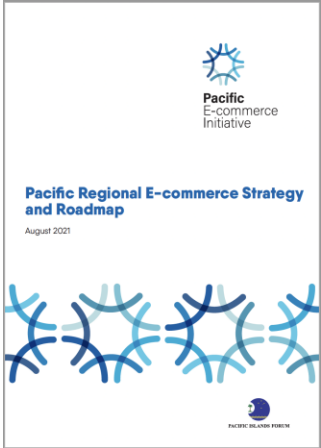


# The Pacific Regional E-commerce Strategy (2021-2026)

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Training on E-commerce Disciplines  
for Pacific Negotiators  
April 20, 2022

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PACIFIC ISLANDS FORUM

# Outline

1

## **REGIONAL TRADE AGENDA AND PACIFIC REGIONALISM**

- Regional trade agenda
- The Pacific E-commerce Strategy and the Framework for Pacific Regionalism

2

## **E-COMMERCE LANDSCAPE IN THE PACIFIC**

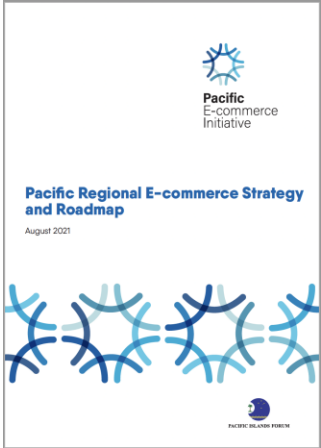
- Regional landscape, common challenges for FICs

3

## **E-COMMERCE STRATEGY**

- Outputs and measures
- Governance mechanisms
- Kick-off projects: E-Commerce Portal and E-commerce acceleration projects

# Regionalism, Regional Trade Agenda, and Strategic E-commerce Framework



**PACIFIC ISLANDS FORUM**



# Regionalism

## Why regional strategies?

Because in 1971 we decided to **stand together as a region**

## Why we stand together?

*We stand together as a Pacific region because there are significant **benefits to sharing and combining** our resources to leverage our voice, influence and **competitiveness**, and to overcome geographical and demographic disadvantages\**

## How do we stand together (what is Pacific regionalism)?

*The expression of a common sense of identity and purpose, leading progressively to the **sharing** of institutions, resources, and markets, with the purpose of **complementing national efforts, overcoming common constraints, and enhancing sustainable and inclusive development** within Pacific countries and territories and for the Pacific region as a whole\**

*\* Framework for Pacific Regionalism, p. 1*



# The Regional Trade Agenda

## In which trade-related areas do we share?

Ministers retain decision-making responsibilities in their areas of sectoral expertise (*FPR*, p.8)

## What have Trade Ministers decided?

Pacific Ministers identified a *small group of high-priority issues that can usefully be addressed by forms of regionalism, with coordination provided by the Forum Secretariat.*\* Four thematic priority areas:

- *The Services Sector;*
- *Electronic Commerce;*
- *Comprehensive Connectivity* (Infrastructure and People-to-People)
- *Deepening Forum Markets* (Quality Infrastructure, Trade Facilitation, Trade Policies and Agreements)\*

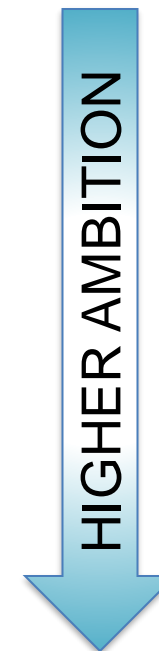
*\*Pacific Aid-for-Trade Strategy pp. 3-4*

# The Regional Trade Agenda (2)

How to address E-commerce in line with regional mandates (since 2017)?

## The Pacific E-commerce Initiative

Action	Type of FPR collective action
<ul style="list-style-type: none"><li>• 11 National E-commerce Assessments (2017-2020)</li><li>• Regional E-commerce Assessment (2020)</li></ul>	Regional Coordination
<ul style="list-style-type: none"><li>• Pacific Regional E-commerce Strategy and Roadmap (2021)</li></ul>	Regional Cooperation
<ul style="list-style-type: none"><li>• Implementation (2021-2026)</li></ul>	Regional Cooperation → Economic Integration



# Pacific E-commerce Strategy

	Pacific E-commerce Strategy	Framework of Pacific Regionalism	
<b>Prosperity</b> (dynamic – driving positive change)	<b>Vision:</b> a <i>transformative Blue Pacific</i> economy where all businesses and consumers actively engage in domestic and cross-border electronic commerce	<b>Vision:</b> our Pacific Vision is for a region of ... <i>prosperity</i>	<b>Prosperity</b> (static)
<b>Growth</b> (trough transformation)	<b>Impact:</b> transforming Pacific livelihoods, through accelerated <i>economic growth that is inclusive and equitable</i>	<b>Impact:</b> <i>Economic growth that is inclusive and equitable</i>	<b>Growth</b>



# Pacific E-commerce Strategy (5)

... looking ahead

## 2050 Strategy for the Blue Pacific Continent?

### Complementarity

- Long term vision (2050), including trade
- Short/Medium program (E-commerce), and successive iterations
- Short and long term brought together through the Technical Working Group on Aid-for-Trade

Eventually, E-commerce Strategy will be **embedded** in 2050 Strategy as it is now happening with FPR



# E-commerce Landscape in the Pacific

## 7 x Policy Areas



**Achieve gender  
equality and  
empower all  
women and girls**

# PA1: E-commerce Readiness & Strategy Formulation

- E-commerce strategy formulation at initial/nascent stage
- Existing strategies/policies cover ICT; not specific to E-commerce
- Regional strategy will provide necessary policy guidance/ blueprint for FICs on a common legal framework for E-commerce at national level

## Key Common Challenges for FICs

- Harnessing the political will to expedite E-commerce strategy formulation



# PA2: ICT Infrastructure and Services

- Liberalisation of telecom sector in FICs > improved internet connectivity
- But problems persist in speed (latency), affordability and reliability, esp. in rural areas
- Lack of interoperability among key Mobile Network Operators (MNOs) and regional/subregional Internet Exchange Points (IXPs)

## Key Common Challenge for FICs

- Attracting viable investments in inclusive connectivity in underserved areas, incl. outer islands which also promote MNO interoperability and (sub)regional IXPs



# PA3: Trade Logistics and Trade Facilitation

- Low levels of connectivity due to poor logistics and distribution systems, lack of access to online marketplaces, and an incomplete regulatory regime
- Low, expensive and irregular shipping and air connections
- Underdeveloped last mile logistics & lack of residential addressing negatively affects small parcel delivery
- Single window systems > nascent stage but progressing

## Key Common Challenges for FICs

- Different, low levels of automation of border procedures, insufficient alignment of those procedures with best E-commerce practices and standards, underdeveloped postal services, and difficult access E-commerce platforms



# PA4: Legal and Regulatory Frameworks

- All FICs are in the nascent stage of E-commerce legislation in the four core areas of e-transactions, consumer protection, data protection and privacy, and cybercrime – UNCTAD Global Cyberlaw Tracker
- Ongoing progress w/ UNCITRAL to develop E-commerce legislations
- Limited awareness and use of technical standards that support E-commerce

## Key Common Challenges for FICs

- Lack of an enabling regulatory framework for E-commerce to build business confidence and low capacity of senior officials to actively engage in international E-commerce negotiations



# PA5: Electronic Payment Solutions

- Low banking penetration > affects availability & affordability of bank-based digital payment solutions
- Pacific Islands Regional Initiative (PIRI) – AFI: Regulatory sandboxes for FinTech solutions
- CBs/WB/IFC > critical reforms on national payment systems
- Emerging role of non-bank payment service providers in financial market

## Key Common Challenges for FICs

- Political commitment crucial for regulatory reforms > regional adoption of harmonised regulatory sandboxes for FinTech solutions
- Facilitate digital payments > increased use of FinTech for remittances to provide the unbanked with the e-currency needed to engage in online purchases





# PA6: E-commerce Skills Development

- Low level of E-commerce specific skills at all levels: basic, intermediate, advanced/highly technical
- Low to non-existent integration into national educational curricula (various levels) > low number of skilled women e-commerce entrepreneurs
- Need to build/strengthen train-the-trainers programs > promote sustainability/continuity. Raise awareness with dev partners. Some good regional programs exist e.g. Pacific Trade and Invest (PTI)

## Key Common Challenges for FICs

- Critical shortage of E-commerce and digital skills > more acute by the increasing demand for these skills during the COVID-19 global crisis
- \* *Sensitise development partners on achieving greater economies of scale through coordinated regional programs*



# PA7: Access to Finance for E-commerce

- Lack of viable incentives for innovative E-commerce ventures due to small markets at national levels > lack of economies of scale
- Need to promote transformative gender mainstreaming in key area of accessing finance for women entrepreneurs
- *PacifEcom* Alliance to collaborate on establishing regional platforms for risk-sharing facilities supporting E-commerce, esp women entrepreneurs

## Key Common Challenges for FICs

- Lack of access to finance for E-commerce businesses which are often regarded as **high risk** by financial institutions







## **Outputs, Measures, Governance and Kick-off Projects**

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# Pacific E-commerce Strategy (3)

How will the Strategy Outcomes be achieved?

***18 Outputs\****

*delivered through ...*

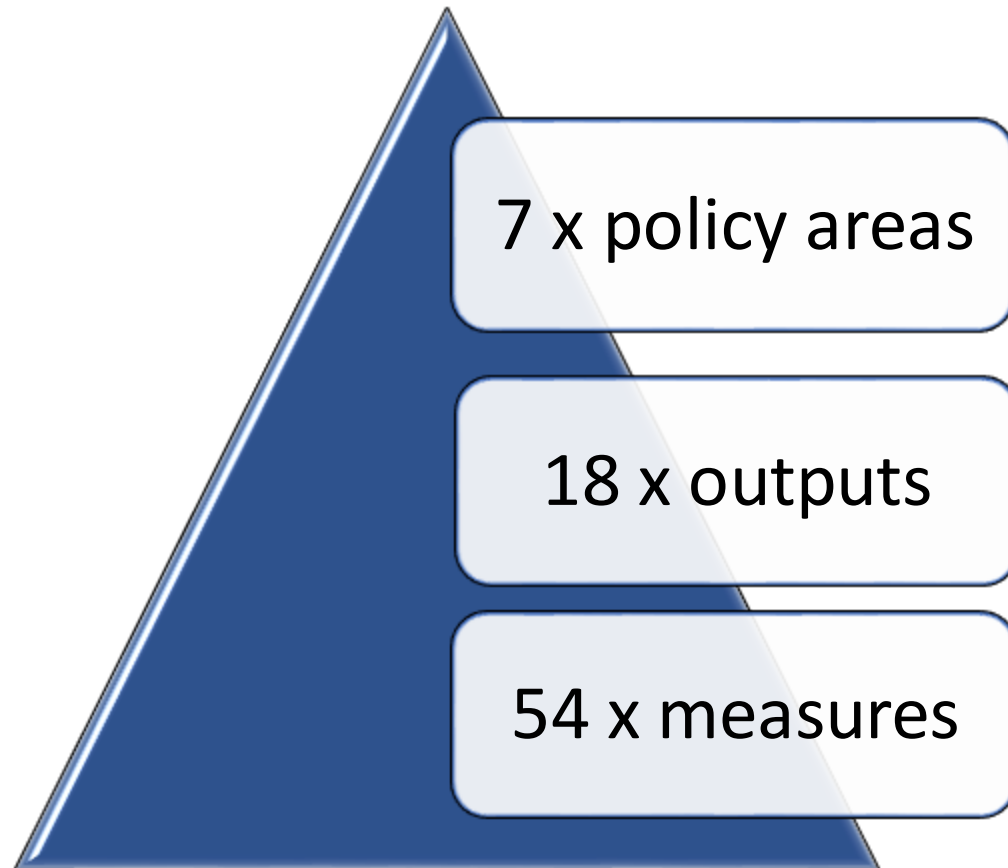
***54 Measures\****

*divided into ...*

***7 key Policy Areas\**** of E-commerce

# E-commerce Landscape in the Pacific (cont'd)

## REGIONAL STRATEGY



## 3 X OVERARCHING OUTCOMES



# Pacific E-commerce Strategy (2)

**How will the Strategy contribute to the desired Impact?**

## **Overarching Outcomes**

*More online consumers\**

*By 2026, the number of FIC consumers transacting on E-commerce websites, and the value of their online transactions would have at least doubled compared to 2021*

*.. and more online businesses\**

*By 2026, the number of FIC business selling on E-commerce websites and the value of their online sales would have at least doubled compared to 2021*

*... connected through a faster and more inclusive network*

*By 2026, internet penetration for each FIC has increased to at least 50% for those with <50% internet penetration in 2021, and at least 75% for those with >50% internet penetration in the same base year*

*\*Work with UNCTAD / SPC to build indicators*



7 x POLICY AREAS	18 x STRATEGIC OUTPUTS
PA 1: E-COMMERCE READINESS AND STRATEGY FORMULATION	1.1 National E-commerce strategies are developed and implemented in FICs, which are built on domestic consensus and inspired by the Regional E-commerce Strategy and Roadmap.
	1.2 Statistics on E-commerce are available to inform national and regional policymaking and the formulation of donor-funded programmes.
	1.3 E-commerce potential and opportunities in the Pacific are visible and recognized internationally.
PA 2: ICT INFRASTRUCTURE AND SERVICES	2.1 International connectivity is expanded and strengthened across the Pacific.
	2.2 Supply of general and last-mile domestic connectivity is expanded across the Pacific
	2.3 Demand for better connectivity is stimulated across the Pacific.
PA 3: TRADE LOGISTICS AND TRADE FACILITATION	3.1 Trade procedures relevant to cross-border E-commerce are digitized and harmonized across FICs.
	3.2 Logistics systems relevant to E-commerce are strengthened their costs to business reduced.
	3.3 Postal readiness for E-commerce has increased.
	3.4 Accessibility of E-commerce platforms has increased
PA 4: LEGAL AND REGULATORY FRAMEWORKS	4.1 E-commerce-related laws are made or amended based on UNCITRAL model laws as best international standard, plus other best international practices.
	4.2 International agreements on E-commerce benefitting FICs are negotiated and concluded.
PA 5: ELECTRONIC- PAYMENT SOLUTIONS	5.1 Non-bank digital payment solutions for E-commerce are deployed across the Pacific.
	5.2 Business-friendly digital payment solutions spearheaded by commercial banks and MNOs are integrated in E-commerce ecosystem.
PA 6: E-COMMERCE SKILL DEVELOPMENT	6.1 The regional innovation/start-up ecosystem for E-commerce business ventures is strengthen.
	6.2 Digital skills are enhanced for all.
PA 7: ACCESS TO FINANCE FOR E- COMMERCE	7.1 Availability of risk sharing facilities and blended finance solutions has increased for E-commerce players (marketplace, vendors, merchants).
	7.2 Alternative sources of finance for E-commerce ventures have been mainstreamed in access to finance solutions and are promoted regionally.

# Boosters and Enablers



***TWO PRIORITY MEASURES IDENTIFIED FOR EACH POLICY AREA***

# E-commerce Landscape in the Pacific (cont'd)

## ROADMAP FOR IMPLEMENTATION

7 x policy areas

18 x outputs

54 x measures



### IMPLEMENTING AGENCY/IES

- DEVELOPMENT PARTNERS, CROP AGENCIES
- DONORS



### INDICATIVE BUDGET



### PERFORMANCE INDICATORS

- MONITORING, EVALUATION & LEARNING
- ARE WE ON TRACK?



### TIMELINE

- BASELINE (2021)
- TARGET YEAR (2026)



# E-commerce Roadmap (snapshot)

## 5.1 Priority Area 1: E-commerce Readiness and Strategy Formulation

No.	Measure	Indicative Budget (USD)	Main Implementing Agencies	Indicator	2021 Baseline	2026 Target
<b>SO 1.1: National E-commerce strategies are developed and implemented in FICs, which are built on domestic consensus and inspired by the Regional E-commerce Strategy and Roadmap</b>						
1.1.1	Develop national E-commerce strategies in all FICs built on the model of the regional E-commerce Strategy and Roadmap.	700,000 <sup>26</sup>	PIFS, UNCTAD, World Bank	Number of FICs with validated E-commerce strategies	0	10
1.1.2	Establish a Pacific E-commerce Committee.  Establish national E-commerce committees modelled on the regional body to strengthen cooperation between government institutions, regulatory bodies and leading private sector partners. <sup>27</sup>	350,000/year (regional); 20,000/year (national)	PIFS, UNCTAD, World Bank, Pacific Islands Chapter of the Internet Society (PICISOC)	Status of Pacific E-commerce Committee and Number of FICs with a functioning E-commerce; national E-commerce committees established	To be established; 0	Established; 10
1.1.3	Establish digital economy or E-commerce business associations in all FICs and at regional level to foster collaboration between companies, offer services, and advocate private sector interests on E-commerce.	200,000 – seed funding from donor partners (co-funded resources)	PIPSO	Number of national E-commerce associations or national chapters of a regional E-commerce association	2 <sup>28</sup>	10
1.1.4	Create an alliance of regional organizations, industry leaders and development partners ("PacifEcom Alliance") from the Pacific to galvanize support, innovation and Public Private Partnerships for E-commerce development.	100,000/year	PIFS, PICISOC	Status of PacifEcom Alliance	To be established	Established and operational



# E-commerce Roadmap (snapshot)

## 5.4 Priority Area 4: Legal and Regulatory Framework

No.	Measure	Indicative Budget (USD)	Main Implementing Agencies	Indicator	2021 Baseline	2026 Target
SO 4.1: E-commerce-related laws are made or amended based on UNCITRAL model laws as best international standard, plus other best international practices						
4.1.1	Adopt UNCITRAL model laws on electronic transactions.	400,000	UNCITRAL, in partnership with FICs governments	Number of FICs having adopted laws or Electronic Commerce transactions modelled on UNCITRAL MLEC	1	10
4.1.2	Adopt other relevant laws and regulations increasing confidence for consumers and businesses and predictability of E-commerce.	500,000	UNCTAD, UNCITRAL, Pacific Cyber Security Operational Network (PaCSON) <sup>39</sup>	Average number of areas for which FICs have developed E-commerce legislation – out of the four areas included in the UNCTAD Cyberlaw Tracker database	1	3
4.1.3	Increase the adoption and use of international standards that support E-commerce, as well as technology and network neutrality and interoperability.	250'000	PIFS, Regional Standards Committee under the Pacific Quality Infrastructure Initiative, Standards Australia	Number of international standards that support E-commerce adopted by FICs	0	At least 5 standards in 7 FICs.
SO 4.2: International agreements on E-commerce benefitting FICs are negotiated and concluded						
4.2.1	Develop FIC negotiators' skills on E-commerce laws and regulations to support negotiation and implementation of future digital trade agreements and E-commerce provisions in FTAs.	300,000	PIFS, UNCTAD, COMSEC	Number of FIC negotiators trained on E-commerce	0	50
4.2.2	Negotiate a regional agreement on E-commerce to promote transparency, and predictability of domestic and cross-border E-commerce.	1.2m	PIFS	Status of E-commerce Agreement in the Pacific	To be negotiated	Concluded and initiated by 7 FICs

## 5.7 Priority Area 7: Access to Finance for E-commerce

[illegible]

# Overall Framework

Pacific Ownership and Leadership

Coordination of AFT Priorities

Coordination of Specific AFT  
Priority

Technical Expertise, Inclusiveness,  
Technical Assistance

**LEADERS**  
**FTOM-FTMM**

**Pacific AFT Technical  
Working Group**

**Pacific E-commerce  
Committee**

**Sub-committees:**  
**Private Sector**  
**Development Partners**  
**7 Key Policy Areas**

**Commitment > Resources > Results**



# Pacific E-commerce Committee

## Chair

- PIFS Secretary General

## Members

- National E-commerce Focal Points

## Observers

- Representatives of the Strategy's implementing agencies
- Representatives of the Strategy's funding partners

## When

- At least annually, in person
- Remotely inter-session

## Reports to

- Aid for Trade Strategy Technical Working Group



# Pacific E-commerce Committee (2)

## Functions

- Act as apex body of PacifEcom Alliance
- Oversight on implementation of Strategy
- Recommendations to Forum Trade Ministers, donor partners, and implementing agencies to facilitate implementation of the Strategy's measures
- Ensure ownership is maintained
- Propose the creation of sub-committees, based on ambitions and resources



# National E-commerce Focal Points

- Appointed in each FIC to steer the delivery of regional efforts
- Permanent Secretary or equivalent
- Steer the network of E-commerce stakeholders in their respective countries
- To be supported with constant capacity building to strengthen and sustain national capacities on E-commerce.





# Sub-committees

## Recommended

- Ultimate choice rests with partners of the Pacific E-commerce Alliance, based on ambition and resources

## E-commerce Private Sector Sub-committee

- Ensure that the business perspective is fully integrated during implementation

## E-commerce Development Partners Sub-committee

- Forum where the implementing entities and its funders review performance of projects and discuss future projects
- Donor partners and regional and international development agencies

## Seven Policy Areas Sub-committees

- Holistic strategy may require specialized area-level bodies to ensure delivery of recommendations

# The PIFS

## The 'file-holder'

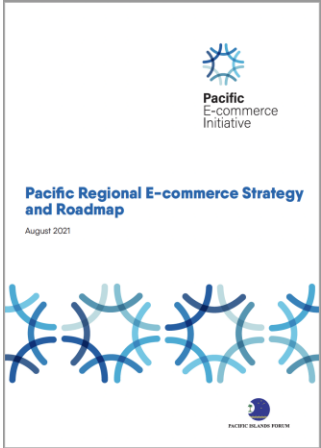
Coordinate implementation of the Pacific Region E-commerce Strategy on behalf of the PacifEcom Alliance

## Functions

- Secretarial support to the Pacific E-commerce Committee and its sub-committees
- Monitor implementation and disseminate regular reports
- Support resource mobilization
- Lead engagement efforts (information repositories, internet portals, newsletters, high-impact events, etc.)
- Limited role in implementation (as per Strategy)

## Resourcing

- E-commerce Unit mirroring other regional initiatives
- Multi-donor fund to support coordination function





# On-going projects supporting implementation

PIFS Project on the Development of a Pacific E-commerce Portal (Nov 2021 – May 2022)

## **Full-fledged E-commerce Portal including:**

- Business toolkits
- Statistics
- Training materials
- Partner agencies Programme
- Report download

PIFS Project on the Development of an E-commerce Strategy for Samoa and WTO E-commerce Negotiations (Dec 2021 – May 2022)

- National E-commerce Strategy for Samoa
- Training programme on E-commerce disciplines for Pacific Negotiators (this training)



# Future projects supporting implementation

- Tuvalu national e-commerce strategy
- Solomon Islands national e-commerce strategy
- Cook Islands E-commerce readiness assessments and priority recommendations
- Upgrading the legal and regulatory framework for E-commerce in Cook Islands and Tonga
- Mastercard e-payment gateway for Fiji
- Physical addressing and geolocalization in Samoa
- National statistics on ICT and e-commerce.
- ...



# More Information



CareersLibrary Login



Who We Are

What We Do

Who We Work With

Work With Us

Publications



### Introducing the Initiative

The Pacific E-commerce Initiative is a multi-stakeholder partnership that supports Forum Island Countries to engage in digital trade, so as to promote sustainable growth and poverty eradication. In line with the Forum mandate, the initiative focuses on the regional dimension of E-commerce, thus complementing the valuable work being undertaken at country level.

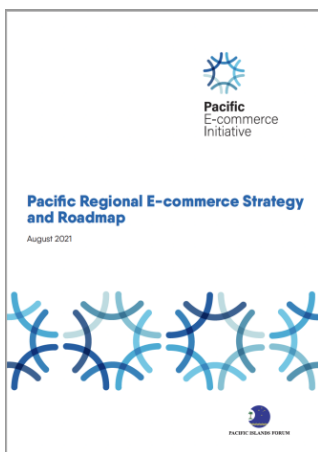
E-commerce is one of the four priorities of the [Pacific Aid-for-Trade Strategy 2020-2025](#), noting its potential to narrow distances and trade costs, and to promote diversification of Pacific economies.

In this COVID-19 era, digital trade has become even more important, given its ability to sustain economic activity whilst preserving social distancing. Even as lockdowns ease and border closures are lifted, online buying and selling continues to increase and remains well-above pre-pandemic levels, thus signalling a permanent change in habits. It is therefore essential that Pacific businesses are well-equipped to face this new digital era to avoid the risk of falling behind.

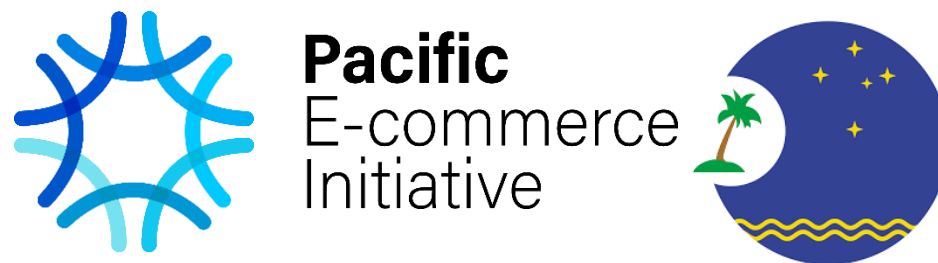


### Our Reports

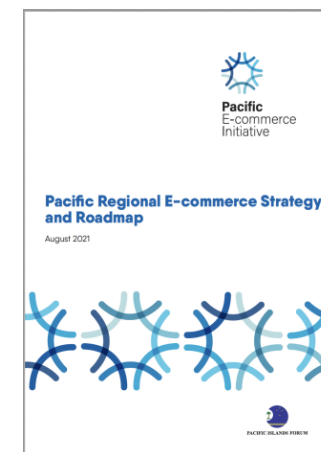
National Assessments	
<a href="#">Federated States of Micronesia (2020)</a>	<a href="#">Samoa (2017)</a>
<a href="#">Fiji (2020)</a>	<a href="#">Solomon Islands (2018)</a>
<a href="#">Kiribati (2019)</a>	<a href="#">Tonga (2019)</a>
<a href="#">Nauru (2021)</a>	<a href="#">Tuvalu (2019)</a>
<a href="#">Niue (2020)</a>	<a href="#">Vanuatu (2018)</a>
<a href="#">Papua New Guinea (2020)</a>	
Regional Assessments and Strategies	
<a href="#">Pacific E-commerce Assessment (2020)</a>	<a href="#">Pacific E-commerce Strategy and Roadmap (2021)</a>



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