CONCEPT NOTE

THE PACIFIC E-COMMERCE INITIATIVE – PHASE 1

Draft 13/10/2020

The Importance of E-commerce

E-commerce is one of the five priorities of the Pacific Aid-for-Trade Strategy (PAfTS), noting its potential to narrow distances and trade costs, and to promote diversification of Pacific economies.

2. In this COVID-19 era, the ability of Pacific businesses to trade electronically has become even more important. Electronic sale of goods and services is one of the few economic activities that has grown exponentially in 2020, driven by the need to implement social distance measures. Even when lock-downs and border closures will be lifted, new online buying and selling habits are due to stay.

3. Given the above, strengthening of Forum Islands Countries (FIC)’s E-commerce readiness is essential to COVID-proof Pacific economies and ensure their future growth prospects.

4. At a joint PIFS-WTO-UNCTAD Regional Workshop on E-commerce held in June 2017, Forum Island Countries, recognising the challenges to effectively participate in E-commerce, endorsed the development of a regional strategy on E-commerce based on the findings of national assessments. This approach was endorsed by Forum Trade Officials in July 2018.

The National E-commerce Assessments

5. Since 2017 the Pacific Islands Forum Secretariat (PIFS) has leveraged resources, sponsored and quality-assured the development of national E-commerce Assessments, in partnership with a technical agencies and donors, such as the United Nations Conference for Trade and Development (UNCTAD), the European Union (EU) TradeCoM II facility, the Enhanced Integrated Framework (EIF), and the Australian Department of Foreign affairs and Trade (DFAT). Ten national E-commerce Assessments have been undertaken so far, which are all based on the methodology developed by UNCTAD, so as to ensure that results are comparable and suitable to be consolidated.

Leveraging the Regional Dimension

6. Besides providing guidance for country-level action, the national assessments will serve as a robust evidence-base for the development of the Regional E-commerce Strategy and Roadmap which will outline the Pacific consensus on priority regional actions.

7. The regional dimension is an important one for E-commerce, as it can improve Pacific readiness through a number of different approaches:

   i. Regional collaboration. Identify common national challenges that can be effectively addressed by uniform approaches, to be undertaken as regional programs. Examples include, but are not limited to:

      a. Development of model legislation or legislative provisions and in-country support for their approval - e.g. consumer protection, cyber-security, privacy, e-transactions;

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1 Samoa, Kiribati, Tuvalu, Vanuatu, Solomon Islands, Tonga, Niue, Papua New Guinea, Fiji, and Federates States of Micronesia
b. Development of e-commerce training courses for private businesses that can be administered throughout the region

ii. Regional harmonization. Identify common national challenges that can be addressed through the development of regional schemes suitable to harmonize processes and create a critical mass. Examples include but are not limited to:
   a. Development and endorsement of regional guidelines introducing E-commerce best practices in Forum Island Countries on issues such as intra-regional data roaming, next-generation of universal service obligations, school curriculum development, etc.; and
   b. Development of preferential arrangements between regional exporters and providers of certain e-commerce related services (e.g. express couriers, fin-tech e-payment companies, etc.) as an option to reduce unit costs.

iii. Regional integration. Establish common rules, standards and institutions to address common challenges more effectively. Examples include but are not limited to:
   a. Establishment of regional alternative dispute resolution mechanisms for online disputes; and
   b. Establishment of regional trade facilitation committee leading on options to streamline movement of goods, including small parcel trade

8. In other words, by considering the regional dimension of E-commerce it can be possible to: (a) achieve selected priorities through more cost-effective approaches; and (b) achieve priorities which are outside the reach of single companies or Members.

Steps Towards a Regional E-commerce Strategy and its Implementation

9. The steps towards a regional e-commerce strategy and its implementation are illustrated below:

   i. Regional E-commerce Assessment. Work is currently ongoing to develop a Regional E-commerce Assessment which consolidates evidence from the existing National E-commerce Assessments, integrate with other available evidence, and summarise common directions. The regional E-commerce Assessment, supported by the EU TradeCom II program, will provide a robust situational analyses to inform the next steps.

   ii. Consultations on the Regional E-commerce Strategy and Roadmap. Work will commence towards the end of 2020 funded by the Australian E-commerce Aid-for-Trade Fund. Key stakeholders of the regional E-commerce architecture will be consulted to identify the most promising regional approaches to strengthen E-commerce readiness – national governments and private sector organisations, non-government organisations, regional and international agencies, development partners.

   iii. Drafting and validation of the Regional E-commerce Strategy and Roadmap. These steps will be undertaken in the second quarter of 2021. A regional workshop will take place around mid-2021 to validate and endorse the Strategy and Roadmap’s priority actions and the allocation of implementation responsibilities.

   iv. Implementation of the Regional E-commerce Strategy and Roadmap. The validated Strategy and Roadmap will be submitted to relevant Forum Ministers for endorsement in 2021. Implementation of the agreed priority actions will be responsibility of the identified lead agencies. A regional coordination and monitoring mechanism will be established by the PIFS, which is suitable to mobilize support and track implementation.

The Partnership with the Melanesian Spearhead Group
10. The Melanesian Spreadhead Group (MSG) Trade Agreement (MSG-TA) was renewed for the third time in 2016, including expansion to new areas such as E-commerce. The ambition of the MSG block to strengthen sub-regional integration on E-commerce has triggered a partnership with the PIFS, which has culminated in the joint sponsoring of the activities undertaken with support of the EU TradeCom II program. In particular, starting from the findings of the Regional E-commerce Assessment, a MSG E-Commerce Assessment has been developed which will serve as evidence-base to progress implementation of sub-regional integration according to the provisions of the new MSG-TA.