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Digital Economy Steering Group Terms of Reference – Endorsed by DESG on 11 August 2021

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Submitted by: APEC Secretariat



**Third Committee on Trade and Investment
Meeting
24-26 August 2021**

Terms of Reference of the APEC Digital Economy Steering Group

1. Background

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

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

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

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

b. In line with the recommendations of the 2018 CSOM recommendations, the DESG shall preserve the work of ECSG on e-commerce and trade-related digital economy issues, and will work as experts under the CTI for these issues, as outlined in the present DESG Terms of Reference. Having taken account of the AHSGIE’s Terms of Reference² in

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

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

developing this document, the DESG will report directly to the SOM on the implementation of the Roadmap.

2. Reporting Lines

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

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

3. Functions

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

- a. Act as a steering group that will identify synergies and cross-cutting objectives for APEC's digital economy activities as they emerge from either the DESG or relevant fora or sub-fora and explore the implementation of joint initiatives;
- b. Update the SOM on a regular basis on the latest developments and emerging technologies and trends related to and affecting the Digital Economy, where appropriate;
- c. Coordinate with other APEC fora and sub-fora, including developing reporting templates and other instruments to report on the progress of the implementation of all elements of the Roadmap across APEC, as well as address or facilitate to resolve any implementation issues as they emerge;
- d. Upon consultation and consensus, the DESG may recommend creating or dissolving subsidiary bodies/subgroups subject to SOM's approval in accordance with evolving needs of implementing the Roadmap;
- e. Assume the existing functions of the former ECSG and continue the implementation of the ECSG's existing work program, including to promote innovative, sustainable and inclusive growth through the development of e-commerce and trade-related digital economy issues³;
- f. Promote capacity building within APEC to better understand the impact of technology and inherent characteristics of the Digital Economy in order to better deal with trade challenges in securing the future of the Digital Economy within APEC;

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.

- g. Coordinate all APEC digital economy activities and maintain strong linkages with other APEC working groups, the private sector and relevant international organizations to address various issues relating to the digital economy, as well as encourage their active participation and contributions to the work of the DESG and APEC, in general;
- h. Propose and undertake, *inter alia*, cross-APEC work on digital economy issues and identify potential initiatives to address these issues, placing focus on cross-cutting aspects and beyond the DESG's agreed work program, while deferring specific matters and implementation to the relevant fora and sub-fora;
- i. Develop an annual work program towards the implementation of the Roadmap and all other objectives of the DESG, not precluding other work that is not in the work program;
- j. Undertake regular review of the Key Focus Areas in the Roadmap, as appropriate, as the Roadmap is a living document, given the evolving nature of the Digital Economy.

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

4.1. Selection and Terms

- a. The DESG will select a Chair and two Vice-Chairs by consensus from among the member economies for a two-year term. The Vice-Chairs should not be from the same APEC economy and should be selected from different APEC economies than the Chair. The DESG shall select Chairs and Vice Chairs in accordance with the Revised Guidelines for Lead Shepherd/Chair and Deputy Lead Shepherd/Vice Chair of APEC working groups and SOM Task Forces.
- b. In the event that the Chair is unable to continue with his/her duties, either Vice-Chairs will assume the position of Chair until a new Chair is nominated by the member economy holding the Chair to serve the remainder of the term of the departing Chair.
- c. If a Vice-Chair is unable to continue with his/her duties, a new Vice Chair should be nominated by his/her economy to serve the remainder of the term of the departing Vice-Chair. There must be at least one Vice-Chair at all times
- d. Should the Chair be unable to attend a physical and/or scheduled meeting of the DESG, either of the Vice-Chairs may assume the role of the Chair for that meeting. If either of Vice-Chairs cannot assume the role of the Chair for the meeting, the Chair and Vice Chairs shall agree to propose another delegate to assume the role of Chair for that meeting, to be agreed by the DESG by consensus, preferably 30 calendar days prior to that meeting.
- e. Towards the conclusion of the Chair's two-year term, nominations for the Chair will be called in accordance with the process described in paragraph 4.1.a above. In the event of multiple nominations for Chair, the member economies will work with the APEC Secretariat through consensus to designate a Chair. Should there be no nominations from member economies for the Chair position, either of the Vice Chairs shall assume the Chairmanship for one calendar year to ensure continuity or until a new Chair is nominated and selected by consensus from among member economies.

4.2. Functions

- a. The duties of the DESG Chair include:
 - i. Coordinate the schedule and chair DESG meetings, as well as prepare summary reports of these meetings with the support of the APEC Secretariat Program Director to report to the SOM on the implementation of the Roadmap with contributions from other APEC fora and sub-fora on a regular basis and report to the CTI in accordance with Article 2 (“Reporting Lines”);
 - ii. Oversee the development of projects and activities to ensure that the work is aligned with Leaders’ and Ministers’ priorities, as well as the Roadmap;
 - iii. Where appropriate, update the SOM on the DESG’s work on the latest and emerging technologies and developments related to and affecting the Digital Economy and this may be included in the DESG Chair’s report to the SOM;
 - iv. Liaise with the APEC Secretariat, and other APEC fora and international organizations to enhance the quality of activities, including project proposals that have well-defined and measurable outcomes, and tracking the progress of project implementation;
 - v. Upon consultation among the member economies, act as rapporteur for the DESG to the SOM, CTI and others committees and fora as required, ensuring that the Chair’s report reflects the views of the member economies; and
 - vi. Seeking to reflect consensus, act as spokesperson and key advocate for DESG within APEC fora, towards actively working to build cross-fora synergies, and actively promoting the practical efforts that fora are undertaking to advance APEC priorities. The Chair will comply with Article 6.3 when representing the DESG in non-APEC activities.
- b. The duties of the DESG Vice Chairs include:
 - i. Assist the Chair in fulfilling the DESG’s mandate and in implementing the Roadmap;
 - ii. Chair the DESG’s meetings on behalf of the Chair in the event that the Chair cannot perform his/her duties.

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

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

5. Business Conduct of Meetings

5.1. Composition, Frequency and Venue of Meetings

- a. The DESG and its subgroups shall meet twice a year. The current APEC host economy will host both meetings as part of the SOM meeting cluster.
- b. The APEC Secretariat shall notify member economies of the date, place and time of the meetings as soon as it is determined by the Chair and host economy.

5.2. Distribution of Papers

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

6. Collaboration and Guest Participation

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

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

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

6.4. The DESG may invite other international fora, stakeholders including representatives from the private sector and industry (providers and users), civil society, academia, and technical community to participate in and actively contribute to the meetings, as appropriate. Non-member participation should adhere to the required procedure pursuant to the APEC Guidelines on Managing Cooperation with Non-Members.

7. Term and Quorum

7.1. The DESG term is 1 January 2022 to 31 December 2025. Prior to the expiration of this and any subsequent term, the mandate of the DESG and its Terms of Reference shall be reviewed and a recommendation on term renewal shall be put to the SOM for approval. DESG must be explicitly renewed by Senior Officials in order to continue after the expiration of this Terms of Reference.

7.2. Quorum for DESG's meetings constitutes attendees from 14 economies. Decisions can be made if quorum and consensus are reached. If the quorum is not reached, the meeting may continue, but decisions must be put to the full membership for consideration. Should the DESG fail to meet quorum for one meeting, the DESG must notify CTI. Should the DESG fail to meet quorum for two consecutive meetings, the matter shall be referred to the SOM for a decision on whether the DESG should continue to exist.