Strategic Matrix and Monitoring and Evaluation Framework to Assess Digital Trade and E-commerce Readiness and Associated Capacity-building Needs in Six Member States of the Organisation of Eastern Caribbean States (OECS)

The Commonwealth

Contents

Strategic Framework for Monitoring and Evaluation

The findings in this report suggest that while there are significant opportunities available to Organisation of Eastern Caribbean States (OECS) members around e-commerce, OECS states also face significant challenges. These challenges include incomplete regulatory frameworks in some of the states, inadequate payment processing solutions, weak logistical infrastructure, and a lack of resources to properly implement trade facilitation commitments that could lead to improvements in customs clearance processes. These challenges will have to be overcome in order for the OECS to be able to establish an appropriate enabling environment that will allow e-commerce to become a major driver of sustainable development.

Overcoming the identified challenges calls for the establishment of a strategic framework that links each identified challenge to specific strategic interventions, actors and timeframes, and monitors and evaluates the implementation thereof. The E-Commerce Strategic Framework for Monitoring and Evaluation (the 'Strategic Framework') that follows correlates to the gaps identified in the literature review and survey responses and which were confirmed by the virtual working-level consultation held with key public and private sector stakeholders on 8 June 2021.

The Strategic Framework aligns to the thematic priority gap areas that scored 75% to 100% on the A-Z Gap Index (AZGI; see the full report for details of the construction and interpretation of this index). This signalled that from a stakeholder perspective, these were the most critical issues to be addressed within a short-to-long-term horizon for the OECS e-commerce ecosystem to be successfully developed. However, given the less-than-optimal level of representation of stakeholders in survey responses and in the working-level consultation, it is recommended that over time, national and regional policy- and decision-makers should carry out further consultations, as may be deemed necessary to make the framework more suited to individual countries and their specific circumstances. The framework should, in turn, be updated in line with the outcomes of these consultations. In this regard, a key limitation of the framework should be recognised. This limitation is that the framework captures the priorities which must be addressed as they are deemed to exist at this moment in time. It is appreciated that rapid technological changes, developments at the World Trade Organization (WTO) and other regional or multilateral trade policy forums, and other fast-moving economic-related developments may suggest the need for an urgent rethink of these priorities.

The Strategic Framework is structured as follows:

Column 1 lists the main areas in which significant gaps in the OECS e-commerce ecosystem were identified. These gaps were derived from the OECS Gap index developed from the results of the e-readiness survey administered to OECS stakeholders and validated by the findings of the consultancy team in developing a situational analysis for the project. As appropriate, several strategy areas have been grouped to form mini-clusters. This has occurred where the data suggest that they are interconnected, both at the level of the specific obstacle they create and in the nature of interventions required to address them.

Column 2 identifies the key recommendation(s) which are, at a global level, deemed appropriate to address the identified gaps. These recommendations are contextualised in Column 3.

Column 4 identifies the strategic interventions that are required to implement the recommendations in an appropriate manner. In Column 5, each such recommendation is tied to a specific implementation timeframe, which reflects the degree of prioritisation to be ascribed – as indicated by the stakeholders and validated by the desk research.

Column 5 indicates the recommended timeframes within which the strategic interventions are to be made. Three time periods have been identified: short term (0 months – 1 year), medium term (1 year – 2 years); and long term (3 years – 5 years). These time periods reflect the views of the

stakeholders on the degree of prioritisation to be accorded to the interventions which have identified, as validated by the desk research.

Column 6 lists the actors that should have key roles in implementing the strategic interventions. In all instances, the interventions anticipate collaboration between two or more actors. Each actor has a defined role. OECS governments should take the lead in providing and co-ordinating financial resources and developing the policy frameworks required. They are to be supported in this role by regional institutions. This accords with the principle of ownership, whereby OECS governments and regional institutions are expected to act in accordance with their vested interests and take the lead on the development of the e-commerce system. Private sector participation should be encouraged as appropriate to promote the development of sound policy and facilitate the design and implementation of private sector partners. International development partners committed to the process of development in the OECS should be asked to support development plans through the provision of support in financial and non-financial forms. A harmonised donor approach should be taken to the creation of a dedicated programme for e-commerce development.

Based upon interviews with the CARICOM Secretariat, the IDB, the World Bank and the OECS, and the statements made by stakeholders in the consultations, Column 7 reflects the understanding of the complementary activities that are currently underway or have been completed. It is important for funding agencies and international development partners to be aware of these complementary activities so that proper determinations of the level of additional resources that are needed to support the identified strategic interventions can be made.

Several strategic actors have been identified, all of whom have key roles in the implementation of the strategic interventions that have been set out. These are:

- **OECS governments:** Consistent with the principle of ownership, the governments of the OECS states are expected to take the lead in addressing the strategic interventions that implicate them, owing to the governance imperative of providing an enabling environment for e-commerce which can support sustainable economic growth strategies. Governments are expected to provide sufficient resources to the extent that they are able to do so, craft regulatory policies, co-ordinate with regional institutions, co-ordinate development strategies with international development partners, and design and implement public–private partnerships.

- **OECS regional institutions** (OECS Commission and ECTEL): Within their respective areas of responsibility, these regional institutions will be expected to design and promote the adoption of regulatory policy, implement capacity-building initiatives, and co-ordinate with international development partners and other regional institutions in the Caribbean region. It is noted, for instance, that the OECS Commission has significant experience around project implementation and has played a key role in the successful implementation of the HIPCAR project.

- **International development partners (IDPs):** Development partners are required to support the implementation of the strategic interventions, through the provision of development support that might take financial and non-financial forms.

- **Other regional institutions:** Key regional institutions in the wider Caribbean region are the CARICOM Secretariat and the Caribbean Export Development Agency. Within their respective mandates and areas of competence, these regional institutions will be expected to co-ordinate with OECS governments and institutions and with international development partners in the implementation of programmes that support the development of the e-commerce ecosystem in the OECS states.

- **Private sector:** OECS private sector stakeholders will be the main beneficiaries of e-commerce-related interventions and will therefore be expected to support such initiatives by way of taking complementary actions. These actions include becoming implementing partners with regional government and institutions in 'public–private' partnerships and performing key advisory roles on e-commerce policy, where appropriate.

E-Commerce Strategic Framework for Monitoring and Evaluation

Key strategy areas based upon Gap Index[1] and desk research	Key recommendation(s)	Description	Strategic interventions	Timeframes: Short (S) [0 months–1 year] Medium (M) [1–2 years] Long (L) [3–5 years]	Strategic actors	Complementary activities (Ongoing and concluded)
Data protection (DP) Consumer protection (CP)and Cybersecurity (CS)	Several OECS countries need to update or finalise and pass legislation in DP, CP and CS; policies need to also be developed to support/ underpin laws in each of the OECS countries. Conduct targeted public awareness/digital literacy/education programmes addressing DP, CP & CS.	Strong CP, DP and CS are essential to the development of an enabling e-commerce environment. As the OECS undertakes greater digital transformation, its member states are becoming increasingly vulnerable to risks related to DP, CP and CS at the country, regional and international levels. Public awareness, digital literacy/education is essential to ensure that consumers, traders and all other stakeholders know their digital rights and are able to exert them.	Model legislation for DP, CP and CS were developed under the E-Government for Regional Integration Project (EGRIP). There is scope to follow the gains made by EGRIP and develop harmonised policies for DP, CP and CS across the OECS. Development of sensitisation campaigns (using traditional and new media), and in-depth, appropriate education programmes to facilitate digital literacy among stakeholder groups and at all levels of society.	S-M M-L	OECS Commission, OECS member states (Attorney General, Ministries of Trade, ICT, Justice) Caribbean Court of Justice (CCJ) OECS Commission OECS member states (Ministries of Education, ICT, Information); national broadcaster/mass media Commonwealth Secretariat/ Foundation; UNESCO – ICT for Development	• HIPCAR Project • EGRIP • World Bank Digital Transformation Project

1 These strategy areas are derived from the OECS Gap Index, developed from the results of the e-readiness survey administered to OECS stakeholders.

Key strategy areas based upon Gap Index[1] and desk research	Key recommendation(s)	Description	Strategic interventions	Timeframes: Short (S) [0 months–1 year] Medium (M) [1–2 years] Long (L) [3–5 years]	Strategic actors	Complementary activities (Ongoing and concluded)
Citizen e-readiness	OECS governments should promote efforts to build citizens' e-readiness in the society.	There is an acknowledged digital divide in the OECS region, when compared to developed and larger developing countries. One strategy to bridge this digital divide is to support the development of digital competence in OECS citizens. This, in turn, will lead to more OECS citizens making use of e-commerce services.	Implement training programmes in schools.	S-M	OECS states OECS Commission IDPs	Roadmap for the Single CARICOM ICT Space World Bank Caribbean Digital Transformation Project
			Allow the importation of ICT products at zero or low rates of customs duties.	S		
			Conduct needs analysis across government ministries, departments and agencies regarding e-government.	M		
			Support development of comprehensive e-government strategy and action plan.	L		
			Ongoing training and capacity development in specific organisations, addressing specific areas/needs.	S		
			Fiscal/other incentives to encourage business adoption of digital transactions and linked services (e.g., logistics).	S		
			Implement measures to ensure universal access to the internet on affordable terms.	M-L		
			Create specific financial support mechanisms for MSMEs and encourage increased support from financial institutions to MSMEs.	S-M		

Key strategy areas based upon Gap Index[1] and desk research	Key recommendation(s)	Description	Strategic interventions	Timeframes: Short (S) [0 months–1 year] Medium (M) [1–2 years] Long (L) [3–5 years]	Strategic actors	Complementary activities (Ongoing and concluded)
Financial services E-commerce-related payment infrastructure and solutions	E-commerce-linked payment solutions to be developed/enhanced. Financial services providers should be more attuned to the needs of SMEs and offer targeted financial solutions.	Both the literature review and stakeholder feedback indicate that the financial services systems in the OECS states (including e-commerce-linked payment solutions) are inadequate to support the needs of SMEs. Financial services providers based outside of the region, such as PayPal, Visa and Mastercard, charge very high fees and, overall, the level of regulation attached to the use of these providers is oppressive. Financial services providers based in the region are not yet sufficiently attuned in terms of product offerings, technology and costs, to the needs of SME. Although there have been some developments in FinTech, these innovations have not yet become sufficiently pervasive.	Development of indigenous payment solutions (IPS) at the national level and at the OECS level (especially to facilitate cross-border trade). Expanded use/implementation of a regional clearing house to include non-bank financial institutions and more commercial banks. Strengthen existing IPS, i.e., online banking platforms. Support development of new IPS options – e.g., specific to government and the private sector. Continue regulatory reform to ensure that laws/policies keep pace with innovation/developments. Use of available international and donor resources, such as the Commonwealth Secretariat's FinTech Toolkit, to guide the development of policy interventions in FinTech.	S S M M L	OECS states ECCB OECS Commission IDPs Private sector (Financial services providers	CEDA Consultancy Project: 'Assessing Global E-Commerce Payment Challenges in the Caribbean'

Key strategy areas based upon Gap Index[1] and desk research	Key recommendation(s)	Description	Strategic interventions	Timeframes: Short (S) [0 months–1 year] Medium (M) [1–2 years] Long (L) [3–5 years]	Strategic actors	Complementary activities (Ongoing and concluded)
Transportation	OECS governments should invest in the development of new transportation and logistics systems, networks and infrastructure.	There is an acknowledged need in the OECS region for new and more efficient transportation and logistics systems. At present, there is an over reliance on large couriers from outside the region (e.g., DHL and FedEx) and costs associated with the use of these couriers are extremely prohibitive. Intra-regional transportation networks are degraded, inefficient and costly. Postal systems within the OECS states are inefficient and do not meet modern service standards or expectations. There also needs to be improvement in customs clearance processes to reduce transaction times and costs.	OECS governments and private sector interests should explore new transportation/ logistics options. One idea worth exploring is the extension/development of ferry services between all OECS states and the French Islands.	S	OECS governments Private sector Other regional governments (e.g., French Islands and France)	• World Bank (support to Dominica, Grenada and Saint Lucia to improve airport infrastructure)
			OECS governments and private sector interests should enter into strategic partnerships to develop and implement a long-term transportation and logistics strategy. Transportation solutions to be implemented should be climate friendly.	M–L		• EU (EU-funded study: 'A Study to Determine the Feasibility of a Profitable Shipping Network Satisfying Demand for Shipping Services in OECS states – Dominica, Grenada, St Lucia and St Vincent & The Grenadines'

Key strategy areas based upon Gap Index[1] and desk research	Key recommendation(s)	Description	Strategic interventions	Timeframes: Short (S) [0 months–1 year] Medium (M) [1–2 years] Long (L) [3–5 years]	Strategic actors	Complementary activities (Ongoing and concluded)
Trade promotion Marketing focus Industry best practices	The capacity of the private sector to engage in trade promotion should be increased.	The data suggest that the development of e-commerce in the OECS states could be furthered by increased trade promotion. SMEs would benefit greatly from increased marketing of their goods and services and the overall provisions of trade-related support by regional governments.	OECS governments to offer support for market intelligence and market research activities.	S–L	OECS states OECS Commission Private sector	• CEDA annual wok programme
			Sensitisation of MSMEs to domestic, regional and international e-commerce opportunities.	S–L		
			Develop more start-up incubation and accelerator programmes.	S		
			Adopt/expand the concept of innovation centres to meet needs at the community level.	M–L		
Intellectual property	Update and harmonise legislation.	Intellectual property in the OECS states is not attuned to supporting the realities of the digitisation of creative output and its subsequent marketing and sale. A major weakness is the ability to protect the rights of creators in a cross-border context	OECS states should urgently revise, and to the extent practicable, harmonise legislation to support the protection of intellectual property rights.	S–M	OECS Commission OECS states CCJ (technical assistance) IDPs	

Key strategy areas based upon Gap Index[1] and desk research	Key recommendation(s)	Description	Strategic interventions	Timeframes: Short (S) [0 months–1 year] Medium (M) [1–2 years] Long (L) [3–5 years]	Strategic actors	Complementary activities (Ongoing and concluded)
Stakeholder engagement/ participation Advocacy (administration and political)	There is a need for increased interaction between OECS governments and the private sector and for greater advocacy on the part of both governments and the private sector.	The OECS private sector is the main driver of economic activity in each of the member states.. Private sector actors are also the primary innovators in the area of e-commerce. Increased interactions between OECS governments and these important stakeholders will allow for the development of appropriate policy frameworks and public–private partnerships (PPPs) and strategic interventions in the economy.	Governments should allow for private sector participation in government policy formulation, through designated e-commerce liaisons in key ministries.	S-L	OECS governments OECS Commission ECTEL ECCB Private sector	
			Development of PPPs and engagement in joint stakeholder sensitisation activities.	S		
			Encourage new types of initiatives to get youth into robotics and other ICT-enabled activities. Initiatives can include prize competitions and scholarship awards.	S		
				S-L		
			Develop public awareness programmes to promote use of new payment infrastructure, while educating public about cybersecurity, data protection consumer protection.	S		
			Stakeholders should advocate for improved ICT infrastructure development and more competitive data rates from ISPs, at national level.	M-L		
			Stakeholders should advocate for improved ICT infrastructure development and more competitive infrastructure at the OECS and CARICOM levels.	M-L		

Key strategy areas based upon Gap Index[1] and desk research	Key recommendation(s)	Description	Strategic interventions	Timeframes: Short (S) [0 months–1 year] Medium (M) [1–2 years] Long (L) [3–5 years]	Strategic actors	Complementary activities (Ongoing and concluded)
Trade facilitation	OECS e-commerce stakeholders would benefit significantly from the improvement of customs clearance procedures through lower transaction costs and more efficient timelines.	Both the literature review and stakeholder feedback suggest that the potential for e-commerce growth in the OECS is being held back by inadequate implementation to date of the commitments in the WTO Trade Facilitation Agreement (TFA). This has primarily been due to a lack of resources on the part of the states.

Full implementation of TFA provisions, especially those relating to the use of Electronic Single Windows, would result in faster processing times and lower transaction costs associated with the import of goods.

Improvement of mechanisms to support intra-CARICOM trade would also be beneficial to OECS stakeholders. | Promote free circulation of goods and services in the OECS, to give effect to the Treaty of Basseterre and Treaty of Chaguaramas towards regional integration and seamless trade.

Promote increased adoption of Electronic Single Windows. | M–L

S | OECS governments

CARICOM states

International development partners | • Technical support under WTO facilities

• UNCTAD Empowerment Programme for National Trade Facilitation Committees

• World Bank Trade Facilitation Programme

• Inter-American Development Bank's Compete Caribbean facility |

Appendix A: Summary of Feedback from Remote Consultations

Antigua and Barbuda
Capacity-building, training and stakeholder engagement

Status:

- Capacity-building, training and stakeholder engagement have not been prioritised by the government, there is no structured programme targeting business community.

- 76% of AB population are internet users but more awareness is needed to promote uptake of e-commerce.

Recommendation:

- Increased effort to build citizen-readiness in schools via curriculum, bridging digital divide – reduced tax/duties for importation of ICT equipment.

- Awareness-building to promote uptake of e-commerce.

- Private sector drives economy, so it would be helpful to have more discussion with the government about what the private sector needs.

Transportation and logistics
Status:

- Imposition of Covid-19 as lockdown/curfew has precipitated greater development of in-bound courier services, online ordering of goods (food, household items), services (messengers/facilitating timely delivery, and improving logistics of Antigua and Barbuda to the OECS.

- There has been significant increase in cost of shipping costs regionally and international.

Recommendations:

- Need climate friendly options/new solutions.

- Transportation of goods/people between Antigua and Barbuda and between AB and the wider OECS is a serious challenge; Antigua was an air hub for the OECS, but since C19 pandemic, LIAT bankruptcy/restructuring, flights have been severely reduced, and there are fewer transport options by air and sea.

Payments Infrastructure
Status:

- Payments Infrastructure (PI) – national level (critical) – C19 has clearly illustrated that the various OECS countries have different needs/responses vis a vis facilitating business/e-commerce, while Antigua and Barbuda is open to regional solutions, the country needs support in the development of indigenous payments infrastructure that will facilitate financial inclusion. Concern: because of C19 lockdown/challenges, many persons are being pushed to the fringes/becoming unbanked.

- As more payment options evolve because of digital transformation we need to ensure that the PI is user-friendly, accessible and relevant.

Recommendations:

- Existing Payments Infrastructure (online banking) ecosystem needs to be more responsive.

- Government urgently needs support to develop/employ Payments Infrastructure to improve service delivery. While some govt agencies/depts are using online platforms provided by local banks, others depts are barely online (at ground zero). In finding solutions, we must consider how best to deal with conflicting priorities and competing needs. (Analogy of building a house, laying the foundation the same time while trying to build the rest of the house). A&B needs a comprehensive e-government strategy and action plan.

- Government and private sector need dialogue/exchange – to address specific issues regarding payments infrastructure that are affecting private sector – payments infrastructure, cybersecurity, data management, high cost for ICT services.

- Need more public awareness, targeted engagement/dialogue with stakeholders – e.g., private sector, (finance, tourism, logistics, SMEs), youth/education sector, law enforcement/justice sector, older citizens.

Dominica
Capacity-building and training

Status:

- Policy makers have an inadequate understanding of the linkages between the different components of the e-commerce ecosystem and the different legislative packets which are required to fully enable this system. As a result, attention has not been paid to the development of laws in relation to computer related crime and data protection.

- Consumer and other stakeholders have inadequate knowledge about the role of the Ministry with responsibility for the digital economy and the policies and programmes in place to support e-commerce.

Recommendations:

- Build legislative capacity in relation to all components of the enabling legislative environment for e-commerce.

- Implement training programmes to enhance consumer knowledge of e-commerce regulatory systems, technological requirements and business support services.

Transportation and logistics

Status:

- Dominica has significant challenges relating to transportation and logistics owing to limited capability of the local postal service and the high fees associated with the use of international courier services such as FedEx and DHL. Efforts to facilitate enhanced customs clearance services have not yet materialized.

- Import taxes and import costs are generally too high

Recommendations:

- Develop logistics/transportation linkages between the OECS States and the US territories in order to obtain on-ramp into the US postal system.

- Supported by international and regional partners, the Government of Dominica should strengthen its efforts to implement the commitments in the TFA.

Financial infrastructure and solutions

Status:

- There is sufficient infrastructure within the local banking system but payment solutions have not been sufficiently tailored to the needs of SMEs.

Recommendations:

- Fintech solutions targeted at SMEs need to be promoted.

- Based upon an appropriate risk assessment, regulatory systems and private financial networks need to adopt regulatory models that appropriately differentiate the specific circumstances of SMEs in Dominica from other larger entities.

Trade promotion

Status:

- Some SMEs are not fully aware of the opportunities available to them in ecommerce. Other SMEs with a deeper level of understanding of market opportunities are handicapped by the lack of a comprehensive national/regional e-commerce linked trade promotion strategy.

Recommendations:

- A comprehensive national/regional e-commerce linked trade promotion strategy should Be developed.

Trade facilitation

Status:

- There has been inadequate implementation of customs modernization processes and commitments in the TFA.

Recommendations:

- Supported by international and regional partners, the Government of Dominica should strengthen its efforts to implement the commitments in the TFA.

Grenada

Capacity-building and training

Status:

- Limited capacity of micro, small and medium-sized enterprises in e-commerce, understanding trade data and market research.

- Grenadians generally prefer cash and most potential ecommerce users will be unaware of the benefits of ecommerce.

Recommendations:

- To build trust in ecommerce, consumers need to be educated about the benefits of a using online payment systems. They also need to be provided with assurances of safety from fraud and identity theft etc. This awareness programme could be actioned by the *Ministry of Trade and its agencies.*

- Training on ITC's Trade Map would also be helpful for SMEs.

- Despite challenges, Grenada has some emerging ecommerce best practices from which lessons can be learnt. Two food apps – Carib-Bites and Yo-go demonstrate that Food apps are viable and can do very well. The target market for these two apps is instructive - a younger demographic (who are likely more able to adapt to technologies despite hurdles.

Transportation and logistics

Status:

- Grenada's position as the furthest and southernmost island in the OECS union adds to its geographic isolation (relative to the other Member States) and places it as a competitive disadvantage with respect to physically moving goods.

- There is difficulty in moving goods regionally because of lack of reliable and transportation. The problems exist on several fronts - distance, timeliness from and time required for consignments to reach other OECS and CARICOM markets are generally longer than the time taken to complete cross border consignments to third country markets like USA via the entry port of Miami.

- Cross border products with potential for Grenadian ecommerce entrepreneurs eg, agro-processed items produced by cooperatives, face logistics and transport hurdles, but also problems with organizing and aggregating at the local level.

- One big exception is the lucrative fishing sector, which is well organized and has developed its own systems and procedures to ensure fast and frequent delivery to export markets.

- Import taxes and import costs are generally too high.

Recommendations:

- Intra-regional solutions are needed to address logistics as it affects costs. There is a role for the OECS, and CARICOM but as well for the Caribbean Postal Union with respect to the movement of small parcels and consignments.

- The achievements of ecommerce players in the fishing sector should be examined for relevant application to other sectors.

Financial infrastructure and solutions

Status:

- The banking system is not geared to deal with SMEs involved in or those who have an interest in ecommerce. Limited banking hours, lack of access to finance to realize business propositions are some of the problems faced by SMEs.

Recommendations:

- Banking hours need to be more business-friendly

- Ecommerce businesses need to be recognized as viable business propositions and suitable access to finance solutions should be considered for the sector.

Trade promotion

Status:

- SMEs are not fully aware of the opportunities available to them in ecommerce.

Recommendations:

- A Small Business Policy is needed which could advise SMEs on how to navigate various bottlenecks related to ecommerce. This is a role suited to the Ministry of Trade.

Trade facilitation

Status:

- Trade Facilitation consultations were started pre-pandemic and should continue.

Recommendations:

- There should be consultations with Compete Caribbean which is doing work in this area

St Kitts and Nevis

Data protection, consumer protection and cybersecurity

Status:

- The group is not aware of specific policies or regulations in place for data protection, consumer protection and cybersecurity.

- It is not clear what recourse there would be for clients in case of a breach on an institution's server.

- There is conversation on data protection, but it is unclear if there are concrete activities are happening. There is need for more work.

- The Telecommunications Act of 2000 was replaced by a Bill, which will aim to tackle some of the issues. Things are on the way for greater digitisation in the Federation.

- Data Protection Act 2018 is in effect.

- Challenge is that information is not readily available,

Recommendation:

- Carry out more public information campaigns data protection, consumer protection and cybersecurity.

- Undertake a dedicated programme of work on data protection, consumer protection and cybersecurity.

Capacity-building and training

Status:

- Limited ICT skills training for practical use across the general population.

Recommendations:

- Need an all-inclusive approach across the population, so that, for example, a grandmother can go online and send a message to grandchildren.

- Need training of parents etc. so they can guide students in home schooling.

- Measures should be put in place to prioritize the development of affordable internet solutions.

Payment infrastructure and solutions

Status:

- DCash is being rolled out from the ECCB. An e-commerce version should be rolled out soon.

- Transactions with PayPal require a 30-day hold on funds before they can be cleared to a local account.

- PayPal says this a country regulation.

- Trade thinks it may be a Financial Sector regulation.

Recommendations:

- The obstacle of a 30-day hold on funds needs to be removed because it slows down trade.

- Explore possibilities for regional or local platforms.

Transportation and logistics

Status:

- Serious talks within region need to be accelerated, as the solutions cannot be carried out at the national level only.

Recommendations:

- Need a variety of transportation options – ferry, air, etc.

Financing infrastructure and solutions

Status:

- Ministry of Finance has invested in digital infrastructure.

- Online payment strategy has been budgeted for.

- Digital payment infrastructure project is to be launched.

- SKN has invested in digital infrastructure.

Recommendations:

- Project in collaboration with telecoms – moving to fibre optic cabling to homes because fibre was available 15 years ago.

- MSMEs need a different type of financial support and financial institutions need to be more open to financing MSMEs.

- Financial institutions need to become more accommodating as MSMEs become more creative.

- Project with ECCB and Germans to understand MSME financing and financial innovation. This ties in with Capacity-building component.

Trade promotion

Status:

- Some MSMEs have already enjoyed benefits of online trading.

- SKN is not on OECD list.

- Limited entrepreneurial and market research mindset in Saint Kitts Nevis. Need a shift in thinking for our businesses. The Ministry of Education has started initiatives in the schools to influence mindsets early and there is potential use this channel.

- Limited accessibility of information on basic rates such as internet rates, electricity rates, etc

- Junior Achievement Programme – this was vibrant in in SKN for years – it encouraged business development in secondary schools. Unfortunately, it fell under financial stress and was not pushed to the extent required.

Recommendations:

- Increase sensitisation of MSMEs of opportunities for e-commerce.

- Increase start-up incubation and accelerator programmes to encourage people not only to use, but also to launch e-commerce initiatives.

- Development of a curriculum needs to shape the mindset towards entrepreneurship in SKN.

- Extend the existing Innovation Centre to the community level.

- Increase market intelligence and market research including on basic rates such as internet rates, electricity rates.

- Provide a financial package for MSMEs.

- Encourage new types of partnership by setting up a co-ordination unit to facilitate these types of partnerships.

- Create a mechanism to encourage Public-Private Partnerships, e.g., to get youngsters into Robotics.

Investment

Status:

- FDI: does not target MSMEs.

Recommendation:

- Develop linkages between FDI and encouraging MSME development.

Industry best practice

Recommendations:

- An "Open Data Framework" should be adopted.

- Persons need to access to data that they are going to use to develop business.

- Public sector data needs to be more accessible.

- Sometimes data is available, but it is fragmented and not easily accessible and in a single information source. Needs to be more seamless.

- Efforts should made to harmonise standards for sharing data.

- This requires a Data Governance Framework – accuracy of data, etc.

- An inter-operable framework for payments should be adopted. This will ensure that services such as DCash will be inter-operable to facilitate open payments.

Stakeholder engagement/participation

Status:

- Private sector must be kept abreast of what is happening.

- Stakeholder consultation is conducted by Government, but it could be more strategic and structured.

- Attempts have been made to have more regular consultations.

Recommendations:

- There needs to be buy-in from above, so that work of technocrats results in actions.

- Competitiveness Council network should be established to filter information.

- There are sufficient engagement opportunities but stakeholders often do not hear of or see any results from their suggestions/inputs. More communication is required with the general public in order to let stakeholders known what policies are being developed in response to the feedback provided in consultations.

- There is a need for more success stories told by people who have benefitted from consultations, etc.

Advocacy (administrative, e.g., business lobby; political, e.g., passing legislation)

Status:

- Legislation may be passed but regulations not implemented.

Recommendation:

- Advocate for regulations.

Saint Lucia
Digital (ICT) education

Status:

- Too much money and time is spent on educating and training end-users who are not able to take advantage of the training.

- Although consumers have an overall good awareness of digital technology, businesses have not deployed digital technology widely.

Recommendations:

- Training would be better targeted to those who really need it, including business leaders to help in the digital transformation of their business.

- Work with businesses to digitalise, rather than too much training should be considered.

Procurement – RFPs

Status:

- RFPs [requests for proposals] tend to exclude local businesses and often

preclude local consortiums (through non-subcontracting clauses).

Recommendations:

- Write requests for proposals (RFPs) that better align to the reality of the terrain; for example, taking into account MSMEs rather than large organisations.

- Encourage lobbying of governments and commissions.

Regional co-operation

Status:

- ICT Associations or Digital Start-up Groups tend to keep to themselves.

- Too many generalists and not enough specialists (that collaborate) to make us world-class in competition with the Cap Gemini's etc.

Recommendation:

- Encourage cross-pollination and collaboration between all in the OECS and wider afield should be a policy.

Practical steps

- On the ground support to push digitalisation adoption by small businesses.

- On the ground support to structure businesses with digital tech.

- Better legislation regarding online payments.

- Better integration through the Single ICT Space (promised but still not delivered).

- Better legislation and tariff structuring, allowing free movement of goods and services.

- Clarification and simplification of tax on digital goods.

St Vincent and the Grenadines
Cross-cutting

Status:

- The timeframes associated with the implementation of appropriate policies and support programmes is too long.

- There are at least 7-10 outstanding pieces of regulation that must be proclaimed (including some that impact e-readiness).

Recommendation:

- Proclaim outstanding pieces of regulation that must be proclaimed (including some that impact e-readiness). Advocacy by the Chamber of Commerce and other stakeholders [is] required to advance regulatory adoption.

Finance, infrastructure and solutions

Recommendation:

- Government should use fiscal incentives to encourage business adoption of digital transactions.

Payments, infrastructure and solutions

Status:

- The local payment gateway has worked through banks, but banks have recently closed that service. This limits the ability of e-commerce providers to accept international payments (only local payments can be facilitated).

- Anti-money laundering regulations place regulatory constraints on banks, and it is not clear what appropriate solutions can be found to support the interests of SMEs which are significantly affected by the regulatory environment. The regulations are challenging and appear to make it harder for developing countries than developed ones.

- The ECCB has a clearing house and [an] automated harmonised system for clearing checks.

Recommendations:

- Verify the implementation of a regional clearing house is an initiative of the ECCB. OECS harmonisation of regulation is another area to be advanced and this could help.

- Solve the differences in Prudential regulations for banks and non-bank financial institutions that limit access to payment and clearance systems.

- Public Education of the values of e-commerce and the relative cost of managing cash, e.g., risk and security, accounting systems.

Transport and logistics

Status:

- Shipping costs and logistics – B2B and B2C transactions are very constrained by the closure of the post office and LIAT. DHL is costly, especially when the goods are not luxury items, and all costs cannot be directly passed on to the consumer. Wholesale shipments may be more feasible. The handicraft sector has been especially hard hit, because the decline in tourism limits on-island purchases and craft providers are not able to fulfil demand. Not ranked highly enough in findings.

- Swift Pack is a promising service provider.

- SVG is relatively uncompetitive, and trade is generally being negatively affected over time.

- All the groundwork for free circulation in the OECS has been done. The policy framework for free circulation has therefore been completed and now requires appropriate implementation.

Recommendations:

- OECS should move speedily to the Customs Single Window (initiative going on over five years).

- Explore and incentivise specialised logistics and delivery services that pool the private sector and small businesses.

- Explore increased used of wholesale shipments and services such as SwiftPac, which may be more feasible.

- Implement free circulation in the OECS.

- Administrators of this project should link with the trade facilitation project, because e-commerce is trade. Trade facilitation is a precondition for e-commerce.

Summary Matrix

The following table reflects the recommendations, by OECS Member States, made in the virtual consultation in relation to priority gap areas derived from the survey findings and AZGI (A-Z Gap Index). The recommendations are non-exhaustive, based on time constraints of the virtual consultations. However, they provide a useful indication of the

OECS priorities at the national level, and offer a good blueprint upon which to engage in programme scheduling with development partners. The level of detail by each OECS state varies and this indicative listing could form the basis for further consultations in the areas of:

- Data protection, consumer protection and cybersecurity

- Capacity-building and training

- Payment infrastructure and solutions

- Finance, infrastructure and solutions

- Transport and Logistics

- Trade promotion

- Stakeholder engagement

- Advocacy

- Trade facilitation

Country Reports of Priority Actions from Stakeholder Consultations

High-priority e-readiness gaps	Short term action (Up to 1 year)	Medium term action (1–2 years)	Long term action (Up to 5 years)
Data Protection, Consumer Protection and Cybersecurity			
ANU – Strengthening regulatory framework regarding cybersecurity, data protection and consumer protection. Phase 1 - Public awareness on cybersecurity, data protection, consumer protection (linked to promotion of payments infrastructure [PI] online). This could take the form of a 'know your digital rights' campaign. Phase 2 - Support continued development of legislation/policy re: cybersecurity, data protection and consumer protection (national level). Phase 3 - Support continued development of legislation/policy re: cybersecurity, data protection and consumer protection (OECS level) – focus on harmonisation.	X Phase 1	X Phase 2	X Phase 3
DMA-Phase 1- Deepen public awareness of cybersecurity, and data protection. Phase 2 - Support continued development of legislation/policy re: cybersecurity and data protection. Support continued development of legislation/policy re: cybersecurity and data protection.	X Phase 1	X Phase 1	X Phase 1
GRD – Data protection.	–	X	
SKN – Awareness building/stakeholder engagement challenge is that information is not readily available, so more public information campaigns are required to make people more aware of specific policies or regulations in place.	X	X	

(*Continued*)

Country Reports of Priority Actions from Stakeholder Consultations

High-priority e-readiness gaps	Short term action (Up to 1 year)	Medium term action (1-2 years)	Long term action (Up to 5 years)
Capacity-building and Training			
ANU – Capacity-building in e-government.	X	X	X
Phase 1 - Conduct needs analysis across government ministries, departments and agencies regarding e-government.	Phase 1	Phase 2	Phase 3
Phase 2 - Support development of comprehensive e-government strategy and action plan.			
Phase 3 - Ongoing training and capacity development in specific organisations, addressing specific areas/ needs.			
DMA-Capacity-building (legislative capacity and deepening stakeholder knowledge of the e-commerce ecosystem, its inter-linked components and opportunities presented)	X		
GRD – Capacity-building (service providers and national and regional trade promotion agencies).	X	X ITC Trade Map Training	
GRD – Capacity-building (end users).	X	X ITC Trade Map Training	
SVG – Fiscal/other incentives to encourage business adoption of digital transactions and linked services, e.g., logistics.		X 18 Months	
SKN – Citizens' readiness; need an all-inclusive approach across the population, so that, for example, a grandmother can go online and send a message to grandchildren; parents can guide students in home schooling.	X	X	
SKN – Need affordability of internet.	X	X	
SKN – Create a different type of financial support for MSMEs; and financial institutions should be more open to financing MSMEs.	X	X	X
SKN - Expand the Innovation Centre to meet the needs at the community level.	X	X	X
SLU - On the ground support to push digitalisation adoption by small businesses, and to structure business with digital tech.	X	X	
SLU - Targeted training including to business leaders to help in the digital transformation of their business.	X Phase 1	X Phase 2	
SLU - Support to businesses to digitalise	X Phase 1	X Phase 2	

(*Continued*)

Country Reports of Priority Actions from Stakeholder Consultations

High-priority e-readiness gaps	Short term action (Up to 1 year)	Medium term action (1-2 years)	Long term action (Up to 5 years)
Payment Infrastructure and Solutions			
DMA- Phase 1- Support increased usage of Fintech Phase 2- Implement regulatory policy consistent with needs and special circumstances of SMEs Phase 3: Develop wholly indigenous payment infrastructure	X Phase 1	X Phase 2	X Phase 3
GRD - Create a banking policy and infrastructure which allows the movement of funds and facilitates ecommerce. The Eastern Caribbean Central Bank (ECCB) has an important role to play on this issue.		X Phase 2	
SKN – The obstacle of a PayPal 30-day hold before funds can be cleared to a local account needs to be removed, because it slows down trade.	X		
SKN – Financial institutions need to become more responsive as MSMEs become more creative.	X		
SLU – Better legislation regarding online payments.	X Phase 1	X Phase 2	
Transport and Logistics			
ANU – Transport & logistics: need new trade routes. Phase 1 - Explore new transportation and logistics options – 'Express des Iles' Ferry could link Antigua to French Islands, Dominica & Saint Lucia. Phase 2 - Support to make inter-OECS transportation and logistics more viable. Phase 3 - ensure that transportation and logistics solutions that are adopted are climate friendly: i.e., zero or low C02 emissions.	X Phase 1	X Phase 2	X Phase 3
DMA- Phase 1- Increase capacity of local postal service and further implementation of customs modernisation processes. Phase 2- Create partnerships with international courier companies. Phase 3- Implement regional logistics solutions based upon partnerships between OECS States and other territories.	X Phase 1	X Phase 2	X Phase 3
GRD – Develop and implement Intra-regional solutions that address logistics since this affects transportation and logistics costs for Member States like Grenada that are furthest south. The OECS, CARICOM and the Caribbean Postal Union have a role to play in addressing this problem.		X Phase 2	X Phase 3

(Continued)

Country Reports of Priority Actions from Stakeholder Consultations

High-priority e-readiness gaps	Short term action (Up to 1 year)	Medium term action (1-2 years)	Long term action (Up to 5 years)
GRD - The achievements of ecommerce players in the fishing sector should be studies for relevant application to other sectors.	X Phase 1		
SKN – Accelerate serious talks within region as the solution cannot be effected nationally.	X	X	X
SKN – Create a variety of transportation options – ferry, air, etc.	X	X	X
SVG – Expanded use/implementation of a regional clearing house to include non-bank financial institutions and more commercial banks; enhanced legislative framework.		X (18 months to two years, with progressive wins)	
Finance, Infrastructure and Solutions			
ANU – Development of indigenous payment solutions (PI) at the national level, and at the OECS level to facilitate cross-border trade. Phase 1 - Strengthen existing PI, i.e., online banking platforms. Phase 2 - Support development of new PI options – e.g., specific to government, private sector. Phase 3 - Continue regulatory reform to ensure that laws/policies keep pace with innovation and market developments.	X Phase 1	X Phase 2	X Phase 3
DMA- Phase 1- Support increased usage of Fintech Phase 2- Implement regulatory policy consistent with needs and special circumstances of SMEs Phase 3: Develop wholly indigenous payment infrastructure	X Phase 1	X Phase 1	X Phase 1
GRD – Establish revised banking hours that are more business friendly to SMEs. Similarly, make available more financial products to ecommerce entrepreneurs.	X (6–9 months)	X Phase 2	
Trade Promotion			
DMA-Develop and implement a Small Business Policy which includes advice to SMEs on how to market products and penetrate local, regional and international markets.		X	
GRD – Develop and implement a Small Business Policy which includes advice to SMEs on how to navigate various bottlenecks related to ecommerce. This is a role suited to the Ministry of Trade.	X Phase 1	X Phase 2	

(*Continued*)

Country Reports of Priority Actions from Stakeholder Consultations

High-priority e-readiness gaps	Short term action (Up to 1 year)	Medium term action (1-2 years)	Long term action (Up to 5 years)
SKN - Market intelligence and market research, e.g., access to information on certain basic rates, such as internet rates, electricity rates, etc.	X		
SKN - Private sector needs to develop mindset of market research.	X	X	
SKN - Shift in mindset of business, youth and other stakeholders towards entrepreneurship in SKN. A curriculum needs to be developed for facilitate this. The Ministry of Education has started initiatives in the schools to influence mindsets early. (Also, public awareness building).	X	X	
SKN - Sensitisation of MSMEs must be increased in terms of opportunities for e-commerce.	X	X	
SKN - More start-up incubation and accelerator programmes – we are encouraging people to not only use, but also to launch e-commerce initiatives.	X	X	X
SKN - Encourage business development in secondary schools, e.g., through reintroduction of Junior Achievement Programme.	X	X	X
SKN - Encourage new types of partnerships through a co-ordination unit, or other mechanism, to facilitate partnerships, including public–private partnerships, to get youth into robotics and other ICT-enabled activities.	X		
Stakeholder Engagement			
ANU – Public awareness to promote use of PI and e-commerce adoption (behaviour change communication). Phase 1 - Public awareness to promote use of PI, while educating public about cybersecurity, data protection, consumer protection. Phase 2 - Ongoing education about PI, and related issues – targeted programmes in schools, through chamber of commerce/ private sector organisations, the media.	X Phase 1	X Phase 2	
SVG – Stakeholder engagement. Public education on the values of e-commerce and the relative cost of managing cash.	X (Now)		

(*Continued*)

Country Reports of Priority Actions from Stakeholder Consultations

High-priority e-readiness gaps	Short term action (Up to 1 year)	Medium term action (1-2 years)	Long term action (Up to 5 years)
Advocacy			
ANU – Advocate for better ICT data rates from ISPs.	X	X	X
Phase 1 - Advocate for improved ICT infrastructure development and more competitive data rates from ISPs, at national level.	Phase 1	Phase 2	Phase 3
Phase 2 - Advocate for improved ICT infrastructure development and more competitive data rates from ISPs, at OECS and CARICOM levels.			
Phase 3 - Advocate for improved ICT infrastructure development and more competitive data rates from ISPs, at OECS and CARICOM levels.			
DMA –Phase 1- Advocate for improved regulatory frameworks.	X Phase 1	X Phase 2	X Phase 3
Phase 2- Advocate for improved ICT and payment related infrastructure.			
Phase 3- Advocate for continuing market development support for SMEs to meet new challenges and take advantage of new opportunities as they arise.			
GRD – Advocacy.	X		
SKN – Regulations: there is a need for advocacy in this area. Legislation may be passed, but regulations not implemented.	X		
SLU - Better integration through the Single ICT Space	X Phase 1	X Phase 2	X Phase 3
SVG – Proclaim at least 7–10 outstanding pieces of regulation that are already developed.	X		
Trade Facilitation			
DMA- Provide support for customs modernisation processes and the implementation of the TFA commitments.	X	X	X
GRD – Continue stakeholder consultations on trade facilitation measures including the adoption of Single Windows and other ecommerce-friendly measures.	X Phase 1	X Phase 2	X Phase 3
SLU - Better legislation and tariff structuring, allowing free movement of goods and services. Clarification and simplification of tax on digital goods.	X Phase 1	X Phase 2	
SVG – Need free circulation of goods and services in the OECS, to give effect to the Treaty of Basseterre and Treaty of Chaguaramas towards regional integration and seamless trade.	X		

Appendix B: Training of Trainers Guide

Background

E-commerce has the potential to positively impact innovation, competitiveness, job creation and growth in the OECS. The damaging effects of the COVID-19 pandemic on OECS economies and sociocultural disruption of the pandemic's distancing requirements have rendered even more urgent the OECS optimisation of e-commerce and digital trade systems. As observed in the OECS report, *COVID-19 and Beyond, Impact Assessments and Responses*, the effect of the pandemic on the OECS includes supply chain disruptions and related increases in transportation and overall procurement costs. The United Nations Conference on Trade and Development (UNCTAD) estimates that in 2018, the global e-commerce market was worth US$25.6 trillion dollars, representing the equivalent of 30% of global gross domestic product (GDP) in that year. UNCTAD estimated that global e-commerce sales jumped to US$26.7 trillion in 2019, up 4% from 2018.

Although exact figures are not available for the proportion of retail purchases online in the OECS market, online shopping as a percentage of retail sales is significant in prospective OECS markets, representing an opportunity. For example, in China, the online share of retail sales was 25.9% in 2020, compared to 18.2% in 2018. In the United Kingdom, online sales were 23.3% in 2020, up from 14.9% in 2018; while in the United States, online sales were 14% in 2020, compared to 9.9% in 2018. This trend signals the imperative for OECS member states to participate effectively in the global marketplace, which is increasingly online, in order to reach traditional and non-traditional partner markets and avoid being marginalised in the digital economy.

It is this context that has informed the Commonwealth Secretariat-funded report, ***Digital Trade and Ecommerce Readiness in the OECS***, commissioned by the OECS Secretariat on behalf of the OECS member countries. A starting point for the report was that leveraging e-commerce by the OECS member states was being constrained by the absence of a coherent regional regulatory framework across the subregion, limited financial instruments and high business transaction costs. The report reviews existing e-commerce infrastructure and regulatory gaps in OECS states, some of which are potential impediments to the growth of digital trade and access to markets.

The OECS member states have a multilevel regime for digital trade and e-commerce; at the national level, regulatory bodies grant licenses for business operations where applicable, including in emerging, technology-enabled, financial services. At the national level, there is variance in the type of legislation; for example, only Antigua and Barbuda and St Kitts and Nevis have enacted or proposed draft legislation which regulated digital assets. At the sub-regional, OECS Member States are guided by the Treaty of Basseterre, and there is policy co-ordination and governance of information and communication technology, finance, and other legal and policy regimes in five (5) out of the six countries: Dominica, Grenada, Saint Lucia, St Kitts and Nevis, and St Vincent and the Grenadines belong to the Eastern Caribbean Telecommunications Authority (ECTEL). Therefore, not all the states have made the transition from the traditional telecoms-based regulatory system to the more forward-looking electronic communications legal framework based on the ECTEL model bill.

While OECS states have implemented legislation on electronic transactions, not all of them have done so with respect to data protection, cybersecurity and consumer protection. Based on the literature review, all OECS states have implemented legislation influenced by, or based on, UN Commission on International Trade Law (UNCITRAL) model law. Three OECS states, Antigua and Barbuda, St Kitts and Nevis, and Saint Lucia, have implemented legislation on data protection. All other states are considering state legislation. All OECS states, except St Vincent and the Grenadines, have implemented legislation on cybercrimes, while St Vincent and the Grenadines is considering draft legislation. Antigua and Barbuda and Saint Lucia currently have modern legislation on consumer protection, while St Kitts and Nevis

is revising its legislation. St Kitts and Nevis also passed a Virtual Assets Bill in January 2020, aimed at easing business in a cashless society and keeping pace with the use of virtual assets. Initiatives are underway to support the rollout of a more comprehensive legal and regulatory framework for e-commerce and digital trade. The legislative framework is being strengthened progressively through donor-supported projects. However, survey respondents have identified significant gaps in the enabling policy framework and ecosystem for e-commerce in multiple areas.

Survey findings on OECS e-commerce and digital trade readiness

The stakeholder survey administered during the project investigated OECS member states' performance using 160 indicators, which were grouped into six pillars of e-commerce readiness, as follows:

> Pillar 1: National ICT infrastructure and accessibility
>
> Pillar 2: Logistics and delivery
>
> Pillar 3: Citizens' readiness for e-commerce
>
> Pillar 4: Business readiness for e-commerce
>
> Pillar 5: Financial and banking ecosystem to support e-commerce
>
> Pillar 6: E-Commerce policy and regulation

The report identifies OECS states' capacity gaps in each of the e-readiness pillars, based on the responses to the OECS digital trade and e-commerce readiness survey administered, including the public sector, across the OECS databases and client databases of multiple institutional partners. Stakeholders were filtered to maximise relevance of their experience to the subject matter of the survey.

The survey findings elucidate the observations and initial conclusions of the regulatory gap analysis, based on the review of the legal and regulatory frameworks and other literature. Overall, the respondents viewed the readiness of the enabling environment for e-commerce as being limited.

Towards an OECS digital trade strategy

World Trade Organization (WTO) members are exploring new rules on e-commerce, which could result in international rules that impact OECS states as WTO members and as trading partners

of the proponents of new rules. The e-commerce negotiations are taking place pursuant to the Joint Statement Initiative (JSI) proposed during the 11th WTO Ministerial in Buenos Aires in 2017 by 71 WTO members, which accounted for 77% of global trade at the time. Since then, more than 80 countries have joined the group of negotiating countries; the group does not include OECS countries, but rules would set standards that would impact OECS states. E-commerce negotiations potentially overlap with other disciplines, including trade in goods, technical standards, telecommunications, cross-border trade in services, investment, and trade facilitation. The OECS has relatively modest WTO commitments on trade in services under the General Agreement on Trade in Services (GATS) and has committed to trade facilitation reforms in the context of the WTO Trade Facilitation Agreement (TFA) and related CARICOM Strategy for Regional Implementation of the TFA; as well as pursuant to an OECS Customs Union and Regime for Free Circulation of Goods. The high level of TFA implementation notified by the OECS to the WTO appears to be linked to a relatively strong position in the World Bank Doing Business Trading Across Borders indicator, which could augur well for the OECS if a complementary e-commerce ecosystem is in place.

The conclusion of a multilateral agreement on e-commerce under the auspices of the WTO would result in the creation of a new normative framework in this area. An initial threshold question would have to be resolved, namely whether the agreement, if successfully concluded, would take the form of a plurilateral agreement or whether it would become a part of the single undertaking structure of the WTO. The cost/benefit of the OECS signing on to a multilateral agreement is unclear at this stage of the negotiations, though some focus areas of the negotiation may be instructive to the OECS in setting priorities for unilateral reform.

At the WTO level, the e-commerce discussions in the context of the Joint Statement Initiative (JSI) mainly cover:

- facilitating electronic transactions, digital trade and logistics;

- promoting openness in electronic commerce;

- promoting trust in electronic commerce;

- cross-cutting issues with the General Agreement on Trade in Services (GATS) and other regulatory issues;

- telecommunications; and

- market access.

However, the OECS is participating in the Work Party on E-commerce and not the JSI; negotiations on trade in services, trade facilitation, investment facilitation and MSMEs are significant and should be monitored to ensure a coherent approach to e-commerce and digital trade, given the overlap and inter-relation of these negotiating areas. Creating an equitable e-commerce agreement must necessarily commence with an appreciation of the existing digital divide between developed and developing countries, and how this divide inherently impacts on their respective policy positions in relation to the governance of e-commerce. OECS states should not necessarily adopt a completely defensive posture with respect to the JSI negotiations; they should instead consider a nuanced approach. There is the potential for at least some of the proposed disciplines being considered to be of significant benefit to OECS states. However, The JSI negotiations and emerging text could exert a disproportionate influence on policy developments in the OECS states and relative to overarching digital trade and development strategies.

There are several obligations in the proposed JSI text that are beyond the current capacity of the OECS member states, and they would need support in developing legislative frameworks to accommodate the implementation of these obligations. It is therefore encouraging to note that the JSI text specifically addresses the issue of technical co-operation and proposes a modality whereby assistance can be provided to developing countries at their request. A commitment to implementing the agreement would necessarily implicate OECS states undertaking an inventory to develop a comprehensive list of areas in which technical support would be required.

It is yet to be seen whether the approach adopted in the TFA — that is, the classification of obligations by category, with each category tied to specific implementation timeframes and conditionalities — will ultimately inform the JSI negotiations. The evolving architecture of the text does not suggest that this approach is currently being considered, but it should not be ruled out if it could lead to an outcome where more developing countries feel comfortable in assuming the proposed obligations on the understanding that the very architecture of the text recognises and gives effect to the

development asymmetries which exist within the WTO membership. The trade strategy matrix presents, based on the literature review, the possible areas of engagement of the OECS in WTO e-commerce negotiations anticipated.

Recommendations of the report include:

- Harmonisation in OECS e-commerce-related legislation (and policies) to align to best practices already adopted in some states, including through accelerated adoption of draft legislation and regulations.

- Development and adoption of new legislation, with commensurate adjustments to the regulatory and institutional framework as may be required, including for commercial digital innovations.

- An OECS regional payment gateway, which builds on existing work on payment infrastructure, and mobilisation of financing for a practical pilot.

- Strong focus on citizen readiness, including through completion of digital skills assessments anticipated under the World Bank in the OECS and the wider CARICOM Digital Transformation Initiative.

- E-business solutions for inclusion of marginalised groups, including women.

- In order to build on training initiatives on e-commerce in the OECS region, training support could include not only e-readiness in the context of emerging trends and commercial realities, but also topics such as: digital adoption; remote tech (getting online remotely during COVID-19); digital transformation; and digital finance.

E-commerce for MSMES in the OECS – intellectual property considerations

A specific session of the course will focus on intellectual property (IP), as it is increasingly important for businesses engaged in e-commerce to understand the economic value of their IP assets. When a business has an idea of how much its assets may be worth, this will be helpful for various transactions, including licensing, sale, or entering into joint ventures and other collaborative arrangements.

It is important to stress that given that IP rights are only available in the country/region in which they

are granted, before expanding business abroad, businesses involved in e-commerce need to obtain the necessary rights to ensure that they maintain their competitive advantage in foreign markets.

Despite the best of efforts, IP disputes, unfortunately, can arise and may result in legal proceedings, demands to cease using an IP asset and/or compensation payments.

Music, films, photographs, animations and other images, designs, educational and training materials, and software can all be traded through e-commerce, in which case, IP is the main component of value in the transaction.

It is important to note that IP is also involved in the functioning of e-commerce. The systems that enable the internet to work, for example, software, networks, designs, chips, routers and switches, and user interfaces, are all forms of IP requiring protection.

IP is important because the things of value that are traded on the internet must be protected by IP laws and by using technological security systems. Failure to do this might lead to illicit use and the destruction of businesses.

In short, IP protection needs to become a central concern for online retailers. As COVID-19 lockdowns continue to drive the adoption of new technology throughout the region, in the months and years to come, digital facilities will no longer be optional. Consumers, clients, business partners and workers will come to expect them as a matter of course. Yet the move towards digital technologies must be accompanied by technical assistance, skills building and infrastructure support, to ensure that it is inclusionary and equitable.

Training course – introduction and scope

The assessment report[2] commissioned by the OECS Secretariat, with support from the Commonwealth Secretariat, revealed that OECS member states' ability to take advantage of the e-commerce revolution is hampered by a number of factors. These include insufficient awareness about e-commerce on the part of senior officials in

the public sector, statutory bodies and the private sector; inadequate knowledge of the requirements for successful e-commerce businesses on the part of OECS entrepreneurs; the absence of a coherent regional regulatory framework across the subregion; limited financial instruments; and high business transaction costs.

This e-commerce readiness and digital trade training course has been designed to respond to the capacity-building needs articulated by stakeholders in the consultations held with them in June 2020.

The course is expected to help policy-makers and micro, small and medium-sized enterprises (MSMEs) better understand the concept of e-commerce and the policy framework and infrastructure that is needed to support it. The course is being developed as a 'train the trainer' model. OECS participants trained during this course will have the capacity to transfer the knowledge to colleagues in their respective organisations. To meet this goal, the course organisers will request nominations for at least one 'train the trainers' focal point from each of the relevant ministries, government agencies and business membership organisations. This individual can play a role in imparting the knowledge received during the course to other colleagues and associates, in the case of trade bodies or business membership organisations.

Course objectives

On completion of the course, participants should be able to:

- understand the fast-moving world of e-commerce and identify how OECS entrepreneurs can take advantage of it;

- identify the (i) legal and regulatory measures, (ii) financial and payment infrastructure and (iii) trade logistics policy tools and solutions that need to be employed to create a more conducive environment for existing and aspiring e-commerce entrepreneurs, especially MSMES and women-owned businesses in the OECS; and

- discuss new and existing e-commerce policy approaches and tools in use elsewhere and explain how they could be introduced and/or adapted for use in the OECS.

2   Commonwealth Secretariat (2021), *OECS Digital Trade and Ecommerce Readiness Project*, Commonwealth Secretariat, London.

Course format

The course structure will be a combination of expert presentations, to followed by group discussions, questions and answers, and case studies. Where applicable, experts will provide a recommended reading list on the last page of each presentation. The case studies selected will reflect the subject area and will be drawn from existing work available via suitable searchable links. The case studies will help to reinforce expert lectures and, along with the presentation, will form the basis of discussions and/or group work after each session topic. Experts nominated for this course will be responsible for proposing their reading lists and choice of case study (ies).

Faculty

Each session will be taught by local, regional experts from the OECS and the wider CARICOM, as well international experts. Technical specialists from several international agencies should also be asked to contribute, including World Trade Organization, World Customs Organization, International Telecommunications Union, Eastern Caribbean Central Bank, etc.

Participants

The course is relevant to: (i) policy-makers; (ii) public sector agencies involved in regulating trade and trade procedures, including ministries of trade, trade promotion agencies, investment promotion agencies, customs etc.; (iii) financial institutions; (iv) logistics providers and transporters; (v) legal service providers; and (vi) current and prospective e-commerce retailers, MSMES and women-owned businesses.

Duration

The course will be held over three (3) days.

Proposed course outline
DAY 1

A. Introduction to E-Commerce and Digital Trade

Session 1: The Benefits and Challenges of E-Commerce and Digital Trade, to include:

a.   An overview of the benefits of e-commerce and digital trade in general, the benefits to the OECS specifically and potential risks and implications for OECS countries.

b.   A review of e-commerce and digital trade within the context of regional and global supply chains – emerging developments and what they mean for business in OECS member countries.

c.   Trade policies, negotiations at the WTO and other multilateral developments in the area of e-commerce and digital trade and their implications for OECS countries.

Session 2: The Basics of E-Commerce – Definitions, Digital Literacy and the Skills Needed by MSMEs

This session will explain how e-commerce works, how it fits in with the broader digital trade ecosystem, the role of policymakers, the role of e-commerce retailers and the skills needed to be successful as an e-commerce retailer.

Session 3: Marketing and Advertising Within an E-Commerce System for MSMEs, with a Focus on Content Marketing

An explanation of the Pros and Cons of using your own online sales platform vs using established online retail platforms (e.g., Amazon, eBay etc).

Group Discussion; Review and Discussion of Case Study; Q&A

LUNCH BREAK

B. Data Protection, Consumer Protection and Cybersecurity

Session 4: The Policy Framework Supporting E-Commerce and Digital Trade

A review of the relevant policy issues related to cross-border data flows and data storage, including an update on developments in e-commerce negotiations at the WTO.

Session 5: Intellectual Property Considerations for MSMEs in the OECS.

An introduction to intellectual property, emphasising its importance in the online ecosystem.

Session 6: The Legislative Framework for the Growth of E-Commerce in the OECS

A detailed review of the enabling legal and regulatory environment in the OECS for e-commerce and digital trade.

Group Discussion; Review and Discussion of Case Study; Q&A

END OF DAY 1

DAY 2

Session 7: The Legislative Framework for E-Commerce and Digital Trade in the OECS – E-Commerce Retailer and the Consumer Perspective

A presentation focusing on the legal and regulatory issues of concern to MSMEs and potential e-commerce consumers, in the context of nascent or ineffective consumer law in relation to e-commerce and digital trade:

a.   understanding digital rights

b.   protecting content online

c.   consumer rights for online sales returns and refund procedures.

Session 8: Frontier Technologies and Their Implication for E-Commerce Businesses

This presentation will review AI and blockchain, including explaining what blockchain is and how it works in different sectors. Also including blockchain's capacity to process payments and product searches much faster and its contribution to transparency and data integrity.

Group Discussion; Review of Case Study; Q&A

LUNCH BREAK

C. Finance and Payment Infrastructure and Solutions

Session 9: Regulations and the Legal Framework for E-Commerce and E-Payments

In this presentation, the expert will:

a.   review the legislative and regulatory framework required to promote e-payments in the OECS; and

b.   review the advantages of using a digital payment system, including the speed of transactions, greater convenience and reduction in transaction costs.

Session 10: Requirements for Promoting FinTech in the OECS

This session will introduce the Commonwealth Secretariat's FinTech Toolkit and will use its technical guidance to inform the following:

a.   e-commerce and e-payment systems – the role of business and the infrastructure required, especially for MSMEs and women-owned businesses in small island developing states (SIDS) like the OECS;

b.   types of electronic payments – conventional vs electronic payment systems and the workings of the e-payment system;

END OF DAY 2

DAY 3

Session 11: Requirements for Promoting FinTech in the Caribbean (cont.)

a.   mobile commerce and e-payments, the role of central banks in creating an enabling environment for e-payment systems and;

b.   fraud and cybersecurity in e-commerce and e-payments.

Group Discussion; Review of Case Study; Q & A

D. Transportation and Trade Facilitation

Session 12: Transportation and Logistics – Challenges and Opportunities for Promoting Physical E-Commerce in the OECS

This session will review the enabling environment for transport and logistics in support of e-commerce and cross-border trade in the OECS member states.

LUNCH BREAK

Session 13: Role of Customs and Revenue Authorities in Creating an Enabling Environment for Cross-Border E-Commerce

A review of the universal challenges in managing large volumes of small packages in the era of e-commerce and approaches adopted by customs authorities in select countries, using global standards.

Session 14: Moving Goods Safely and Efficiently – Innovations and Tools to Support Cross-Border E-Commerce Consignments

The presenter will explain the approaches being used by other countries to manage cross-border trade and will explore their applicability to the OECS.

Group Discussion; Review of Case Study; Q&A

CLOSING

END OF DAY 3