organizations with affordable access to computational resources. He recommended subsidized cloud and compute access, investment in local-language models, wider adoption of open-source technologies and greater emphasis on smaller and more specialized AI systems.

He encouraged the use of edge AI, particularly in sectors such as agriculture, education, healthcare and disaster management. These applications can operate closer to users and may require less expensive infrastructure than large centralized systems. His closing message was that access to compute should be treated as a development priority and a public policy challenge. Without coordinated action, AI could create a new separation between countries capable of developing advanced systems and those limited to purchasing and using technologies designed elsewhere.

Dr. Nadia Thalmann approached the discussion from a technical and research perspective. She argued that not every AI application requires an extremely large language model or access to the most advanced computing systems. Many practical uses can be supported by smaller and more specialized models designed for clearly defined purposes.

She emphasized that language remains one of the major barriers to inclusive AI. Existing models are largely shaped by English-language training data and tokenization systems. For AI to become genuinely useful across different regions, models must better reflect local languages, linguistic structures and cultural realities.

Referring to the linguistic diversity of Africa, she noted that researchers must develop approaches that allow AI models to function across a wide range of languages. She also highlighted the importance of creating local datasets and reducing the computational requirements of AI systems. In her view, mobile-based AI could become especially important in developing countries, similar to how mobile technology previously allowed many regions to expand communications without extensive fixed-line infrastructure.

Dr. Mehdi Snene discussed the governance and development implications of unequal access to AI infrastructure. He noted that the United Nations works across three interconnected pillars, namely development, human rights, and peace and security. Artificial intelligence increasingly affects each of these areas.

He acknowledged that global hardware and compute markets are difficult to regulate because they are primarily shaped by commercial incentives and private investment. Nevertheless, he argued that economic objectives should be balanced with considerations of human development. Expanding access to AI infrastructure could benefit developing countries while also supporting the long-term growth of the global digital economy.

Dr. Snene called for cooperative mechanisms through which computing infrastructure could be shared or made more widely accessible. Rather than depending solely on bilateral agreements, countries and international institutions could explore broader arrangements for shared computational resources. He stressed that AI should contribute to a common human future rather than create separate technological classes of countries and populations.

Ms. Yu Ping Chan, representing UNDP and Mr. Robert Opp, **Chief Digital Officer, UNDP** described the emerging AI divide as a fundamental development challenge. She explained that UNDP supports governments across more than one hundred countries and territories in areas related to digital transformation, artificial intelligence and sustainable development.

She noted that the economic benefits created by AI could become concentrated among a small number of countries and companies unless barriers to participation are addressed. Countries unable to develop the necessary infrastructure, skills and institutions may remain passive consumers of AI rather than active participants in its development.

Drawing on UNDP's AI landscape assessments, she noted that many obstacles are not purely technical. Countries frequently face institutional challenges involving policy frameworks, skills development, governance capacity, innovation ecosystems and coordination among public and private stakeholders.

Ms. Chan concluded that investments in hardware and infrastructure must be accompanied by investments in institutions and people. Governments require enabling policies, skilled professionals, effective governance systems and strong local innovation networks if they are to use AI in support of national development priorities.

Intra-panel discussion

Following the keynote presentation, moderated by **Ms. Giulia Neaher**, the session focused on how developing countries could gain access to AI infrastructure while maintaining technological autonomy and avoiding new forms of dependence on foreign providers. She noted that the challenge extended beyond the affordability of hardware. It also concerned who controlled computing resources, where data were stored, whose languages and priorities were represented in AI systems, and whether developing countries could participate as innovators rather than remain users of technologies developed elsewhere.

The discussion was guided by the following central questions:

1. How can developing countries secure affordable access to AI hardware, cloud services and computing capacity?
2. How can countries benefit from global AI systems without becoming excessively dependent on foreign infrastructure and technology providers?
3. What role can smaller models, local datasets and local-language technologies play in reducing the cost of AI adoption?
4. How should international institutions, governments and private companies cooperate to make AI infrastructure more inclusive?

Dr. Nadia Thalmann responded from a technical and research perspective. She argued that developing countries do not necessarily need the largest and most computationally intensive AI models to meet local needs. Instead, greater attention should be given to practical and affordable systems.

- Smaller and specialized AI models can reduce computing and infrastructure requirements.
- Local datasets and improved tokenization are necessary for languages that are poorly represented in existing models.
- Mobile-based AI could expand access in developing countries, similar to the earlier spread of mobile communications.

Dr. Mehdi Snene considered the issue from the perspective of international governance. He noted that AI increasingly affects development, human rights, and peace and security, and should therefore not be treated solely as a commercial technology issue. Although hardware and compute markets are largely driven by private investment, he stressed that human development objectives must also be considered.

- Cooperative mechanisms could make computing resources more widely available.
- International institutions can help align commercial incentives with development priorities.
- AI should support a shared human future rather than create separate technological classes of countries.

Representing UNDP, **Ms. Yu Ping Chan** emphasized that the AI divide is fundamentally a development challenge. Drawing on UNDP's work across more than one hundred countries and territories, she observed that the main barriers to AI adoption are often institutional as well as technological.

- Countries frequently lack appropriate policy frameworks, skilled professionals and effective governance capacity.
- Infrastructure investment must be supported by talent development and stronger innovation ecosystems.
- Developing countries need the capacity to become active beneficiaries of AI rather than passive consumers.

The discussion also highlighted that countries lacking domestic compute capacity may remain consumers of foreign technologies rather than active participants in their development. The panelists agreed that access to AI should therefore involve more than purchasing technology. Countries must also be able to adapt systems to local needs, develop relevant datasets, strengthen technical capacity and create governance frameworks that support responsible use.

The panel broadly agreed that shared computing resources, smaller AI models, local-language technologies, open-source tools and stronger institutional capacity could help reduce barriers to participation. The discussion concluded that international cooperation will be essential to ensure that developing countries are able to participate meaningfully in the AI economy and are not confined to using systems developed entirely outside their own social, economic and policy contexts.

Part III: Outcome of the session

10 Key takeaways

1	**The divide has been evolving** Digital inclusion now also depends on compute and infrastructure as well as connectivity.
2	**AI has a physical backbone** Chips, memory, servers, data centers, power, cooling and skilled operators determine who can participate.
3	**Developing countries face a double burden** Global scarcity of hardware and resulting higher prices interact with taxes, credit constraints, weak grids and limited technical ecosystems.
4	**Affordability can become exclusion** Rising costs may place AI-capable devices and services beyond the reach of smaller institutions and lower-income users.
5	**Local relevance requires local capacity** Languages, datasets and public priorities cannot be adequately reflected without domestic or regionally accessible capability.
6	**Smaller models can widen access** Efficient, specialized and edge-based systems may deliver greater development value than universal reliance on frontier-scale models.
7	**Institutions matter as much as hardware** Policy, governance, talent and ecosystem development determine whether infrastructure produces meaningful outcomes.
8	**Cooperation is essential** Shared compute, international financing and multi-stakeholder partnerships can reduce dependence and widen participation.
9	**Energy is part of the compute divide** Reliable electricity, cooling, land and capital are prerequisites for building and operating AI infrastructure.
10	**Dependence can weaken digital sovereignty** Reliance on externally controlled infrastructure can limit control over data, languages and national development priorities.

10 Policy recommendations

1	**Recognize compute as development infrastructure** Governments and development institutions should incorporate compute, cloud and AI-capable devices into digital-development, industrial and public-service strategies.
2	**Build shared national and regional compute facilities** Universities, start-ups, public agencies and civil-society organizations should have access to pooled resources that individual institutions cannot finance alone.
3	**Reduce fiscal and financing barriers** Review duties and taxes on essential digital and AI-capable equipment, and expand concessional financing, leasing and credit mechanisms for eligible users.
4	**Support efficient and locally relevant AI** Prioritize smaller models, edge deployment, open-source tools, local-language systems and datasets aligned with national development needs.
5	**Invest in the enabling ecosystem** Strengthen electricity reliability, data-center regulation, cybersecurity, cooling efficiency, technical maintenance, research capacity and workforce development.
6	**Create responsible access frameworks** Shared infrastructure should include transparent eligibility, data governance, security, environmental safeguards and accountability mechanisms.
7	**Mobilize international and private-sector cooperation** Align commercial incentives with human-development objectives through co-investment, capacity building, public-interest cloud credits and regional partnerships.
8	**Measure the compute divide** Develop indicators covering affordability, capacity, utilization, energy requirements, institutional readiness and access across income groups and regions.
9	**Prioritize public-interest and edge AI applications** Direct affordable compute toward agriculture, education, healthcare, disaster management and public services where smaller and edge-based systems can deliver practical value.
10	**Strengthen local data and language ecosystems** Invest in locally relevant datasets, tokenization, model adaptation and research capacity for underrepresented languages and contexts.

The way forward

The session marked an important shift in the global discussion on AI governance. The defining question is no longer only whether people and countries can connect to the internet or access data. It is whether they possess the compute, infrastructure, and institutional capability required to build, adapt, and govern AI systems in ways that serve their own development priorities.

Across the keynote and panel discussion, participants agreed that the AI divide is multidimensional. Hardware costs, cloud access, data-center concentration, electricity reliability, local-language data, skills, and governance reinforce one another. Addressing one component in isolation will not be sufficient.

The way forward is therefore practical and cooperative: pool computational resources; finance access for public-interest users; develop smaller and locally relevant models; invest in power, data and maintenance ecosystems; and build the policy and institutional capacity required to use AI responsibly. International organizations, governments, researchers and technology companies each have a role in ensuring that access to AI infrastructure becomes broader, fairer and more development-oriented.

IPAG

The Institute for Policy, Advocacy, and Governance

info@ipag.org facebook.com/ipag.org @ipag_org www.ipag.org