

The Global Digital Compact is an opportunity to set a baseline for data governance

Global Partnership for Sustainable Development Data Jenna Slotin and Janet Mclaren March 2024



The Global Digital Compact is an opportunity to set a baseline for data governance

Data underpins some of the most challenging and political issues of our time. Many of the harms prevalent in today's online environment trace back to the ways that data are collected, shared, and used. Keeping individuals and communities safe and sharing opportunities fairly depends increasingly on how data is produced, shared, and used, within and between countries.

At present, there is no globally-recognized framework for data governance. Important progress has been made through the development of legislation, regulation, and policies by national governments, regional bodies, and within sectors. But the resulting system is a patchwork. This leads to inconsistencies and gaps that can be exploited, results in missed opportunities for innovation, and contributes to worsening inequalities.

The United Nations (UN) has the opportunity, with the Global Digital Compact (GDC), to address this situation by initiating a process to develop a framework for data governance that sets the world on a more equitable path. Based on almost a year of informal consultations, the co-facilitators of the GDC negotiations have <u>identified data governance</u> as one of four structural elements for the compact. This briefing paper offers food for thought on that element, ahead of the release of the zero draft and the negotiations that will follow. It explains the importance of data governance, highlights the gaps that currently exist in the multilateral system, and identifies steps that could be taken by member states through the GDC.

Data governance: The basics

In this brief, data means information that is collected about things such as people, activities, places, or events and stored digitally. Data is a source of economic, social, and political power: It is used to generate economic value; to surveil people's behavior; to create programs that advance social and environmental good; and to advocate for change and hold leaders to account. Data governance is the "rules, processes, and behaviors related to the collection, management, analysis, use, sharing, and disposal of [personal and non-personal] data," ¹

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 $[\]frac{https://www.thedatasphere.org/wp-content/uploads/2022/11/Data-governance-and-the-Datasphere-Literature-Review-2022.-Tim-Davies.pdf$

Because data is so central to the effective functioning of government, some level of data governance rules and practices are present in most countries and multilateral institutions through, for example, legislation at the national and regional levels, principles, policies, and day-to-day practices across countries, sectors, and organizations. Data governance questions arise across a range of efforts to address AI, data privacy, cybersecurity, trade, and telecommunications, among others. This complicated array of legislation, regulation, principles, and policies at different levels and across different domains comprises the current fragmented system.

Some of the first multilateral data governance efforts date back to 1980 when the OECD established the first information privacy guidelines. Since then, organizations including the European Union, G20, G7, ASEAN, and the African Union have all negotiated data governance agreements, regulations, treaties, policy documents, or frameworks. A curated list of multilateral agreements, frameworks, and regulations can be found in the Annex.

Data in the context of new and emerging applications of technology holds vast potential to increase the speed and efficiency of the delivery of public goods and services. Quality and up-to-date data are indispensable for policymakers. New and innovative applications of artificial intelligence (AI) and machine learning built on vast amounts of data hold potential to revolutionize entire economic and social systems as well as to accelerate progress toward the Sustainable Development Goals (SDGs).

Yet, the vastly unequal reality of data divides, in which a small handful of actors control and benefit from enormous amounts of data, leads to a persistent imbalance between and among governments, companies, and individuals that makes it increasingly difficult for many to compete in the digital economy and excludes many from the benefits of data. This is why a more systematic and comprehensive approach to data governance is necessary to protect rights and distribute opportunities more fairly. It's not a question of *if* data should be governed but rather *who* controls and makes decisions about and with the data. Data governance should be geared toward creating incentives for more equitable development of data technologies and unlocking the enormous potential for new technologies to improve lives, while protecting people from harm and encouraging innovation.

To realize the full potential of digital transformation, AI, and other technologies, it is essential that the data that goes into, runs through, and comes out of these systems is governed in a way that protects people and promotes sustainable and equitable development, for three reasons:

- (1) Public consent for digital systems relies on people trusting their data will be used to help rather than harm.
- (2) Digital systems provide a wealth of timely data to improve service delivery but this relies on having the infrastructure to transfer data safely and securely, and having the skills to use it.

(3) Realizing the opportunities of Al depends on access to inclusive and representative data.

In short, it is not possible to derive the benefits from digital systems and technologies for sustainable and equitable development without governing data effectively. A clear data governance framework can prevent harmful uses of data and technology. Effective data governance can unlock opportunities, innovations, and growth.

Existing misalignment in global frameworks that place the emphasis on different priorities such as free flows of data, data sovereignty, or personal privacy, represent national interests that are difficult to resolve. On the whole, efforts at the multilateral level have not resulted in harmonizing data governance at the national and sub-national levels, where concerns about economic opportunities, security, trust, and human rights are most pertinent. The United Nations, as the multilateral body with the broadest membership, has an opportunity with the GDC to set a baseline for policy coherence that can shape regional, national and transnational frameworks for data governance and pave the way for smoother and more equitable digital cooperation.

Framing data governance in the Global Digital Compact

The GDC should be viewed as the beginning of a process rather than the final word on global data governance. Data governance is too complex and multifaceted, touching on rights, trade, intellectual property, financing, technical standards, and more, to be fully resolved in the GDC. The current wave of technological change is moving too quickly to predict how data governance will need to adapt. The GDC offers a critical opportunity to begin the process of addressing fragmentation in the global data governance landscape, and for the UN to play its role by creating a normative baseline to underpin the continuing evolution of data governance efforts at national and regional levels.

The GDC could start by outlining why data governance is integral to digital transformation and articulating a common understanding for what global data governance needs to achieve. Doing this would provide member states and other stakeholders with a starting point and shared vision of what they're working towards. This could be framed around three outcomes:

- 1. Protecting human rights in digital spaces and preventing the worst harms. Data governance must be rooted in existing human rights frameworks and ensure that people and communities' data and rights are protected from exploitation and abuse while unlocking the value of increased connectivity.
- Setting norms and structures to incentivize and enable uses of data that promote sustainable development. The use, sharing, and re-use of data holds undeniable potential to accelerate sustainable development, but rules are necessary to unlock this value responsibly. Global data governance must establish an environment of trust and

- safety, transparency and accountability, and openness and interoperability that enables data sharing and use, including across sectors and borders.
- 3. Preparing for the future by setting guardrails to drive AI innovation for good. The race to develop and deploy emerging AI technologies will only intensify in the coming years, leaving many countries struggling to catch up. Global data governance can promote the development of more robust and representative datasets, make access open and equitable, and drive investment in the infrastructure, tools and capacity to use the data, so that governments and companies around the world can benefit from AI and other emerging technologies.

These three outcomes are mutually reinforcing, and none is sufficient on its own to leverage the full benefits of digital transformation for all. This is why a holistic approach to data governance working toward all three of these outcomes should be articulated in the GDC.

Commitments and actions on data governance

The central action of the GDC could be to establish an intergovernmental multistakeholder process to work toward and promote a global data governance framework that is agile and responsive to the changing nature of digital technologies. Such a process could include:

- Establishing a multi-stakeholder mechanism for sharing experiences and best practices
 for inclusive multi-stakeholder data governance processes and protection of personal
 data and privacy, working towards harmonization while respecting national laws and
 regulation.
- Establishing an intergovernmental mechanism for knowledge exchange and sharing best practices to strengthen capacity on cross-border data flows and to foster convergence. This could include efforts to explore incentives and opportunities for public-private partnerships to share data of value for sustainable development.
- Promoting international collaboration and investment in infrastructure and systems, diverse and high-quality datasets, talent development related to data, and to develop data-powered technology for sustainable development. This is essential to balance the unequal distribution of benefits from data and technology and enable less developed countries to grow their domestic digital ecosystems.
- The establishment of a mechanism for combining international guidance and norms, national regulatory frameworks, and technical standards into a framework for agile governance of datasets used to power AI, with an active exchange of lessons learned and emerging best practices across borders, industries and sectors.

Data governance is central to all aspects of digital cooperation. Therefore, it may be more effective if such a process did not reside in a single entity. Rather, existing forums and bodies with relevant expertise, proven track records in multi-stakeholder engagement, and strong public support could come together to address the different aspects of data governance across

digital cooperation in a joined-up way. Alternatively, an existing mechanism could be repurposed to perform this function, bringing together the expertise of relevant forums and bodies.

The GDC will need to strike a careful balance between acknowledging relevant ongoing work in other forums and entities and finding where it can add value. For example, regional entities, standards bodies, and technical communities are developing common definitions and standards for data interoperability, portability, and harmonization. Several multilateral entities such as the UN Conference on Trade and Development (UNCTAD), the World Trade Organisation (WTO), and World Intellectual Property Organization (WIPO) are working on frameworks and standards for cross-border data flows. And, there are global initiatives pooling high value datasets in critical sustainable development areas that should be strengthened and perhaps expanded. The process launched by the GDC could add value by bringing these entities together to foster collaboration, exploit synergies and reduce duplication.

Finally, too many countries still struggle to fill critical SDG data gaps and to leverage new data sources and technologies to accelerate progress on the SDGs. In the GDC, member states should commit to increase investment in national data systems and increase coverage of SDG data to 90 percent by 2030, ensuring that public sector decision makers have the data they need to achieve the SDGs and monitor progress. Committed countries could consider joining the UN's Power of Data High Impact Initiative, which was launched at the SDG Summit to address the data challenge by stepping up investment in national data systems and driving more coherent support from development partners.

The GDC must meet the urgency of the moment. The breakneck speed of technological innovation and adoption means that data governance is increasingly pressing. The GDC can be the starting point for convergence on a global data governance framework to underpin the continuing evolution of legislation, policy, and guidelines at the regional, national, and local levels. By setting out a common vision for what global data governance aims to achieve and establishing a process by which such a framework may be developed, revisited, and adjusted as technological change progresses, the GDC can set the global community on a course to unlock the flow of data to advance sustainable development and ensure that no one is left behind.

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Annex: Selected instances of multilateral frameworks, principles, and agreements regarding data governance

Multilateral bodies have a long history of addressing data governance through agreements, legislation, regulation, treaties, policy documents, and frameworks. The Recommendation concerning Guidelines Governing the Protection of Privacy and Transborder Flows of Personal Data was adopted by the OECD Council in 1980 and revised in 2013, representing the first internationally agreed-upon principles for data privacy.² The European Union's General Data Protection Regulation (GDPR) as the most well-established, privacy-focused data governance legislation to date has influenced policy in countries and data practices among companies worldwide. The African Union's Convention on Cybersecurity and Data Protection, which entered into force in 2023, requires member states to enact legislation that addresses and adheres to the principles in it related to a comprehensive legal framework for electronic commerce, data protection, and cybercrime and cybersecurity.³

More recently, discussions have focused on governing data as a strategic asset. The Data Free Flow with Trust (DFFT) concept, "to promote the free flow of data across borders while ensuring trust in privacy, security, and intellectual property," has gained traction, especially among the G7 and the G20, since it was raised during Japan's G20 presidency in 2019.⁴ But disagreements and lack of alignment about how to operationalize this policy ideal have held back development of data governance principles to advance DFFT.

Many UN agencies have also developed internal guidelines and principles related to data governance, such as the World Health Organisation's Data Principles (2020) which provide a framework for internal data governance decisions but are publicly available to be used and referenced by member states.⁵ The UN's Principles on Personal Data Protection and Privacy apply personal privacy protections across UN agencies.⁶

The G20 through its annual declarations and working groups has repeatedly affirmed the importance of data and data governance frameworks. For example, the New Delhi Leaders' Declaration (2023) recognized "the importance of data free flow with trust and cross-border data flows while respecting applicable legal frameworks," affirmed the "role of data for development," called for addressing "the protection of human rights, transparency and explainability, fairness, accountability, regulation, safety, appropriate human oversight, ethics,

https://au.int/sites/default/files/treaties/29560-treaty-0048 - african union convention on cyber securit y and personal data protection e.pdf

https://unsceb.org/privacy-principles#:~:text=The%20Principles%20aim%20to%3A%20(i,particular%20th e%20right%20to%20privacy

² https://www.oecd.org/digital/privacy/

⁴ https://www.csis.org/analysis/operationalizing-data-free-flow-trust-dfft

⁵ https://www.who.int/data/principles

biases, privacy, and data protection" to ensure "responsible AI development, deployment and use," and and welcomed efforts to "build safety, security, resilience and trust in the digital economy."⁷

The Rome G20 Leaders' Declaration (2021) expressed a commitment to "privacy, data protection, security and intellectual property rights" of the most vulnerable, while enabling DFFT to foster interoperability in the future.⁸

The table below lists out a sample of agreements, principles, and frameworks in negotiation (as in the case of DFFT) or arrived at through multi-party stakeholder negotiations of member states and jurisdictions.

Negotiated agreements, principles, and frameworks					
Name	Organization	Description	Year		
Guidelines on the Protection of Privacy and Transborder Flows of Personal Data	OECD	As the first internationally agreed-upon guidelines for privacy, these are a detailed set of definitions, principles, and guidance for implementation that can be applied in diverse contexts.	1980 and 2013		
Fundamental Principles of Official Statistics (FPOS)	United Nations Statistics Division	Developed by the UN Economic Commission for Europe and later adopted by the UN Statistical Commission and General Assembly, the FPOS cover the processes of production and dissemination of statistics in 10 areas.	Adopted 1994; adopted with revised preamble in 2014		
African Union Convention on Cyber Security and Personal Data Protection (the Malabo Convention)	African Union	The Malabo Convention came into force in 2023, following its ratification by a 15th country, with the aim of harmonizing legislation across member states.	Adopted 2014		
General Data Protection Regulation (GDPR)	European Union	The GDPR applies data protection and privacy rules based on the rights of EU citizens to any entity that collects their	2018		

⁷ https://www.mea.gov.in/Images/CPV/G20-New-Delhi-Leaders-Declaration.pdf

⁸ https://t20ind.org/research/using-data-to-advance-the-2030-agenda/

		data. The GDPR harmonized a diverse set of data privacy rules across countries.	
ASEAN Data Management Framework	Association of Southeast Asian Nations (ASEAN)	This framework was endorsed at the 18th ASEAN TELMIN meeting in 2018, setting out strategic priorities, principles, and initiatives to govern data in the digital economy.	2018
Data Free Flow with Trust (DFFT)	G20/G7	Launched during Japan's presidency of the G20 in 2019, the DFFT initiative was affirmed through the G20 Osaka Leaders' Declaration. The G7 is seen as a key player in turning DFFT from an idea into a concrete agreement, but progress has stalled.	2019 - ongoing
Recommendation on Enhancing Access to and Sharing of Data	OECD	The OECD Recommendation on Enhancing Access to and Sharing of Data is the first internationally agreed upon set of principles and policy guidance on how governments can maximize the cross-sectoral benefits of all types of data while protecting human rights.	2021
European Data Governance Act	European Union	Part of the European Strategy for Data, this Act seeks to increase trust in data sharing and strengthen data availability and use.	2022
Statement on the Use of Data held by the Private Sector for the Purposes of Official Statistics	Statistical Conference of the Americas (ECLAC)	Building on a similar declaration by the Conference of European Statisticians, this statement sets a normative framework to govern data sharing between public and private sectors.	2023
G20 New Delhi Leaders' Declaration	G20	This 2023 statement affirms the G20's support for data for development, data protection	2023

	frameworks, data free flows with trust (DFFT), and inclusive and secure digital public infrastructure.	
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