



**Asia-Pacific
Economic Cooperation**

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Agenda Item: 7

Terms of Reference of the APEC Digital Economy Steering Group (Endorsed)

Purpose: Information
Submitted by: DESG Chair



**Third Senior Officials' Meeting
Puerto Varas, Chile
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1 Terms of Reference of the APEC Digital Economy Steering Group

2 1. Background

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4 1. In 2017, APEC Leaders pledged to work together to realize the potential of the internet and
5 digital economy and welcomed the adoption of the APEC Internet and Digital Economy Roadmap
6 (“the Roadmap”). Under the 2018 APEC Action Agenda for the Digital Economy, Leaders further
7 emphasized that the digital technologies (and their associated services and platforms) have the
8 potential to continue providing significant gains. Under the Roadmap, Leaders also recognized
9 that if these gains are to be fully realized, significant challenges need to be addressed. The
10 Roadmap is a framework that provides guidance on key areas and actions to facilitate technological
11 and policy exchanges among member economies and to promote innovative, inclusive and
12 sustainable growth, as well as to bridge digital divide in the APEC region and sets out eleven key
13 focus areas of work. The DESG also recognizes the importance of taking into account appropriate
14 regulatory and other relevant policy frameworks to encourage investment and innovation.

15 2. Further, the APEC Action Agenda for the Digital Economy (“the Action Agenda”)
16 welcomed the creation of the Digital Economy Steering Group (DESG) to implement the Roadmap.
17 The creation of the DESG was agreed upon at the Concluding Senior Officials Meeting (CSOM)
18 in Port Moresby prior to the meeting of APEC Leaders in November 2018. This Terms of
19 Reference have been developed in accordance with the recommendations set out in the CSOM
20 recommendations (“the 2018 CSOM Recommendations”).¹

21 3. Lastly, the APEC Electronic Commerce Steering Group (ECSG) was established in 1999
22 endeavoring to maximize the benefits of e-commerce and trade-related digital economy issues at
23 all levels of development, recognizing the role of e-commerce and trade related digital economy
24 issues in fostering innovative development and increasing economic participation. In 2007, the
25 ECSG was aligned with the Committee on Trade and Investment (CTI), maintaining a strong focus
26 on advancing APEC’s goal of free and open trade and investment in the region:

27 a. To achieve this objective, the ECSG worked to build trust and confidence in e-
28 commerce and trade related digital economy issues for consumers, businesses, and
29 governments; enhance government use of digital platforms; intensify community outreach;
30 promote technical cooperation and experience exchange on issues such as privacy
31 enforcement, regulatory reforms, customs and paperless trading, e-commerce issues,
32 including payment platforms and alignment of barcodes, and others; where appropriate
33 work towards eliminating impediments to its uptake; and develop seamless legal, technical,
34 operating and trading environments to facilitate the growth and development of e-
35 commerce and trade related digital economy issues;

36 b. In line with the recommendations of the 2018 CSOM recommendations, the DESG
37 shall preserve the work of ECSG on e-commerce and trade-related digital economy issues,
38 and will work as experts under the CTI for these issues, as outlined in the present DESG

¹ “Recommendations on Governance of the Implementation of the APEC Internet and Digital Economy Roadmap” (2018/CSOM/019)

39 Terms of Reference. Having taken account of the AHSGIE's Terms of Reference² in
40 developing this document, the DESG will report directly to the SOM on the
41 implementation of the Roadmap.

42 **2. Reporting Lines**

43 1. The DESG aims to facilitate the development of the internet and digital economy, including
44 e-commerce and digital trade. As the inheritor of the deliverables of the Ad Hoc Steering Group
45 on the Internet Economy (AHSGIE), the DESG will advise the SOM on a comprehensive and
46 regular basis on implementation of the Roadmap, giving full recognition to the Roadmap's broad
47 scope.

48 2. In line with 2018 CSOM recommendations, the DESG shall preserve the functions of the
49 former Electronic Commerce Steering Group and continue to report to the CTI on matters of the
50 ECSG's existing work programme on e-commerce and trade-related digital economy issues.

51 **3. Functions**

52 The DESG's work shall align with the Leaders' and Ministers' priorities, SOM's
53 instructions, implement the Roadmap in a comprehensive manner and meet commitments set out
54 in the APEC Action Agenda on the Digital Economy. The functions of the DESG shall include the
55 following:

56 a) Act as a steering group that will identify synergies and cross-cutting objectives for
57 APEC's digital economy activities as they emerge from either the DESG or relevant fora
58 or sub-fora and explore the implementation of joint initiatives;

59 b) Update the SOM on a regular basis on the latest developments and emerging
60 technologies and trends related to and affecting the Digital Economy, where appropriate;

61 c) Coordinate with other APEC fora and sub-fora, including developing reporting
62 templates and other instruments to report on the progress of the implementation of all
63 elements of the Roadmap across APEC, as well as address or facilitate to resolve any
64 implementation issues as they emerge;

65 d) Upon consultation and consensus, the DESG may recommend creating or dissolving
66 subsidiary bodies/subgroups subject to SOM's approval in accordance with evolving needs
67 of implementing the Roadmap;

68 e) Assume the existing functions of the former ECSG and continue the
69 implementation of the ECSG's existing work program, including to promote innovative,
70 sustainable and inclusive growth through the development of e-commerce and trade-related
71 digital economy issues³.

² The Terms of Reference of the Ad-Hoc Steering Group on Internet Economy (AHSGIE) (2016/SOM1/AHSGIE/005).

³ The DESG shall preserve the ECSG terms of reference (2018/SOM3/CTI/063anxb) on substantive matters of ECSG existing work, projects and subsidiary bodies/subgroups, including: continuation of the the ECSG-Data Privacy Subgroup (DPS) work program through the DESG-DPS, *inter alia* as outlined in Article 1.3;

- 72 f) Promote capacity building within APEC to better understand the impact of
73 technology and inherent characteristics of the Digital Economy in order to better deal with
74 trade challenges in securing the future of the Digital Economy within APEC;
- 75 g) Coordinate all APEC digital economy activities and maintain strong linkages with
76 other APEC working groups, the private sector and relevant international organizations to
77 address various issues relating to the digital economy, as well as encourage their active
78 participation and contributions to the work of the DESG and APEC, in general;
- 79 h) Propose and undertake, *inter alia*, cross-APEC work on digital economy issues and
80 identify potential initiatives to address these issues, placing focus on cross-cutting aspects
81 and beyond the DESG's agreed work program, while deferring specific matters and
82 implementation to the relevant fora and sub-fora;
- 83 i) Develop an annual work program towards the implementation of the Roadmap and
84 all other objectives of the DESG, not precluding other work that is not in the work program;
- 85 j) Undertake regular review of the Key Focus Areas in the Roadmap, as appropriate,
86 as the Roadmap is a living document, given the evolving nature of the Digital Economy.

87

88 **4. Selection, Terms and Functions of the Chair and Vice-Chair(s)**

89 1. Selection and Terms

- 90 a. The DESG will select a Chair and two Vice-Chairs by consensus from among the
91 member economies for a two-year term. The Vice-Chairs should not be from the same
92 APEC economy and should be selected from different APEC economies than the Chair.
93 The DESG shall select Chairs and Vice Chairs in accordance with the Revised Guidelines
94 for Lead Shepherd/Chair and Deputy Lead Shepherd/Vice Chair of APEC working groups
95 and SOM Task Forces.
- 96 b. In the event that the Chair is unable to continue with his/her duties, either Vice-
97 Chairs will assume the position of Chair until a new Chair is nominated by the member
98 economy holding the Chair to serve the remainder of the term of the departing Chair.
- 99 c. If a Vice-Chair is unable to continue with his/her duties, a new Vice Chair should
100 be nominated by his/her economy to serve the remainder of the term of the departing Vice-
101 Chair. There must be at least one Vice-Chair at all times
- 102 d. Should the Chair be unable to attend a physical and/or scheduled meeting of the DESG,
103 either of the Vice-Chairs may assume the role of the Chair for that meeting. If either of
104 Vice-Chairs cannot assume the role of the Chair for the meeting, the Chair and Vice Chairs
105 shall agree to propose another delegate to assume the role of Chair for that meeting, to be
106 agreed by the DESG by consensus, preferably 30 calendar days prior to that meeting.
- 107 e. Towards the conclusion of the Chair's two-year term, nominations for the Chair
108 will be called in accordance with the process described in paragraph 1 (i) above. In the

109 event of multiple nominations for Chair, the member economies will work with the APEC
110 Secretariat through consensus to designate a Chair. Should there be no nominations from
111 member economies for the Chair position, either of the Vice Chairs shall assume the
112 Chairmanship for one calendar year to ensure continuity or until a new Chair is nominated
113 and selected by consensus from among member economies.

114 2. Functions

115 a. The duties of the DESG Chair include:

116 i. Coordinate the schedule and chair DESG meetings, as well as prepare
117 summary reports of these meetings with the support of the APEC Secretariat
118 Program Director to report to the SOM on the implementation of the Roadmap with
119 contributions from other APEC fora and sub-fora on a regular basis and report to
120 the CTI in accordance with Article 2 (“Reporting Lines”);

121 ii. Oversee the development of projects and activities to ensure that the work
122 is aligned with Leaders’ and Ministers’ priorities, as well as the Roadmap;

123 iii. Where appropriate, update the SOM on the DESG’s work on the latest and
124 emerging technologies and developments related to and affecting the Digital
125 Economy and this may be included in the DESG Chair’s report to the SOM;

126 iv. Liaise with the APEC Secretariat, and other APEC fora and international
127 organizations to enhance the quality of activities, including project proposals that
128 have well-defined and measurable outcomes, and tracking the progress of project
129 implementation;

130 v. Upon consultation among the member economies, act as rapporteur for the
131 DESG to the SOM, CTI and others committees and fora as required, ensuring that
132 the Chair’s report reflects the views of the member economies; and

133 vi. Seeking to reflect consensus, act as spokesperson and key advocate for
134 DESG within APEC fora, towards actively working to build cross-fora synergies,
135 and actively promoting the practical efforts that fora are undertaking to advance
136 APEC priorities. The Chair will comply with Article 6.3 when representing the
137 DESG in non-APEC activities.

138 b. The duties of the DESG Vice Chairs include:

139 i. Assist the Chair in fulfilling the DESG’s mandate and in implementing the
140 Roadmap;

141 ii. Chair the DESG’s meetings on behalf of the Chair in the event that the Chair
142 cannot perform his/her duties.

143 3. This article of the Terms of Reference shall apply *mutatis mutandis* to the Chair and Vice-
144 Chair(s) of subsidiary bodies/subgroups of the DESG.

145 4. Any matters not covered under this article would be resolved by consultation and consensus
146 among the member economies.

147

148 **5. Business Conduct of Meetings**

149 1. Composition, Frequency and Venue of Meetings

150 a. The DESG and its subgroups shall meet twice a year. The current APEC host
151 economy will host both meetings as part of the SOM meeting cluster.

152 b. The APEC Secretariat shall notify member economies of the date, place and time
153 of the meetings as soon as it is determined by the Chair and host economy.

154 2. Distribution of Papers

155 Member economies shall endeavor to circulate papers for discussion and decision no later
156 than two weeks before meetings to enable other member economies to consider their positions,
157 consult internally and address any issues prior to the meetings.

158

159 **6. Collaboration and Guest Participation**

160 1. Given the crosscutting nature and the impact of the internet and digital economy, the DESG
161 will collaborate actively with other APEC fora in order to exchange successful experiences and
162 quality information, complementing its work and avoiding overlaps with their agendas including
163 in areas such as e-commerce and digital trade.

164 2. As agreed in the 2018 CSOM recommendations, the DESG should hold at least one of its
165 meetings each year back-to-back with the meeting of the Telecommunications and Information
166 Working Group (TELWG) to facilitate the holding of the annual joint meeting as part of the SOM
167 meeting cluster. At the time of this joint meeting, a public-private dialogue should also be held.
168 The DESG can invite other APEC fora and sub-fora for the DESG-TELWG meeting, as
169 appropriate. The meeting's main focus includes strengthening the APEC cross-fora and external
170 collaboration, provide a platform for various stakeholders to exchange information on the work
171 related to the Roadmap, build synergies and envisage the future activities for its implementation.
172 The above-mentioned does not preclude the DESG from holding joint meetings with other APEC
173 fora and sub-fora, as appropriate.

174 3. The DESG will comply with the APEC Guidelines on Managing Cooperation with Non-
175 Members. Participation of guest members will be encouraged with the expectation that they will
176 actively share information and contribute to the work and priorities of the DESG.

177 4. The DESG may invite other international fora, stakeholders including representatives from
178 the private sector and industry (providers and users), civil society, academia, and technical
179 community to participate in and actively contribute to the meetings, as appropriate. Non-member

180 participation should adhere to the required procedure pursuant to the APEC Guidelines on
181 Managing Cooperation with Non-Members.

182

183 **7. Term and Quorum**

184 1. As set out by the 2018 CSOM recommendations, the DESG will review its Terms of
185 Reference in 2021. At the expiration of this and any subsequent term, the mandate of the DESG
186 and its Terms of Reference shall be reviewed and a recommendation on term renewal shall be put
187 to the SOM for approval.

188 2. Quorum for DESG's meetings constitutes attendees from 14 economies. Should the DESG
189 fail to meet quorum for two consecutive meetings, the matter shall be referred to the SOM for a
190 decision on whether the DESG should continue to exist.

191

192 **8. Transitional Provisions**

193 1. For the first term of the DESG leadership, Chile will be the Chair of the DESG and
194 representatives from Singapore and Malaysia will serve as the Vice-Chairs. Upon the expiration
195 of the first term, the DESG will select its leadership according to the mechanism set out in Article
196 4 in this Terms of Reference.

197
198 2. The ECSG's existing three-year guests at the time of adoption of this Terms of Reference
199 will be transferred over to the DESG as three-year guests until their current guest status expires.
200 Once their current guest status expires, these existing three-year guests of ECSG shall submit new
201 applications to be DESG's three-year guests.