

Concept of DFFT for Development (proposed by JICA)

Socio-economic activities in the digital society can be accelerated with active participation in the data distribution market. In order to get concrete benefits, support is needed for the developing countries to take advantages of data distribution market while ensuring safety and trust.

Definition of DFFT for Development

- Developed countries are positioning data utilization as a source of national power, and are promoting its implementation to promote the distribution of more and more data
- On the other hand, there are still many areas in developing countries where ICT infrastructures and digital environment are still fragile. In the era of data distribution, infrastructure development is still a major theme within development assistance



What is DFFT for Development?

Realization of data-driven socio-economic development of developing countries through enabling them to participate into international data distribution market in safe and trusted ways

Structure of DFFT for Development and Key Points of Potential Development Assistance

Support for System Operation

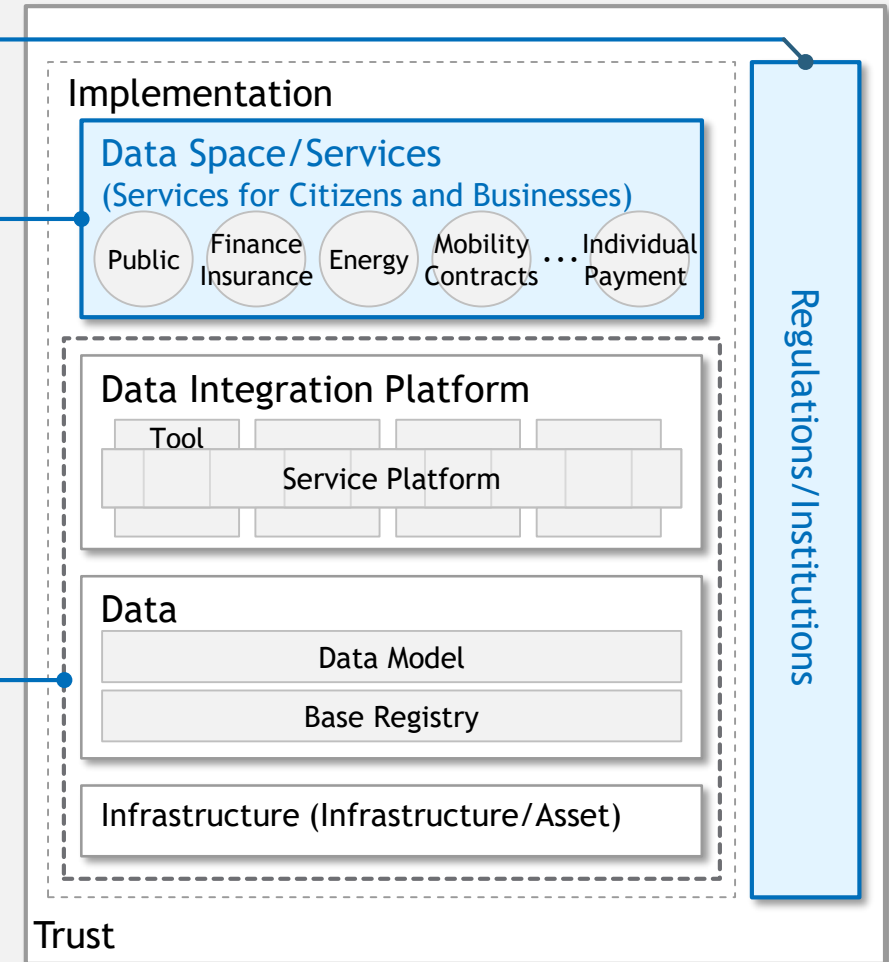
- Policies and regulations for data distribution and transfer are defined in many developing countries
- Implementation of the policies/regulations is a challenge
- Support for establishment and operation of certification organizations, etc.

Data Utilization

- Support for the development of specific services using the data
- Vaccine passport, supply chain management, etc.

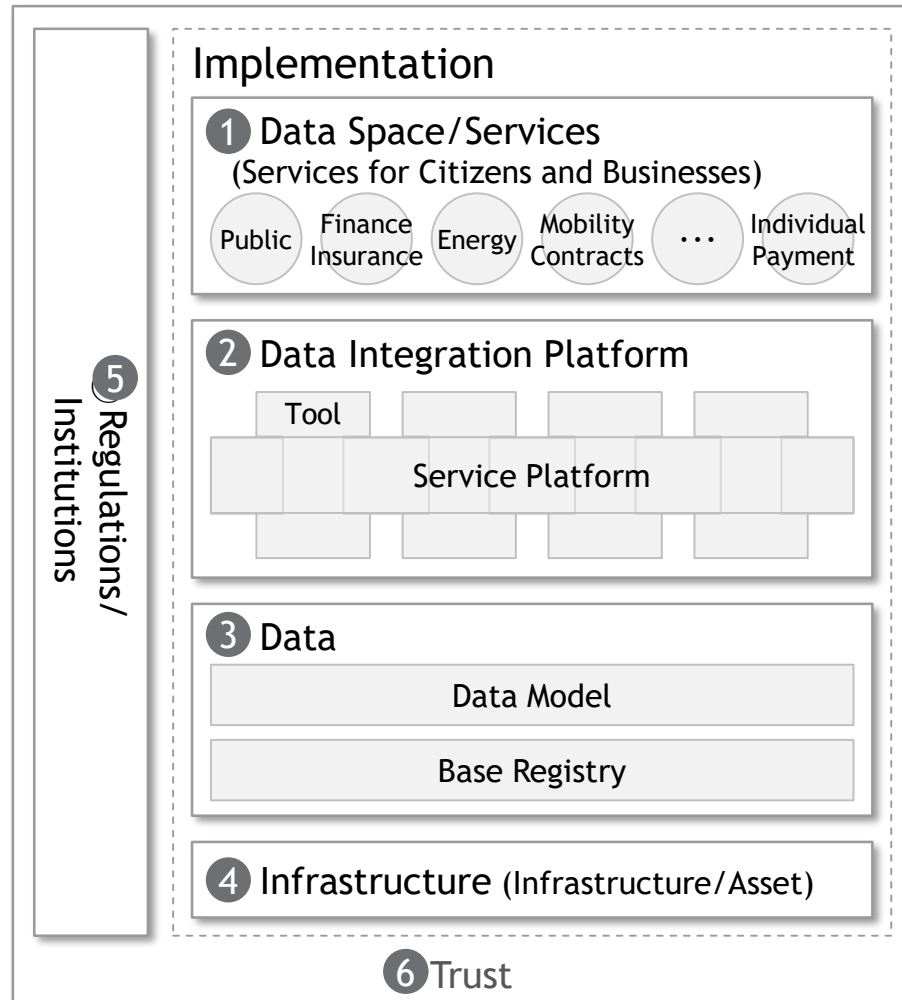
Support for infrastructure development

- Infrastructure development support is a prerequisite for digitization and digitalization. Development of data/infrastructure is also a prerequisite for building active data services
- Many IDBs are providing active support in the area.



1 Concept of DFFT for Development - Elements comprising DFFT

Elements of DFFT

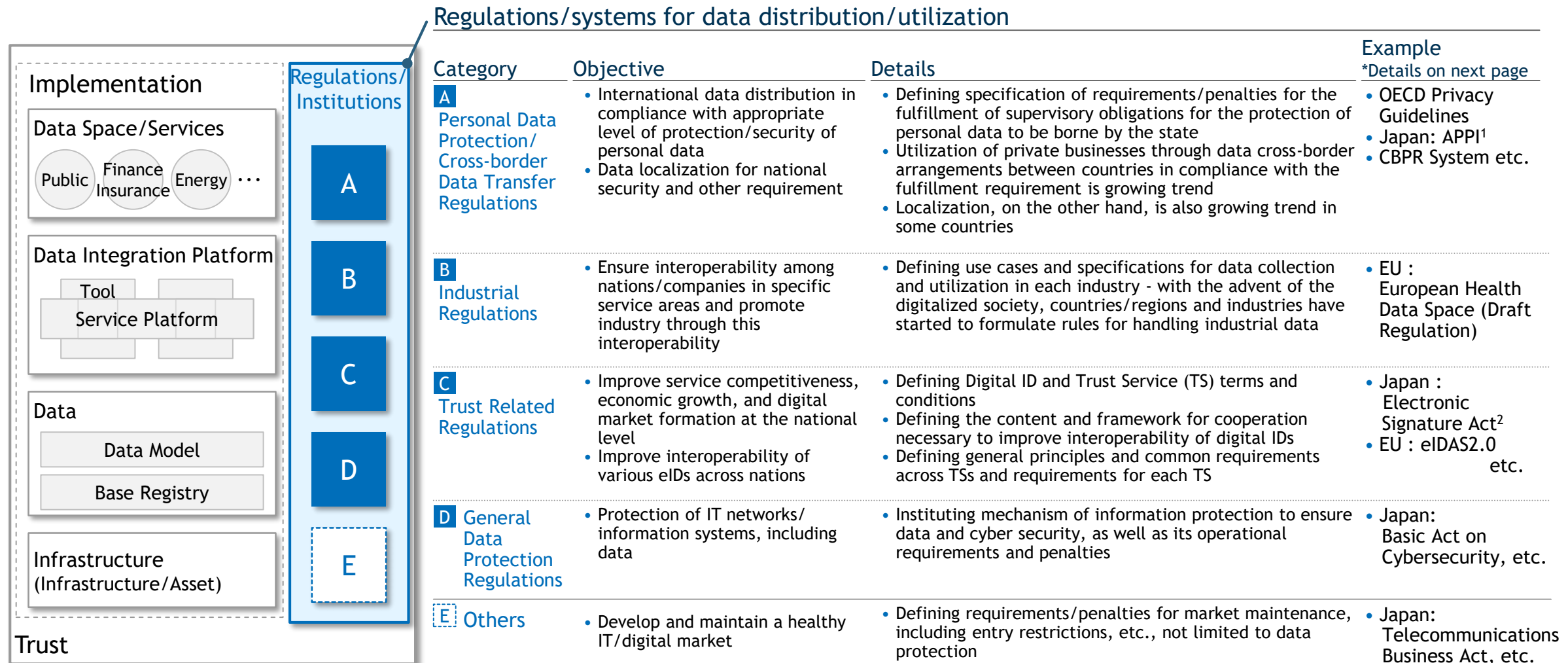


Details of Each Element

- 1 Data Space/Services**
Private and public sector services (applications) utilizing various data provided by DFFT
- 2 Data Integration Platform**
 - Tools
Specific methods to turn the Service Platform into applications e.g.) eSeal, digital signature, gBizinfo, etc.
 - Service Platform
System to ensure DFFT e.g.) eID (to ensure non-tampering and reliability of data), etc.
- 3 Data**
Data infrastructure to promote data distribution e.g.) Base Registry, Open Data, etc.
- 4 Infrastructure**
Elemental technologies/platforms to support interoperability, scalability, security, etc. between countries/companies e.g.) 5G, etc.
- 5 Regulations/Institutions**
Rules and international cooperation such as conventions, laws, technical standards, guidelines, etc. related to the above and implementation
- 6 Trust**
Promotion of smooth data distribution by ensuring trust parity among the components of the DFFT

Operationalization: Types of Regulations/Institutions Required

Important for data distribution/utilization is not only data protection/security such as the Act on the Protection of Personal Information, etc., but also development of regulations/systems for industrial data



1. Official name is "Act on the Protection of Personal Information" 2. Official name is "Act on Electronic Signature and Certification Business"

Current Situation in Developing Countries (Summary)

Current Status and Issues of Data Distribution/Utilization in Developing Countries

Approach (Draft)

Common (Overall)

Each element of DFFT (data distribution/ utilization) needs to be developed by individual country, However, **many developing countries have limited capacity to do so** (there is also capacity gap between different country)

In addition to country-specific efforts, it is also important to develop unified policies and infrastructure among multiple countries to promote data distribution; forming data driven economic blocs while complementing national efforts with regional ones

System Operation Support

Many countries have already established regulations related to data distribution/transactions (e.g., personal information protection laws), **however, many countries have implementation challenges**

- **Many data transaction schema are based on individual contract model, which places a high burden among companies and overall economic activities**

Promote efforts by regional organizations to support data governance implementation (operational capacities) among their member countries

- **Regional organizations such as ASEAN, RIPD, and OAS, have a track record of supporting implementation efforts of their member countries**
- **Support regional organizations to develop and promote “best practices” development (Japan has a certain amount of “know-how” in CBPR promotion, etc.)**

Data Utilization Support

Wide variations exist between countries and sectors

- **In some countries, national IDs and sector-specific platforms have been developed, mainly in the fields of public administration and health insurance, and digital services are being developed based on these IDs and platforms**

Leading states in the region may take an initiative to promote their best practices to create appropriate model that works for their region

- **Support countries with best practices to initiate such initiative**
- **Some developing countries have supporting infrastructure and experience in operating digital services which may become candidates for initiatives.**

Infrastructure Development Support

Wide variations exist between countries and sectors

- **While efforts such as national IDs are progressing, lack of supporting infrastructure remains to be a major challenge**

Provide appropriate level of support as needed to be aligned with development context within the region

- **Complement ongoing support from international organizations**

Challenges and Opportunities of Cross-Border Data Flow for Development

Policy Questions/Discussion Items

- 1. How can we ensure free flow of trusted data without compromising privacy and national security? What would be the governance frameworks necessary for that? How could different stakeholders involve in the development of best practices to enable free flow of trusted data?
- 2. How could development partners, private sectors, and civil societies/academia support developing countries to create conducive mechanisms to take advantage of cross-border data flow?
- 3. Should the concept and mechanism of free flow of trusted data beyond national boundary be incorporate into the discussion of DPI? If so, how best could the multi-stakeholder communities support that?