SU20
SOUTH AFRICA 2025

Trade and Market Access

SU20.ORG

G20 SOUTH AFRICA 2025

The recommendations, actions, and initiatives proposed in this paper present a comprehensive framework to significantly strengthen startup ecosystems across South Africa, the African continent, and the wider G20. These ambitious proposals offer a strategic roadmap for G20 leaders to foster entrepreneurship and drive innovation-led economic growth globally. While Startup20 acknowledges that, given the current international context, some proposals may be challenging to implement, this framework nonetheless provides a valuable overview of key actions to enable startup and MSME ecosystems to grow and thrive across G20 countries.

The successful development of this Policy Paper has been made possible through the dedicated efforts and collaboration of the Department of Small Business Development (DSBD), The Department of Science, Technology and Innovation and the Startup20 South Africa Secretariat at 22 On Sloane, together with the invaluable contributions of the **Trade and Market Access** Task Force Members and Knowledge Partners.

Table of Contents

Foreword

By Task Force Chair and Co-Chairs.

It is with great pride and purpose that we present this draft policy paper on Trade and Market Access under the Startup20 South Africa Presidency. As Chairs and Co-Chairs of this Task Force, we have been entrusted with advancing a shared ambition: to break down the barriers that limit startups and MSMEs from reaching their full potential in local, regional, and global markets.

In today's fast-evolving global economy, access to markets is not a privilege it is a necessity. Yet, for far too many startups, especially those in emerging economies, systemic trade constraints, fragmented regulatory regimes and exclusion from procurement opportunities remain the norm. This policy paper seeks to offer practical, forward-looking solutions to these challenges, aligned with the broader objectives of the G20 and the African Continental Free Trade Area (AfCFTA).

Our approach is grounded in collaboration, coherence, and inclusion. The Task Force has worked across thematic areas, leveraging the expertise of global stakeholders and aligning with other Startup20 working groups to ensure that our proposals are both integrative and implementable.

This paper presents three strategic pillars:

1. Global and Regional Trade Integration
2. Digital Trade Inclusion and E-Commerce Enablement
3. Public Procurement and Local Sourcing for Startups

Each section outlines specific policy interventions designed to unlock trade pathways, simplify compliance, enhance participation in public markets, and ensure no startup is left behind regardless of geography, scale, or formal status.

We extend our heartfelt thanks to the Task Force members, researchers and partner organisations who contributed their time, insights and commitment to this work. As we move toward finalising this policy for presentation at the G20 platform, we remain committed to a legacy of inclusive, sustainable and innovation-driven trade policy.

Together, we can unlock new frontiers for startups and MSMEs and reshape the future of trade for the better.

Chairperson

Loyiso Tyira

Co-chair

Cleola Kunene

Co-chair

Ronnie Mbatsane

Policy Glossary

Abbreviation	Definition
AfCFTA	African Continental Free Trade Area: pan-African initiative to create a single market for goods and services.
Customs Union	Grouping of countries removing trade barriers amongst themselves and applying a common external tariff.
Digital Skills	Competencies and tools necessary for effective participation in digital platforms, e-commerce, and online trade.
Digital Trade Platform	Online system that facilitates cross-border trade in goods and services, often using digital IDs, standards, and payment systems.
Dispute Settlement System	Processes and panels under the WTO for addressing breaches of trade agreements or unfair practices.
G20	The Group of Twenty: major economies forum coordinating international financial, trade, and development policy.
Gender Inclusion Quota	Policy mandating a minimum representation of women-owned or led businesses in export and support programs.
Green Corridor	Trade and transport routes prioritised for low-carbon, renewable, or environmentally sustainable logistics and goods.

Informal Sector	Economic activities, often unregistered and outside national regulation, contributing significantly to employment and trade.
Just Transition	Integrating social inclusion and job protection into restructuring economies towards sustainability and climate resilience.
MSME	Micro, Small, and Medium Enterprises: critical drivers of employment and innovation, often facing trade barriers.
Multilateral Trading System	The framework of agreements and rules overseen by WTO, governing global trade and dispute settlement.
Non-Tariff Barrier (NTB)	Regulatory, customs, and administrative measures—such as standards, licensing, quotas, or compliance checks—that restrict trade.
Peer Review	Assessment of country or agency compliance and quality by independent or partner countries within taskforces.
Plurilateral Agreement	A trade agreement among a subset of WTO or G20 members, often focused on specific issues or sectors.
Quality Assurance Infrastructure	Systems, labs, and agencies ensuring goods meet regulatory and safety standards for export readiness.
Regional Gateway Model	Integrative set of procedures, documentation, and platforms developed across borders to streamline trade logistics.

Regional Integration	Deepening of economic and trade ties among countries in a geographic region through reduced barriers and harmonisation.
Special and Differential Treatment (SDT)	Provisions granting developing countries more flexible trade-related commitments and longer transition periods [11].
SU20	Taskforce under South Africa's G20 presidency focusing on policy reforms for trade and market access.
Tariff	A tax imposed on imported goods, raising their cost in the importing country and affecting trade flows.
Trade Facilitation	Simplification, modernisation, and harmonisation of import/export processes to accelerate cross-border trade.
Value Chain	Series of activities and entities involved in producing and distributing goods, often spanning multiple countries.
WTO	World Trade Organisation: the global multilateral institution regulating trade rules, standards, and dispute resolution.

Recommendations: Executive Summary

The G20 Trade and Market Access Taskforce policy paper presents a high-level roadmap for shaping the future of inclusive, sustainable, and innovation-driven global trade. This paper focuses on enabling equitable market access, digital transformation, SME empowerment, robust infrastructure, and next-generation policy frameworks to respond to evolving global challenges and opportunities. At its core, the policy agenda is to dismantle barriers, support underserved communities, and catalyse resilience in the face of technological, economic, and systemic transitions. The recommendations are structured to directly address fragmentation, exclusion, and inefficiencies across global trade and digital commerce.

Trade, innovation, and digital economy are recognised as inseparable drivers of prosperity, competition, and inclusion. The Taskforce draws upon key learnings across G20 and comparable international frameworks, interpolating data and evidence from leading trade indices, business forums, and Country examples. This paper champions the standardisation of digital trade networks, the creation of globally harmonised passport frameworks for startups and entrepreneurs, public procurement set-asides targeting underserved communities. The use of equity and readiness indices to measure progress on inclusion, digital enablement, and competitiveness is also proposed.

Five recommendations are advanced:

1. Establishing a centralised digital trade platform to facilitate seamless integration of global and regional trade, unlocking market access for all, especially SMEs and underserved communities.
2. Developing a passport framework for startups to ensure mobility, regulatory harmonisation, and frictionless incorporation across G20 member states.
3. Introducing legislated minimum procurement set-asides to create fair access for SMEs and underserved businesses in national and regional supply chains.
4. Launching a Digital Trade Equity Index (DTEI) to track and benchmark the progress of inclusive trade, with particular attention to underserved communities, equity gaps, and participation metrics.

5. Creating a Startup Readiness Index, enabling evidence-based benchmarking of ecosystems, policy adoption, API interoperability, and trade platform integration.

Each recommendation is substantiated by targeted KPIs, evidence-driven priorities, and clear implementation pathways. The taskforce places strong emphasis on risk mitigation, actionable monitoring and evaluation mechanisms, and globally aligned definitions for all central terms. This ensures that every intervention is meaningful, measurable, and directly comparable across the G20 policy corpus. A consolidated approach to language standardisation, removal of exclusionary terminology, and harmonisation of policy structure guarantees the accessibility and relevance of this policy paper for all member states.

The paper positions the G20 as an active convener, standards-setter, and trusted enabler of sustainable trade growth. By leveraging digital platforms, robust procurement frameworks, and evidence-based indices, the recommendations are designed to deliver tangible benefits for SMEs, startups, and underserved communities. This reinforces the G20's commitment to resilience, inclusion, and global competitiveness.

Introduction

The priority areas identified in the SU20 Trade and Market Access Policy Paper are anchored in opportunities and challenges highlighted by successive G20 resolutions and global economic shifts. As the world grapples with economic disruptions, widening digital inequality, and the urgent demand for inclusive growth, these policy recommendations seek to advance global trade cooperation, bridge the digital divide, and expand MSME participation in both regional and global markets. Aligned with the 2025 G20 agenda, the proposed solutions are designed to promote sustainable development, technological innovation, and economic resilience.

The G20 Summits held between 2018 and 2024 have identified six critical thematic areas requiring urgent attention: Trade, Digital Economy, MSMEs, Innovation, Infrastructure, and Inclusion. These themes encompass the impact of climate change and the need for climate resilience, inequality and lack of access to healthcare, education and social protection for vulnerable populations, the digital divide and limited digital infrastructure and the challenges faced by Micro, Small, and Medium Enterprises (MSMEs) in terms of innovation, skills development and access to finance.

Building on these imperatives, this policy paper presents a coherent framework to unlock trade and market access for startups and MSMEs, particularly in underserved and emerging economies. For Africa and South Africa as G20 Presidency, the recommendations reinforce commitments under the African Continental Free Trade Area (AfCFTA) and underscore the continent's role as a rising hub of entrepreneurial and digital growth. In doing so, the SU20 initiative emphasises that inclusive and innovation-driven trade policies are not only an economic necessity but also a pathway to sustainable and equitable global development.

Key Challenges and Opportunities Identified

Global trade systems remain highly fragmented, with persistent market access barriers, regulatory inconsistencies, and digital divides that disproportionately exclude SMEs and underserved communities from global value chains. Despite progress in tariff liberalisation and trade facilitation agreements, non-tariff measures, restrictive procurement practices, and limited interoperability in digital trade inhibit participation and sustainable growth. The continued lack of harmonised standards, equitable procurement, and inclusive policy design perpetuates exclusion and undermines the resilience and competitiveness of the most vulnerable actors in the global marketplace. There is an urgent need for coherent, action-oriented G20 policies to address these multifaceted barriers, advance digital inclusion, and create an enabling environment for innovative, inclusive, and sustainable trade.

Trade

One of the primary challenges in enhancing global trade cooperation is the persistent trade imbalances between major economies. Despite ongoing efforts, countries like the United States and China continue to experience significant trade deficits and surpluses respectively. According to the World Bank, the US trade deficit reached $678.7 billion in 2020, underscoring the difficulty in achieving balanced trade. Furthermore, the rise of protectionist policies, exemplified by the US-China trade war, has led to the imposition of tariffs and retaliatory measures, disrupting global trade flows. The Peterson Institute for International Economics estimated that the trade war cost the US economy 0.3% of GDP in 2019.

Nevertheless, there are opportunities to enhance trade cooperation through multilateral trade agreements. Initiatives like the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) demonstrate the potential for multilateral agreements to foster economic integration among member countries. The CPTPP, which came into effect in 2018, covers a market of 500 million people and accounts for 13.4% of the global economy.

This policy paper builds on such models to propose scalable, startup-friendly trade mechanisms that promote regulatory alignment, transparency and cross-border access, especially for MSMEs in developing and underserved economies. The recommendations centre on regulatory alignment, increased transparency, and broadened cross-border access. These policies are particularly designed to improve the trading prospects of MSMEs in both developing nations and underserved communities elsewhere, seeking to counterbalance the outsized influence of major economies and the negative effects of protectionism.

Digital Economy

The digital divide remains a significant issue, with the International Telecommunication Union (ITU) reporting that nearly half of the world's population, or 3.6 billion people, were still offline in 2020. This divide is particularly stark in developing countries, where internet penetration rates are much lower. Many regions, particularly in rural and underserved areas, lack the necessary digital infrastructure to support widespread internet access and digital services. For example, the World Bank noted that in Sub-Saharan Africa, only 28% of the population had access to the internet in 2019. Furthermore, the increase in cyberattacks and data breaches poses significant risks to the digital economy. According to the World Economic Forum's Global Risk Report 2021, cyberattacks were identified as one of the top risks to global stability, with costs projected to reach $10.5 trillion annually by 2025.

However, there are opportunities to address these challenges. Investing in digital infrastructure, such as broadband networks and data centres, can help bridge the digital divide and support economic growth. The World Bank estimates that a 10% increase in broadband penetration can lead to a 1.38% increase in GDP growth in developing countries. Additionally, promoting digital literacy programs can empower individuals with the skills needed to participate in the digital economy. For instance, the Digital India campaign aims to provide digital literacy to 60 million rural households by 2022.

The paper positions MSMEs and innovation as crucial for bridging trade imbalances and closing the digital divide. By enhancing regulatory alignment, investing in digital infrastructure, and promoting startup-friendly policies, the recommendations aim to unlock new opportunities for MSMEs and stimulate innovation-driven growth across underserved economies. Both MSMEs and innovation are recognised as the backbone of resilient, inclusive, and sustainable economic participation in the evolving global landscape. The policy paper, therefore, calls for mechanisms that will not only bridge the digital divide but also create enabling environments for MSMEs. Through regulatory harmonisation, expanded digital infrastructure, and startup-centric trade policies, the aims are advanced to spur inclusive growth, address persistent inequalities, and promote resilient, innovation-driven economies. The comprehensive approach blends lessons from multilateral agreements and real-world development gaps, offering a roadmap for sustainable economic participation amid a complex and evolving global trade landscape.

Strategic Priorities

Recent G20 and international evidence highlights the exclusionary effect of current digital and cross-border trade systems, particularly for SMEs and underserved communities, who face disproportionate regulatory compliance, cost, and digital skills challenges. Fragmented rules, lack of coordination, and inconsistent data protocols pose significant obstacles to scaling globally. A centralised digital trade platform, with robust support mechanisms and effective policy alignment, will address these issues and become a catalyst for broad-based inclusion and growth.

The SU20 Trade and Market Access Task Force has identified two strategic priority areas aligned with the G20's commitment to inclusive growth, digital transformation and MSME empowerment.

Priority Area 1: Global and Regional Trade Integration

1. Digital Trade Centralisation through Digital and E-Commerce Enablement

   G20 countries need digital trade centralisation for Startups to streamline and standardise digital trade practices, reduce barriers to entry and foster a more inclusive global digital economy. Centralisation can lead to more efficient cross-border data flows, increased transparency and reduced costs associated with digital trade transactions. It also helps address challenges like digital divides and ensures that developing countries can participate more effectively in the global digital economy.

A Centralised Digital Trade Facilitation Platform offers a single-window digital interface integrating for trade requirements such as:

- Customs and border clearance
- Product certification and regulatory compliance
- Logistics coordination
- Payments and compliance tracking

By streamlining and standardising digital trade processes, this platform would lower the barriers to entry for MSMEs, reduce transaction costs and create more equitable access to global trade, particularly for developing and emerging economies. It would also facilitate cross-border data flows, harmonise standards and ensure inclusive participation in the regional and global economy.

2. A Startup Passport Framework

   The Startup Passport Framework establishes mutual recognition of business registration, compliance standards, and trade credentials across participating jurisdictions. Co-developed with key partners such as the AfCFTA Secretariat and AUDA-NEPAD and piloted through regional blocs (e.g., SADC, ECOWAS), the framework aims to:

- Simplify regulatory procedures
- Harmonise digital and trade standards
- Promote transparency and reduce risk
- Support mutual trust across regulatory systems
- Lower entry barriers for startups across the G20 and AU markets

This intervention will serve as a cornerstone for advancing inclusive trade under both AfCFTA and G20 platforms, fostering startup-friendly environments that promote innovation, regional integration and economic resilience.

Priority Area 2: Public Procurement and Local Sourcing

1. Legislated minimum procurement of 30%

   A 30% public procurement target for Small and Medium-sized Enterprises (SMEs) across G20 countries could significantly stimulate economic growth by fostering job creation, boosting domestic revenue, and encouraging innovation. This policy shift would empower SMEs by providing them with access to government contracts, which can stabilise their revenue streams and facilitate expansion.

Tools: Measurement and Tracking Indices

1. Digital Trade Equity Index (DTEI)

   A G20 Startup Digital Trade Equity Index will enable all countries to track real-time and evidence-based trade activities. And provide access for those who are left behind in digital commerce access.

This would support evidence-based policymaking and targeted ecosystem support for inclusion. Some of the key measurements will include:

- E-commerce Readiness
- Access to trade resources
- Trade facilitation and logistics
- Assess progress
- Assess trade and policy blockages

2. Startup Trade Readiness Index (STRI): Benchmarking Inclusive Trade Enablement

   The G20 needs a Startup Readiness Index for Trade and Market Access to better understand and address the specific challenges and opportunities faced by startups in accessing global markets, fostering innovation, and contributing to inclusive economic growth. This index would provide a framework for assessing and improving the environment for startups to thrive, particularly in the context of global trade and investment.

Recommendation 1: Establish a Centralised Trade Platform

Summary:

The rapid evolution of digital technologies and accelerated shifts in global trade patterns present new opportunities to advance inclusion, innovation, and sustainable growth across G20 jurisdictions. However, persistent fragmentation, lack of platform interoperability, and high entry barriers for SMEs and underserved communities continue to hinder participation in global value chains. The Startup 20 proposes the establishment of a Centralised Digital Trade Facilitation Platform across G20 countries. This initiative aims to mitigate prevalent issues in trade processes, thereby fostering economic growth, particularly for startups. The need for this platform is underscored by challenges such as trade fragmentation, manual processes, duplicated paperwork, inconsistent procedures, high transaction costs, and delays.

Such a platform, compliant with global best practice standards, will simplify cross-border transactions, improve data exchange, and offer real-time market access, making trade resilient, transparent, and more beneficial for all. Through targeted support, effective governance, and capacity investment, the G20 can lead in building a digital infrastructure that truly levels the playing field, generates inclusive value chains, and brings the benefits of the digital economy to SMEs and underserved communities everywhere.

Executive Recommendation:

The G20 should prioritise, catalyse, and co-invest in the development and operationalisation of a centralised digital trade platform, open to all, governed by global standards, and designed to maximise the participation of SMEs and underserved communities in regional and international commerce, thus advancing resilient, sustainable, and inclusive growth across member economies.

Strategic Priorities:

- Standardisation and integration of digital trade protocols and compliance frameworks.

- Enhanced interoperability and user experience across all digital trade environments.
- Prioritised onboarding for SMEs and underserved communities into the platform.
- Capacity building, training, and technical support for digital skills development.
- Multi-level governance and stakeholder engagement structures to ensure equity and responsiveness.

Context

A comprehensive Centralised Digital Trade Facilitation Platform is proposed by the Startup Twenty under the G20 framework to address systemic inefficiencies, fragmentation, and high administrative burdens that impede trade fluidity, transparency, and growth. Global trade processes remain deeply fragmented across customs, logistics, certification, taxation, and payment systems, leading to repetitive documentation, procedural silos, and excessive transaction costs that disproportionately affect small and medium-sized enterprises and emerging market exporters.

According to the International Monetary Fund, prolonged trade fragmentation could reduce global gross domestic product by at least one and a half percent during the next decade, while the World Trade Organisation projects a measurable downturn in global trade by 2027 if integration gaps remain unresolved. These structural weaknesses undermine the multilateral trading framework, weaken equal access principles such as the most favoured nation provision, and reduce efficiency in global value chains that support developing and least-developed economies.

Manual and non-digitised trade processes limit the scale and speed of cross-border activity, increase costs related to customs bottlenecks, and raise error margins throughout verification stages. Slow data exchange and poor interoperability between government agencies and private sector platforms further constrain trade competitiveness and discourage investment participation in cross-border value addition. The lack of coordinated information systems also curtails the capacity of regulatory authorities to monitor trade compliance, reduce fraud, and improve border security performance.

A centralised digital platform would therefore establish a unified data architecture integrating licensing, certification, and clearance requirements into a single transparent environment accessible to both public and private stakeholders. Such a mechanism would accelerate administrative efficiency, expand the accessibility of trade finance intelligence, and facilitate standard alignment across G20 economies. It would strengthen the inclusivity of global supply chains by ensuring that micro, small, and medium enterprises are not disadvantaged by procedural opacity or the cost of meeting divergent documentation obligations.

Implementing this approach would reinforce the global trading system's predictability and accountability. It would modernise customs and logistics ecosystems while embedding a model of data-driven governance capable of detecting distortions in trade flows and investment channels. By investing in this reform direction, the G20 group can consolidate its leadership in multilateral economic cooperation, restore confidence in the international trading architecture, and lay the structural foundation for sustainable, fair, and transparent global commerce:

Baseline and Trade System Diagnostics

Trade Fragmentation and Manual Processes

Global trade fragmentation represents one of the most significant structural threats to sustained economic integration and multilateral cooperation. Analysis by the International Monetary Fund indicates that prolonged fragmentation driven by rising protectionist measures, geopolitical realignment, and the breakdown of multilateral trading norms could reduce global gross domestic product by up to seven percent over the long term, equivalent to approximately seven point four trillion United States dollars in current valuations. This represents an economic loss equivalent to the combined output of France and Germany, and more than three times the total annual economic production of sub-Saharan Africa. Specific regional vulnerabilities remain especially acute in developing economies, where reliance on global value chains to drive export growth, employment generation, and technology transfer is most pronounced.

Geopolitical realignment is already producing observable shifts in trading patterns. The World Trade Organisation has documented that trade flows between geopolitically aligned blocs have demonstrated relative resilience, while cross-bloc transactions have declined by approximately two and a half percentage points over recent measurement periods. This trend is exacerbated by a tripling in the number of trade barriers introduced annually, rising from fewer than one thousand to nearly three thousand measures over the past five years. Fragmentation further disrupts capital flows and foreign direct investment pathways, constraining knowledge diffusion that is critical to economic convergence between advanced and developing economies.

The **erosion of multilateral principles** such as the most favoured nation provision under the World Trade Organisation framework directly weakens the structural foundations of non-discriminatory trade that have supported post-war economic integration. Developing countries, which depend disproportionately on predictable access to export markets, face heightened exposure to procedural complexity, documentation duplication, and transaction cost escalation when fragmentation undermines rules-based multilateral governance.

Procedural Integration Gaps and Manual Interventions

Contemporary trade processes remain characterised by substantial integration failures across critical operational stages, including customs clearance, logistics coordination, product certification, taxation compliance, and payment reconciliation. These procedural silos impose manual verification requirements, reduce the reliability of data exchange, and generate compounding inefficiencies that raise transaction costs for all market participants, particularly micro, small, and medium enterprises operating with constrained capital and administrative capacity.

Manual interventions throughout trade and border procedures increase the frequency of processing errors, extend clearance times, and reduce the predictability and transparency of compliance verification. The resulting operational burdens translate into measurable reductions in business profitability, competitive positioning, and market entry viability, especially for firms in lower-income economies that lack established relationships with logistics providers and customs authorities. Fragmented information systems also limit the capacity of regulatory authorities to detect non-compliant activity, monitor supply chain integrity, and enforce standards related to origin verification, intellectual property protection, and product safety.

Efficiency and Cost Implications

Trade fragmentation and procedural disintegration generate cost escalations that extend beyond direct tariff impacts. Enterprises face heightened complexity in sourcing, procurement planning, and supply chain risk management, increasing total cost structures and reducing allocative efficiency across production networks. These cost increases are not evenly distributed: exporters in developing and emerging markets experience disproportionate burdens due to weaker institutional infrastructure, higher financing costs, and limited access to trade facilitation services that are available to enterprises in advanced economies.

Higher operational costs directly impair business competitiveness and constrain investment in productivity enhancing capacity, research and development, and human capital development. The cumulative effect of these cost pressures is a measurable reduction in the dynamism of international trade, limiting economic growth potential and slowing income convergence at both firm and country levels.

Platform Solution and Integration Rationale

A centralised digital platform offers a comprehensive remedy by establishing unified data architecture that digitises and integrates customs, licensing, certification, logistics, and payment functionalities within a single transparent ecosystem accessible to government agencies, private sector operators, and service providers. Such a mechanism would substantially reduce administrative overhead, accelerate procedural throughput, and enhance compliance transparency across all actors within the trade facilitation value chain.

Digitalisation and process unification would enable seamless coordination across jurisdictions, standardise documentation requirements, improve data integrity through automated validation protocols, and facilitate real-time monitoring of trade flows and regulatory compliance. The resulting reduction in administrative burdens and transaction costs would disproportionately benefit small and medium enterprises and exporters in emerging markets, fostering greater inclusiveness and distributional equity within global trade networks.

Moreover, a centralised platform would strengthen the operational resilience of global value chains by reducing procedural bottlenecks, improving information availability for trade finance providers, and enabling regulatory authorities to monitor compliance and detect distortions with greater precision and timeliness. By embedding these capacities within a coordinated G20 framework, the platform would anchor a model of data-driven governance capable of sustaining multilateral trade cooperation, reinforcing standards harmonisation, and promoting a rules-based international trading system that supports inclusive and sustainable economic growth.

KPI	Baseline (2024)	Target (2028)	Target (2030)	Tracking Institution	Champion Institution Example
G20 Member Adoption Rate (%)	15% of G20 countries with interoperable trade platform access	70% of G20 members operational on the unified system	100% of G20 members fully operational on the centralised platform	WTO Trade Monitoring Database	G20 Digital Economy Working Group
Trade Process Efficiency (average number of days)	Average 8–12 days for customs and compliance processing	Reduced to 4–5 days	Reduced to 2–3 days for trade clearance and compliance	World Bank Doing Business Indicators	World Customs Organisation
MSME Inclusion Index (number)	2 million MSMEs registered on digital trade systems globally	6 million MSMEs integrated into the G20 trade platform	10 million MSMEs engaged, with 35% from underserved regions	ITC SME Trade Academy	G20 SME Working Group
Digital Interoperability Score (%)	30% of cross-border systems with API interoperability	60% of systems digitally integrated and standards-aligned	90% full API and standards interoperability across G20 economies	OECD Trade Facilitation Indicators	ITU Digital Trade Facilitation Programme
Equitable Participation Index (%)	18% women-led; 12% rural/underserved participation among users	30% women-led; 25% rural/underserved participation	40% women-led; 35% rural/underserved participation	UN Women & Digital Trade Equity Index (DTEI)	AUDA-NEPAD Digital Transformation Unit

Action 1.1 Standardisation of Trade Processes

Summary:

The G20 will develop and adopt harmonised trade documentation standards and unified digital procedures for all member states. This action targets the complexity and inefficiency of current, country-specific requirements by standardising document formats, compliance steps, and digital interfaces. It ensures procedures are compatible and mutually recognised across borders, and transitions from paper-based to electronic trade documentation, thereby reducing administrative effort and error.

Background:

To guide the standardisation process, the G20 can draw on existing best practices.

- The European Union's Union Customs Code (UCC):
  Example of how modernised customs procedures can benefit member states by providing a standardised and efficient system. The UCC has successfully streamlined customs operations within the EU, reducing administrative burdens and simplifying cross-border trade.
- The World Trade Organisation (WTO) Trade Facilitation Agreement (TFA):
  Aims to streamline and simplify international trade processes. The TFA provides a comprehensive framework for expediting the movement, release, and clearance of goods, as well as establishing effective cooperation between customs and other relevant authorities. These international agreements highlight the importance of harmonised procedures and the adoption of electronic systems to replace outdated, paper-based methods.

Key Performance Indicators (KPIs)

KPI	Baseline (2024)	Target (2028)	Target (2030)	Tracking Institution	Champion Institution Example
G20 economies adopting harmonised digital trade process standards (%)	15	65	100	WTO Committee on Trade Facilitation	G20 Trade and Investment Working Group
Average documentation required per cross-border trade transaction (number)	8	4	2	World Bank Doing Business Indicators	World Customs Organisation
Share of trade certification and compliance forms aligned with ISO and UN/CEFACT digital standards (%)	20	70	90	OECD Trade Facilitation Indicators	UN Centre for Trade Facilitation and Electronic Business (UN/CEFACT)
Reduction in average trade transaction processing time through standardisation (hours)	72	36	12	Global Alliance for Trade Facilitation	G20 Digital Economy Working Group

Implementation Approach:

- Develop a comprehensive suite of universal documentation requirements for G20 countries, using consensus-building workshops and international benchmarking.
- Foster mutual recognition of all trade protocols and compliance standards amongst G20 members.
- Transition legacy paper-based systems to fully electronic, secure digital documentation platforms.
- Draw directly on EU's Union Customs Code (UCC) and the WTO Trade Facilitation Agreement (TFA) as models for global rollout.
- Invest in training, capacity building, and broad stakeholder engagement to ensure effective and inclusive uptake

Steps for Implementation:

To achieve the standardisation of trade processes, the G20 should undertake the following steps:

- <u>Develop and adopt harmonised trade documentation standards across G20 countries:</u>
  This involves creating a set of universal documentation requirements that all member countries can follow. By standardising the documents needed for trade, businesses can avoid the complexities of dealing with varying requirements in different countries.
- <u>Ensure compatibility and mutual recognition of trade procedures and protocols:</u>
  It is crucial to establish protocols that are compatible across borders and to ensure mutual recognition of these procedures. This step will facilitate seamless transactions and reduce the risk of delays due to procedural discrepancies.
- <u>Promote the use of electronic documentation to replace paper-based systems:</u>
  The transition to electronic documentation is essential for modernising trade processes. Electronic systems are more efficient, secure, and less prone to errors compared to traditional paper-based methods. The G20 should encourage the adoption of digital platforms for trade documentation, which will enhance the speed and accuracy of transactions.

Roles:

- **G20 Governments:** Leadership in policy development, regulatory adoption, and national implementation.
- **Customs and Excise Agencies:** Primary users and technical contributors to electronic documentation and procedures.
- **Trade Facilitation Committees:** Coordinate design and pilot of new standards, collate feedback, and monitor impact.
- **Industry and Startup Associations:** Participate in drafting, testing, and training; serve as outreach to MSMEs and underserved communities.
- **Development Partners/Donors:** Support investment in digital infrastructure and training, provide peer review, share global best practices

Risks and Mitigation:

- **Risk:** Inconsistent standards adoption across jurisdictions. **Mitigation:** Pilot harmonised documentation and procedures with willing early-adopter countries; use phased rollout and provide incentives for compliance until all G20 members transition.
- **Risk:** Technical complexity delays implementation. **Mitigation:** Use proven models (UCC, TFA), consult on technical specifications, provide training, and allocate resources for robust digital transition.
- **Risk:** Resistance to changing from paper to electronic. **Mitigation:** Communicate time and cost benefits; mandate gradual transition with parallel channels in early implementation

Action 1.2 Development of Integrated Data Exchange Protocols and a unified digital trade network

Summary:

Develop secure, interoperable digital data exchange protocols and a unified digital trade network to support end-to-end information sharing, authentication, and compliance for cross-border trade transactions. This action targets the reduction of manual interventions, fragmented systems, and inefficiencies by establishing a digitally integrated environment accessible by all enterprises, especially SMEs and underserved communities.

Background:
A noteworthy example of effective data exchange protocols is the ASEAN Single Window (ASW). The ASW facilitates the electronic exchange of trade-related documents among ASEAN member states, enhancing transparency and reducing processing times. By leveraging this best practice, the G20 can develop similar systems that promote efficient data sharing and improve the overall quality of trade operations.

Key Performance Indicators (KPIs)

KPI	Baseline (2024)	Target (2028)	Target (2030)	Tracking Institution	Champion Institution Example
G20 members adopting interoperable digital trade data protocols (%)	10	60	100	OECD Digital Trade and Data Governance Observatory	G20 Digital Economy Working Group
Cross-border trade systems integrated through secure APIs (%)	20	65	90	World Bank Global Trade Integration Index	UN/CEFACT & ITU Digital Trade Facilitation Network
Average cross-border data exchange latency (seconds)	8	3	1	International Telecommunications Union (ITU)	G20 Innovation and Technology Task Force
Proportion of trade data exchanges meeting cybersecurity and privacy standards (%)	25	75	100	OECD Digital Security Risk Management	G20 Cybersecurity Experts Network

Implementation Approach:

- Conduct a comprehensive needs assessment to identify gaps and requirements in member states' digital infrastructure.
- Establish a collaborative working group with market experts, trade officials, and private sector partners for platform design.
- Develop and deploy standardised protocols and interoperability frameworks across different national systems.

- Launch pilot projects in selected regions to test and refine implementation, using continuous feedback for improvement.
- Facilitate knowledge-sharing and capacity-building initiatives to promote cohesive uptake by all G20 members.
- Secure blended funding commitments (public/private) for platform development and maintenance.
- Establish bilateral/multilateral agreements governing data sharing, security, and technical standards.
- Implement real-time data exchange mechanisms to reduce delays and enhance overall trade process efficiency

Steps for Implementation:

To successfully implement integrated data exchange protocols and a unified digital trade network, the G20 should undertake the following steps:

- Conduct a comprehensive needs assessment to identify specific requirements and gaps within the existing digital infrastructure of member countries.
- Establish a collaborative working group comprising digital infrastructure experts, trade officials, and private sector stakeholders to guide the development of the platform.
- Develop standardised protocols and interoperability frameworks to ensure seamless integration across different national systems.
- Promote pilot projects in select regions to test the functionality and efficiency of the centralised platform, gathering data and feedback for continuous improvement.
- Facilitate knowledge sharing and capacity-building initiatives among G20 member countries to foster a cohesive approach to digital trade.
- Secure funding and investment commitments from both public and private sectors to sustain the development and maintenance of the digital trade platform.
- <u>Establish bilateral and multilateral agreements for data sharing:</u> The foundation of any successful data exchange protocol lies in robust agreements between participating countries. These agreements should outline the standards, procedures, and security measures necessary for effective data sharing.
- <u>Develop secure and interoperable data exchange systems:</u> The development of secure systems that can seamlessly exchange data across borders is critical. These

systems should be interoperable, allowing for easy integration with existing digital infrastructures in member countries.

- Implement real-time data exchange mechanisms to reduce delays: Timeliness is a key factor in international trade. Real-time data exchange mechanisms ensure that trade-related information is shared instantly, reducing delays and enhancing the efficiency of trade processes.

Roles:

- **G20 Countries:**
  - Lead policy formulation and international cooperation efforts.
  - Provide financial support and political backing for implementation initiatives.
- **MDBs (Multilateral Development Banks):**
  - Offer financial instruments like loans, grants, and technical assistance.
  - Monitor and evaluate the progress and impact of implemented actions.
- **Private Sector:**
  - Contribute technological expertise and resources.
  - Facilitate innovation and scalability of implemented solutions.
- **Startup Hubs:**
  - Serve as incubators for early-stage businesses and innovators.
  - Provide mentorship, networking opportunities, and access to funding.

Risks and Mitigation:

- **Resistance to Change:**
  - Engage stakeholders at all levels to align interests and build consensus.
  - Communicate the benefits of proposed actions clearly and effectively.
- **Funding Constraints:**
  - Explore diverse funding sources, including private investments and international aid.
  - Implement cost-effective measures and prioritise initiatives based on impact.
- **Technological Barriers:**
  - Invest in capacity-building and skills development to bridge technological gaps.
  - Facilitate technology transfer and collaboration between advanced and developing regions.

- **Coordination Challenges:**
    - Establish clear roles and responsibilities for all stakeholders.
    - Implement robust monitoring and evaluation frameworks to track progress.

Recommendation 2: Establishing a Passport Framework

Summary:

The SU20 Trade and Market Access Task Force recommends the establishment of a Startup Passport Framework to enable startups and MSMEs to engage in cross-border business operations with significantly reduced regulatory friction. This framework, grounded in best practices from successful models like Portugal's Startup Visa, DCO Start-up Passport, and the AFCTA, integrates digital identity, streamlined regulatory compliance, fast-track business registration, and fintech solutions (multi-currency wallets, tax code alignment, FX protection) into a secure, unified digital system. By simplifying documentation, harmonising business/tax standards, and providing mutual recognition of legal and compliance credentials, this passport framework will unlock new markets, lower administrative barriers, and enhance entrepreneurial mobility for startups across G20 and AU nations.

Executive Recommendation

The G20 and AU partner economies should adopt and mutually recognise a harmonised Startup Passport Framework with these core elements:

- Digital ID and e-KYC for founders (Estonia's e-Residency, Singapore's NRIC)
- Rapid online entity registration and visa application (Portugal's IAPMEI, Italy Startup Act)
- Standardised documentation and business templates
- Unified startup visa/permit conferring bundled rights and mobility
- Automated tax and compliance alignment across governments
- A shared digital portal for onboarding, compliance management, and renewals
- Fintech integration for multi-currency transactions and FX protection
- Ongoing monitoring using evidence-based KPIs for compliance, survival, and growth.

Strategic Priorities

1. **Simplify and Standardise Cross-Border Registration:** Develop digital mechanisms and legal standards for seamless business incorporation and movement across jurisdictions.
2. **Advance Regulatory Harmonisation:** Establish G20-level committees to align legal, tax, and compliance rules, with mutual recognition of KYC/KYB and documentation.
3. **Accelerate Market Entry and Mobility:** Eliminate redundant steps, set unified visa/permit conditions, and enable direct market access for startups.
4. **Enable Digital Financial Inclusion:** Integrate fintech for real-time, low-cost multi-currency payments, tax alignment, and automated compliance.
5. **Strengthen Entrepreneurial Ecosystems:** Provide integrated support access (incubators, IP advisors, accelerators, grants) for startups entering new markets.
6. **Secure, Track, and Renew:** Digital ID systems and KPIs-based renewals to ensure secure ongoing compliance and evidence-driven policy adjustment.

Context

Startups and MSMEs face major barriers including duplicative and inconsistent regulatory requirements, documentation bottlenecks, currency/financial integration hurdles, and fragmented identity systems. These result in high market entry costs, operational delays, and heightened risk, especially for entrepreneurs from or seeking to expand into less-developed or digitally fragmented economies. Learning from global “passport” initiatives, this framework addresses:

- Cumbersome compliance/documentation (misaligned HS codes, paperwork, border delays)
- High financial integration costs (slow/misaligned banking, FX risk, cross-border payment fees)
- The need for a portable, universally accepted digital business identity
- Lack of unified support and visibility for startup market expansion, particularly in underrepresented geographies

By leveraging interoperable digital infrastructure, fintech, and government–private sector partnerships, the passport framework is designed to systematically dismantle these obstacles and enhance MSME participation in global, regional, and AfCFTA markets.

1. Cumbersome Compliance Procedures, Regulatory Fragmentation and Documentation

   Startups and MSMEs expanding internationally face high costs and delays due to fragmented regulatory compliance and diverse documentation rules across countries, leading to unpredictability and additional adaptation requirements for each market. With frequent issues including inconsistent tariffs, border-specific paperwork, mismatched HS codes, missing certificates, and varying packaging standards, international expansion is often prohibitively complex. The proposed unified digital “document kit” and Startup Passport framework address these challenges by pre-validating compliance against destination regulations, harmonising standards, and streamlining documentation and tax code alignment—significantly reducing friction, compliance burdens, and market entry barriers for new and growing businesses.

2. Financial Integration and Currency Management

   Financial integration remains a significant barrier for startups aiming to operate internationally. This is true, particularly in regions like the CMA where new regulations treat even intra-regional digital transfers as cross-border payments. This in turn, means stricter compliance, longer processing times, and higher costs. Traditional banking systems are slow, expensive, opaque, and ill-suited to the dynamic needs of startups, with compliance requirements, foreign exchange volatility, and hidden fees making cross-border transactions risky and inefficient. The Startup Passport Framework’s integrated fintech solutions, multi-currency wallets, automated tax alignment, and FX protection, resolve these issues by enabling fast, transparent, and compliant multi-currency operations, substantially reducing risk and friction for startups expanding across markets.

3. Digital Identity Compliance

   Establishing a digital identity for businesses is foundational for ensuring compliance with KYC and KYB regulations, streamlining partner onboarding, and building trust in cross-border transactions. However, current efforts are hampered by fragmented digital identity regimes, as each country sets different compliance standards and verification processes. This lack of standardisation makes it challenging for startups and SMEs to manage compliance efficiently, increasing administrative burdens and creating operational uncertainties across markets.

A G20 "passport framework" could solve these hurdles by introducing a universally recognised digital identity system for businesses. Under this approach, once an entrepreneur or company successfully completes verification in one G20 country, their digital credentials would be accepted across all participating states. This would vastly simplify administrative processes, reduce redundant checks, and allow businesses to operate with one compliance standard throughout the G20 region. The system's mutual recognition mechanism would also enable regulators to maintain robust oversight while relieving firms from duplicative obligations, driving interoperability, lowering costs, and expediting market entry.

Global Inspiration for a Passport Framework

Real-World Model	What They Prove	How It Supports the Passport Framework	Countries Using It Successfully
Flutterwave	Pan-African scaling is possible with modular compliance and fintech flexibility	Shows how pre-compliant tools and licensing ease market entry	Nigeria, Kenya, Ghana, South Africa
Jumia	Logistics, localisation, and regulation are key to scaling in Africa	Confirms need for smart logistics + cultural toolkits	Nigeria, Egypt, Morocco, South Africa
AFCFTA	There is a continental legal basis for harmonised trade and digital identity	Provides the policy framework to embed Start-up Passport legally	All 54 African Union member states
EU e-ID	Digital identity enables secure, cross-border verification of individuals	Provides the technological foundation for trusted digital identities within the Passport Framework	EU countries including **Germany, France, Italy, Spain**

Digital identity is also key for enabling international mobility of talent. Case studies like Portugal's Start-up Visa illustrate how integrating digital residency, incubator validation, and public-private support frameworks streamline global onboarding, attract high-potential entrepreneurs, and link innovation ecosystems. Portugal's model involves digital residency processing, seamless incubator validation, and coordinated support from both public and private actors. It underscores the benefits of aligning digital identity infrastructure with national innovation strategies and leveraging partnerships to fill ecosystem gaps.

The DCO Start-up Passport, launched at LEAP 2022, is a cross-border framework enabling fast-track registration, harmonised business processes, and reduced administrative burdens for start-ups in member countries such as Saudi Arabia, Bahrain, and Nigeria. This system simplifies regulatory requirements and compliance, supporting entrepreneurial mobility, expedited market entry, and seamless digital operations for new ventures. Key features include consolidated fast registration, harmonised procedures, and shared digital compliance, all of which promote the ease of doing business and innovation across multiple jurisdictions.

One Valley's Passport OS, used by the global Entrepreneurship World Cup, centralises data and provides real-time tracking, resulting in higher completion rates and efficient management of cross-border startup competitions. Key features include centralised data management, real-time status updates, and an intuitive user interface, successfully increasing engagement and transparency.

The Yoti Study investigates digital IDs for traders in Lesotho, demonstrating that digital identity verification streamlines border access, enhances security, and reduces risks of fraud and extortion. Key components are reliable digital identity verification, heightened user safety, and much faster and more efficient processing for cross-border activities.

Collectively, these examples highlight the transformational potential of digital passports and unified platforms in reducing cross-border friction, streamlining compliance, supporting innovation, and accelerating entrepreneurial activity across regions.

Key components for a G20 digital identity passport framework include:

- Secure digital residency processing and universal e-verification
- Accredited incubator and ecosystem validation
- Strong public-private support mechanisms for compliance and integration
- Full mutual recognition of digital credentials across all member jurisdictions
- Policy alignment with talent mobility, innovation, and economic diversification priorities

A universal G20 digital identity system would not only reduce regulatory fragmentation and compliance costs but would also facilitate talent flows, foster innovation, and promote deeper economic integration, ultimately creating a more dynamic, connected, and trusted international business environment.

Key Performance Indicators (KPIs)

To track progress and ensure results, the following KPIs and measurement tools are proposed:

KPI	Baseline (2024)	Target (2028)	Target (2030)	Tracking Institution	Champion Institution Example
G20 member states integrating a unified Startup Passport Framework (number)	3	15	20	OECD Trade and Investment Statistics	G20 Trade and Investment Working Group
Average time required for cross-border startup registration (number of days)	25	10	5	World Bank Doing Business Indicators	World Bank Group / UNCTAD Entrepreneurship Division
Mutual recognition agreements (MRAs) for startup incorporation and licensing among G20 countries (number)	2	10	15	WTO Trade in Services Division	G20 SME Working Group
Proportion of participating countries adopting harmonised KYC, tax, and legal verification standards (%)	20	70	100	FATF Secretariat / IMF Policy Division	G20 Finance Track Secretariat
Number of startups utilising the Passport Framework for market entry and expansion (cumulative number)	0	50 000	250 000	International Trade Centre (ITC)	G20 Digital Economy Working Group

Action 2.1 Establish Regulatory Harmonisation Committees

Summary:

Establish multi-jurisdictional committees across G20 and regional blocs focused on harmonising compliance standards, business registration requirements, and protocols for mutual recognition of documentation and licensing for startups and underserved community enterprises. These committees will identify and bridge legal and administrative divergences to enable seamless market access and simplify the entry of startups into multiple G20 economies.

Background:

The establishment of regulatory harmonisation committees is underpinned by successful models at both global and regional levels. The European Union's Single Market stands as a premier example, having harmonised regulations and compliance requirements across member states. This process resulted in drastically reducing administrative burdens and facilitating seamless business operations for firms of all sizes.

At the G20 level, formal cooperation among national regulators has been shown to improve consistency and effectiveness of cross-border trade. An illustration are global initiatives like Basel III for financial regulation, mutual recognition agreements overseen by international standard-setting bodies such as the Financial Stability Board, and regular standing committees facilitating dialogue, shared standards, and dispute resolution.

These national structures demonstrate how early, ongoing multilateral engagement, supported by working groups and peer reviews, helps address legal uncertainties and ensures that alignment and mutual recognition are not just aspirational but operational realities. Creating similar bodies for trade, digital compliance, and entrepreneurship will enable the G20 to replicate such robust coordination for startup passporting and cross-border business entry, particularly for SMEs and underserved communities.

Key Performance Indicators (KPIs)

KPI	Baseline (2024)	Target (2028)	Target (2030)	Tracking Institution	Champion Institution Example
Active Regulatory Harmonisation Committees established across G20 countries (number)	0	15	20	OECD Trade Policy Dialogue	G20 Trade and Investment Working Group
Share of regulatory frameworks under review or harmonised by committees (%)	10	60	100	WTO Trade Policy Review Division	G20 Secretariat
Average time to align new startup-related regulatory instruments across participating countries (months)	24	12	6	World Bank Doing Business & Regulatory Governance Indicators	UNCTAD Investment and Enterprise Division

Joint technical recommendations and policy papers produced by committees (cumulative number)	0	20	40	OECD Centre for Regulatory Cooperation	G20 SME Working Group

Implementation Approach:

- Identify regulatory pain points affecting cross-border startup operations, with input from startup associations, legal advisors, and national regulators.
- Establish technical working groups under G20, including representatives from member state trade ministries, startup ecosystems, and standards agencies.
- Draft and negotiate harmonisation agreements and toolkits, including mutual recognition of business credentials and standard compliance requirements.
- Run comparative assessments and legal reviews in pilot countries, then phase agreements through regional groupings (e.g., SADC, EU, ASEAN).
- Facilitate multistakeholder consultations, publish regulatory toolkits, and promote capacity-building for public sector officials and business communities.

Roles:

- **G20 Governments:** Provide leadership and diplomatic leverage for negotiating and ratifying harmonisation agreements.
- **Regional Bodies (AUDA-NEPAD, AfCFTA Secretariat, SADC, ECOWAS):** Coordinate continental and regional approaches and drive implementation.
- Startup Councils/Associations: Channel feedback, co-design toolkits, pilot mutual recognition, and support awareness.
- Accredited Legal and Technical Experts: Conduct legal reviews, ensure compatibility, and resolve technical bottlenecks.
- **Development Partners/Donors:** Fund phases of piloting, cross-jurisdictional workshops, and tool development

Risks and Mitigation:

- **Risk:** Disparate legal traditions and resistance to regulatory convergence.
- **Mitigation:** Develop consensus-building protocols, run pilot agreements with early adopters, and hold targeted capacity-building workshops to facilitate gradual adoption and subgroup scaling

Action 2.2: Streamline Incorporation Processes

Summary:

Implement a unified online platform across G20 countries. This system will standardise documentation, protocols, and digital registration for new enterprises, allowing entrepreneurs to incorporate rapidly and efficiently in any member nation. The harmonised procedures will eliminate unnecessary paperwork, reduce processing times, and promote a predictable environment for global entrepreneurship, advancing trade, investment, and innovation for startups and SMEs.

Background:

Globally recognised models such as the European Union's Digital Single Gateway and the ASEAN Single Window illustrate the benefits of standardised digital platforms for business entry and trade. These systems have reduced administrative bottlenecks, increased transparency, and accelerated cross-border market access. By drawing on these examples, the G20 can develop a scalable, secure, and user-friendly framework for startup incorporation. Such harmonisation enables not only faster transactions but also better regulatory compliance, cost savings, and more equitable access for underserved entrepreneurial communities.

Best practice examples:

- The European Union's Single Market has successfully harmonised regulations across member states. This achievement has significantly simplified the process of operating in numerous countries for businesses.
- Estonia's e-Residency Program enables entrepreneurs to establish and manage their companies entirely online. It significantly reduces bureaucratic hurdles, providing a streamlined and efficient process for business operations.

Key Performance Indicators (KPIs)

KPI	Baseline (2024)	Target (2028)	Target (2030)	Tracking Institution	Champion Institution Example
Days required to complete business incorporation across G20 jurisdictions (average number)	25	10	5	World Bank Doing Business Indicators	G20 SME Working Group
Incorporation processes digitised and interoperable with Startup Passport Framework (%)	15	70	100	OECD Digital Transformation Observatory	G20 Digital Economy Working Group
Share of countries adopting harmonised documentation and KYC standards for startup registration (%)	20	60	100	FATF Secretariat	G20 Finance Track Secretariat
Cross-border incorporation approvals processed through single digital gateways (number)	0	50 000	200 000	UNCTAD Global Enterprise Facilitation Index	G20 Trade and Investment Working Group
Average reduction in cost of incorporation as a proportion of per capita income (%)	8	4	2	World Bank Enterprise Surveys	International Trade Centre (ITC)

Implementation Approach:

- **Platform Development:** Design and deploy a unified online platform for startup incorporation and cross-border market entry, based on best practices from the EU Digital Gateway and ASEAN Single Window.
- **Standardisation of Processes:** Harmonise digital registration protocols, required documentation, and compliance checks so that startups face uniform procedures irrespective of their chosen G20 entry market.
- **Stakeholder Engagement:** Collaborate with governments, trade regulators, technology providers, and accelerators to ensure the platform fits legal, technical, and user needs in all member countries.
- **Pilot and Iteration:** Launch pilot programs in selected member states, gather feedback from early users, and continuously refine system features, access rules, and integration capabilities.

Roles:

- **National Governments:** Adopt harmonised digital business registration standards and integrate their national platforms into the unified system.
- **G20 Taskforce:** Oversee platform governance, manage peer review, and coordinate consensus on technical and legal protocols between countries.
- **Technology Partners:** Design and maintain the digital portal, enable data interoperability, and ensure cybersecurity and user support.
- **Startup Ecosystem Stakeholders:** Provide input on regulatory barriers, system usability, and inclusion for underserved entrepreneurs.

Risks and Mitigation:

- **Interoperability and Integration Gaps:** Technical systems may not align or easily exchange data between countries. **Mitigation:** Require adherence to open digital standards, provide integration toolkits, and conduct cross-border technical audits.
- **Regulatory Fragmentation and Resistance:** National laws or legacy practices may conflict with harmonised protocols. **Mitigation:** Establish cross-ministerial committees, offer transitional support, and reward early adopters through incentives and technical assistance.
- **Security and Data Privacy Concerns:** Sensitive business and personal data may be vulnerable in cross-border digital systems. **Mitigation:** Enforce robust encryption, privacy-by-design principles, and regular third-party audits to protect user information.
- **Limited Access and Digital Literacy:** Entrepreneurs from underserved communities may struggle with digital onboarding. **Mitigation:** Develop multi-language interfaces, subsidise onboarding, and provide targeted digital literacy programs.

Action 2.3: Reduce Redundant Compliance Steps

Summary:

Action 2.3 calls for a comprehensive regulatory review across G20 member states to identify and remove duplicative, outdated, or unnecessary compliance requirements for startups and cross-border business activity. By eliminating redundant steps, such as repetitive documentation requests, overlapping approvals, and inconsistent digital verification, this action will significantly reduce bureaucratic barriers. The goal is to create a streamlined, risk-based system that accelerates market access and lowers compliance costs for entrepreneurs expanding internationally.

Background:

International experience, from the World Bank's Doing Business reforms to the EU's Single Market "one-stop" compliance mechanisms, demonstrates that reducing regulatory duplication improves both economic dynamism and regulatory oversight. Standardised, risk-calibrated compliance frameworks have been adopted by groupings like ASEAN and the OECD to minimise administrative obstacles and harness digital solutions for cross-border market entry. Drawing from these successes, the G20 should prioritise regular regulatory reviews, digitised compliance tools, and harmonised risk-based protocols. This would help startups overcome unnecessary regulatory friction and fostering a more efficient, accessible global trading environment.

- A Best Practice Example: The World Trade Organisation (WTO) Trade Facilitation Agreement: The objective is to streamline administrative processes and create a more efficient environment for international trade. By minimising bureaucratic obstacles, the agreement seeks to facilitate smoother and faster transactions across borders.

Key Performance Indicators (KPIs)

KPI	Baseline (2024)	Target (2028)	Target (2030)	Tracking Institution	Champion Institution Example
Redundant compliance procedures eliminated across G20 jurisdictions (number)	0	30	60	OECD Regulatory Policy Committee	G20 Trade and Investment Working Group
Reduction in compliance time for cross-border business operations (hours per filing)	40	20	8	World Bank Doing Business Indicators	G20 SME and Entrepreneursh ip Working Group

Cost of compliance as a percentage of operating expenditure (%)	12	6	3	IMF Regulatory Burden Index	G20 Finance Track Secretariat
Percentage of G20 member economies adopting mutual recognition of compliance certifications (%)	10	60	100	WTO Trade Facilitation Committee	UNCTAD Investment and Enterprise Division
Average regulatory duplication rate across national and cross-border frameworks (%)	25	10	2	OECD Trade Facilitation Indicators	G20 Digital Economy Working Group

Implementation Approach:

- **Regulatory Inventory and Review:** Launch a coordinated G20-wide project to map all compliance steps for startups and SMEs by sector and market. Systematically identify redundancies, overlapping approvals, and documentation repetitions across jurisdictions.
- **Harmonisation and Streamlining:** Develop a framework for eliminating non-essential requirements, consolidating approvals into single processes where feasible, and creating "once-only" digital document submission standards. Pilot these with high-growth sectors before scaling G20-wide.
- **Continuous Feedback and Monitoring:** Institutionalise feedback loops with the business community and regulatory agencies to ensure that streamlined procedures remain effective, risk-appropriate, and updated as business climates evolve.

Roles:

- G20 Regulatory Working Group: Leads the compliance audit, develops the harmonisation framework, and oversees cross-country implementation and compliance tracking.
- **National Regulatory Authorities:** Perform in-country regulatory reviews, enact changes to domestic protocols, and integrate national systems with G20 best practices.

- **Business Associations and SME Networks:** Identify practical pain points, test new digital and harmonised systems, and represent end-user experience to regulatory bodies.

Risks and Mitigation:

- **Regulatory Gaps from Over-Streamlining:** Removing too many compliance steps may create risks of regulatory arbitrage or loss of critical checks. **Mitigation:** Apply robust risk-assessment tools to differentiate essential safeguards from truly redundant requirements and maintain appropriate sector-specific controls.
- **Inconsistent Implementation Across Jurisdictions:** Member countries may progress at different speeds or interpret standards inconsistently. **Mitigation:** Use binding G20 templates, provide technical and legal support to lagging jurisdictions, and establish regular peer reviews to track and enforce convergence.
- **Limited Access and Digital Literacy:** SMEs or startups, especially in developing economies, may lack capacity to benefit from digitised, streamlined systems. **Mitigation:** Develop phased rollouts with both digital and transitional manual options; support capacity-building and digital literacy initiatives specifically in underserved regions.

Action 2.4 Actionable Steps in Passport Framework Development

Summary:

Action 2.4 sets out a clear roadmap for the practical design, piloting, and phased implementation of a G20 Startup Passport Framework, which would enable startups to operate seamlessly across borders. The action focuses on establishing core principles, minimum requirements, interoperable verification processes, and piloting mechanisms to ensure mutual recognition and reduce duplication. This stepwise approach aims to translate high-level policy intent into concrete, actionable protocols, tailored to the needs of startups and small businesses operating in multiple markets

Background:

The success of international passport initiatives, such as the EU Single Market's mutual recognition system and the prototype "GVC Passport" developed through the OECD and G20 B20 process, demonstrates the value of harmonised, risk-based frameworks for cross-border business compliance. Effective passport systems offer a single, verifiable accreditation process that consolidates certifications, KYC, licensing, and regulatory approvals, allowing firms to avoid repetitive compliance across jurisdictions. Achieving a practical and scalable framework requires consensus on essential common standards, robust digital verification tools, real-time data sharing agreements, and staged pilots to iteratively refine the system for diverse G20 environments. These actionable steps directly support the G20's innovation and SME-inclusion agendas by reducing barriers, costs, and risks for entrepreneurial global market entry.

Key Performance Indicators (KPIs)

KPI	Baseline (2024)	Target (2028)	Target (2030)	Tracking Institution	Champion Institution Example
Redundant compliance procedures across G20 jurisdictions (number)	0	30	60	OECD Regulatory Policy Committee	G20 Trade and Investment Working Group
Compliance time for cross-border business operations (hours per filing)	40	20	8	World Bank Doing Business Indicators	G20 SME and Entrepreneurship Working Group
Cost of compliance as a percentage of operating expenditure (%)	12	6	3	IMF Regulatory Burden Index	G20 Finance Track Secretariat
Percentage of G20 member economies adopting mutual recognition of compliance certifications (%)	10	60	100	WTO Trade Facilitation Committee	UNCTAD Investment and Enterprise Division
Average regulatory duplication rate across national and cross-border frameworks (%)	25	10	2	OECD Trade Facilitation Indicators	G20 Digital Economy Working Group

Implementation Approach:

- **Framework Design and Consensus:** Convene a multilateral taskforce of G20 regulators and industry advisors to co-develop a core passport protocol, including minimum eligibility, accreditation, and mutual recognition standards for startups and SMEs.
- **Pilot & Evaluation: Pilot & Evaluation:** Select a defined set of sectors and jurisdictions for pilot implementation, where startups receive a digital passport upon fulfilling agreed compliance checks. Collect data on efficiency, obstacles, and user experience to inform iterative improvements.
- **Scalable Digital Rollout:** Develop digital infrastructure for credential verification and data sharing, building secure interoperability across G20 states. Prepare legislative updates and advocacy campaigns to support replication and broad adoption.

Step	Action
1. Pilot with Strategic Country Partnerships	Begin with SA–Estonia, SA–Nigeria (via DCO), or SA–Portugal pilots to test visa and documentation interoperability.
2. Design the Digital Portal	Build an integrated online platform with modular architecture – D issuance, e-KYC, entity registration, visa application, and tax onboarding.
3. Standardise Documentation	Develop internationally recognised templates: pitch decks, cash flow models, IP disclosure forms, and due diligence packs.
4. Align Tax & Legal Compliance	Establish mutual recognition agreements on VAT codes, withholding tax, company law, and data protection across participating states.
5. Roll Out Startup Visa	Launch a Startup Visa SA, requiring innovation value, local incubation, minimum local spend/job creation, and ecosystem registration.
6. Create Support Ecosystem	Partner with accelerators, DFIs, angel networks, legal firms, and startup advisors to offer a plug-and-play growth package.
7. Pilot, Monitor & Refine	Start with 50–100 startups, track KPIs (time to incorporate, visa issuance time, cross-border trade growth, survival rate), and iterate.

Roles:

- **G20 Passport Taskforce:** Oversees passport framework design, negotiation, and international standard setting.
- **National Regulatory Authorities:** Lead local adaptation, legal anchoring, and public communication; ensure integration of national procedures into the G20 framework.

- **Startup & SME Bodies:** Advise on technical, operational, and sector-specific needs; ensure pilot feedback directly informs process optimisation.

Risks and Mitigation:

- **Divergence in Legal Interpretation:** Inconsistent understanding of passport privileges or conflicting national rules may create market entry uncertainty. **Mitigation:** Negotiate binding definitions and protocols, anchored in G20 declarations; establish dispute-resolution and rapid clarification channels.
- **Cybersecurity and Data Privacy Threats:** Increased digital credentialing could expose startups to cross-border data or identity risks. **Mitigation:** Build systems on privacy-by-design principles, enforce international standards (GDPR-equivalent), and commission regular independent security audits.
- **Low Uptake by Member States or Market Entrants:** Some governments or startups may delay adoption due to regulatory inertia or lack of resources. **Mitigation:** Provide technical capacity-building, align incentives for early adoption, and develop phased implementation plans with clear support and monitoring.

Recommendation 3: Introduce Legislated Minimum Procurement Set-Asides

Summary

Public procurement accounts for almost fifteen percent of global GDP. Yet, despite driving most employment and innovation, MSMEs receive less than forty percent of government contracts by value. Administrative complexity, financial barriers, and risk averse procurement cultures restrict their participation in national markets. Structural bias toward large firms limits innovation and inclusive economic growth.

The Startup20 coalition proposes that all G20 countries enact legislation mandating minimum public procurement set-asides of 20% to 30% for startups and MSMEs. This measure is designed to promote economic equity, empower underrepresented entrepreneurs, including women, youth, and marginalised groups. This will ensure that government spending aligns with inclusive development priorities. Despite their potential, startups and MSMEs are routinely excluded from public procurement due to scale limitations, visibility barriers, stringent compliance demands, and a systemic bias in favour of larger suppliers.

Executive Recommendation

G20 governments should enact binding legislation that mandates minimum public procurement set-asides of between 20% and 30% for startups and MSMEs, with explicit targets for women, youth, and marginalised entrepreneurs. This measure will drive inclusive growth, foster innovation, and ensure government expenditure contributes directly to broad-based economic equity. The set-aside mandate must be supported by transparent procurement tracking, capacity-building initiatives, simplified bidding procedures, and prompt payment requirements. International best practices. This includes those adopted by the UK, South Korea, USA, and India, which provide clear models for successful design and implementation. By legislating ambitious procurement share targets and removing barriers for underserved enterprises, the G20 will unlock the full talent and growth potential of its innovation economy.

Strategic Priorities

The strategic priorities for Recommendation 3 are focused on advancing the impact and sustainability of legislated procurement set-asides for startups and MSMEs:

- **Mandate and Enforcement**: Institutionalise minimum procurement set-asides of 20–30% for MSMEs and startups across all G20 public procurement, with robust legislative frameworks and clear enforcement mechanisms to ensure compliance and enduring impact [11].
- **Inclusive Economic Participation**: Prioritise the inclusion of women, youth, and marginalised entrepreneurs through targeted outreach, capacity-building, and assistance programs, ensuring equitable access to public procurement opportunities and economic empowerment [11].
- **Transparency, Accountability, and Monitoring**: Strengthen digital procurement platforms to ensure real-time publication of opportunities, open data-driven contract monitoring, and public reporting of key performance indicators, thus minimising corruption and levelling the playing field for smaller suppliers.
- **Simplified and Supportive Procedures**: Streamline bidding and compliance processes, eliminate unnecessary barriers, and deliver advisory services to start-ups and MSMEs, lowering transaction costs and improving success rates for new entrants [11].
- **Prompt Payment and Financial Health**: Enforce prompt payment policies and leverage financial incentives to reduce cash-flow risks for small suppliers, securing their ability to deliver quality goods and services and invest in business development.

These priorities collectively advance a procurement environment that is both inclusive and performance-driven, ensuring G20 commitments translate directly into tangible development and innovation outcomes.

Context

Public procurement constitutes between twelve and fifteen percent of GDP across G20 economies and shapes the distribution of national economic opportunity. It operates at the intersection of fiscal policy, market efficiency, and social inclusion. When procurement policies are inclusive, they drive entrepreneurship, stimulate innovation, and diversify regional economies. When exclusionary, they reinforce market concentration and perpetuate inequality between larger and smaller economic actors.

The MSME Procurement Gap: Evidence of Systematic Exclusion

Micro, small, and medium enterprises generate sixty to seventy percent of total employment in G20 economies and over ninety percent of registered businesses, yet they capture less than forty percent of contract value and often below twenty-five percent in emerging economies. Persistent structural barriers restrict access. Complex procurement documentation, high compliance costs, and administrative burdens weigh disproportionately on smaller enterprises, raising transactional costs up to twelve percent of contract value compared with five percent for large firms. Extended payment cycles of sixty to one hundred twenty days deprive small suppliers of liquidity, while financial requirements such as bid and performance guarantees create high entry barriers. Contract bundling into large lots further excludes smaller suppliers unable to meet scale or territorial coverage thresholds.

Institutional practices amplify exclusion. Procurement decisions favour large and established contractors due to risk aversion and strict experience requirements. Information asymmetries intensify the imbalance: large corporations have specialised bidding teams and established government networks, while many MSMEs lack early access to opportunity announcements.

The Economic Case for Inclusion

Expanding MSME access to public procurement yields strong macroeconomic benefits. Evidence shows MSME-directed procurement creates up to sixty percent more jobs per dollar spent than contracts awarded to large firms. Studies in South Korea reveal twelve to fifteen thousand jobs generated per one billion dollars spent through MSME procurement programs. The United States and India confirm similar results, highlighting innovation and entrepreneurship gains alongside employment creation. Smaller enterprises foster technology diffusion and provide agile solutions that increase public sector efficiency.

Inclusion contributes to supply chain resilience and crisis recovery. Diversified supplier bases proved vital during the COVID-19 pandemic, enabling governments with broader MSME participation to restore production faster and sustain service delivery. Inclusion of women-led and youth-owned MSMEs also amplifies social equity and local economic regeneration. As procurement funds circulate locally, they generate up to eighty percent higher multiplier effects than contracts concentrated among large enterprises.

International Precedents

G20 and OECD members have demonstrated measurable success through legislated set-asides. The United States mandates that twenty-three percent of federal contracts support small businesses, with specific sub-targets for women, disadvantaged, and veteran-owned firms. In fiscal year 2023, USD 162.9 billion in contracts exceeded statutory targets. South Korea requires that at least fifty percent of public procurement be awarded to SMEs through a unified e-procurement system, creating over 1.5 million jobs and spurring industrial diversification. India's policy mandates that twenty-five percent of government procurement target micro and small enterprises, including special allocations for marginalised and women-owned businesses. Participation of 3.8 million enterprises led to USD 25 billion in annual procurement within five years.

The United Kingdom's policies to award twenty-five percent of central government procurement to SMEs include prompt payment rules and contract disaggregation to remove systemic barriers. These examples illustrate that clear legislation, digital transparency, and financial facilitation mechanisms can expand MSME participation while maintaining value for money and integrity.

Global Policy Alignment

The G20 Global Partnership for Financial Inclusion underscores that inclusive public procurement complements financial access reforms by reducing systemic barriers to MSME participation. The G20 and OECD principles on SME financing emphasise timely payments, administrative simplification, and digital inclusion through data-driven procurement ecosystems. Collectively, these frameworks affirm that inclusivity in public procurement strengthens productivity, job creation, and sustainable growth.

Public procurement reform under the G20 framework can shift government expenditure from cost-driven compliance to innovation-driven inclusion. Evidence across major economies confirms that structured procurement models with clear targets, transparent systems, and equitable financing mechanisms stimulate broader participation, enhance resilience, and create measurable socio-economic value across all regions of the G20.

Key Performance Indicators (KPIs)

These KPIs provide a clear, data-driven foundation for monitoring progress, evaluating inclusivity, and ensuring that legislative set-asides for startups and MSMEs achieve intended policy goals.

This	Baseline (2024)	Target (2028)	Target (2030)	Tracking Institution	Champion Institution Example
Share of public procurement value awarded to MSMEs under legislated set asides (%)	30	40	45	OECD Public Procurement Indicators	G20 Trade and Investment Working Group
Share of women and youth owned MSMEs benefiting from public procurement set asides (%)	5	10	15	UN Women Procurement Monitoring Platform	G20 Empower and W20 Council
Average public procurement payment cycle for MSMEs (number of days)	60	40	30	World Bank Procurement Metrics Database	G20 Finance Track Secretariat
National compliance rate with MSME set aside legislation across G20 members (%)	0	70	100	OECD Regulatory Policy Committee	G20 Procurement and Governance Working Group
Increase in MSME contract completion rate meeting specifications (%)	80	90	95	WTO Government Procurement Review Mechanism	G20 SME and Entrepreneursh ip Working Group

Action 3.1: Establish Clear Legislative Frameworks

Summary:

G20 member states should develop and implement robust legislative frameworks that mandate the allocation of 20% to 30% of public procurement contracts to startups and MSMEs. These frameworks must clearly define business eligibility criteria, specify contract categories subject to set-asides, and set out transparent, enforceable compliance mechanisms. By codifying these requirements, governments ensure accountability, drive participation from emerging enterprises, and promote inclusive economic growth across the G20.

Background:

Across G20 countries, startups and MSMEs have historically faced structural barriers to accessing public procurement contracts, despite their recognised role in job creation, innovation, and inclusive growth. International benchmarking (e.g., UK, South Korea, India, and USA) shows that clear legislative mandates for procurement set-asides are a key lever for overcoming institutional inertia and embedding inclusion into public spending. Without explicit legal frameworks, there is a persistent tendency for procurement to default toward large, incumbent suppliers, limiting the transformative impact of public expenditure.

Key Performance Indicators (KPIs)

KPI	Baseline (2024)	Target (2028)	Target (2030)	Tracking Institution	Champion Institution Example
G20 member economies with enacted MSME procurement legislation aligned to the G20/OECD High-Level Principles (number)	5	15	20	OECD Committee on SMEs and Entrepreneurship (CSMEE)	G20 Trade and Investment Working Group
Proportion of public procurement frameworks including mandatory MSME participation clauses (%)	25	60	80	World Bank Global Procurement Database	G20 Procurement and Governance Working Group
Degree of legislative harmonisation across national procurement laws measured through policy alignment index (0–100 scale)	35	65	90	WTO Government Procurement Agreement Evaluation	OECD Public Governance Directorate
Institutional capacity development score for implementing procurement legislation (scale 1–5)	2	4	5	UNDP Public Sector Reform Dashboard	G20 Capacity Building and Governance Network
Adoption rate of legislative monitoring and evaluation mechanisms for MSME procurement compliance (%)	10	70	100	IMF Fiscal Transparency Evaluation Reports	G20 Finance Track Secretariat

Implementation Approach:

- **Legal Framework Design**: Develop national statutes or legislative amendments that mandate 20-30% procurement set-asides for eligible startups and MSMEs, with explicit eligibility, contract scope, and enforcement mechanisms.
- **Consultative Drafting**: Engage start-up networks, supplier associations, public procurement officials, and social inclusion advocates in multi-stakeholder consultations to ensure the framework is practical, inclusive, and aligned with local market realities.
- **Monitoring and Enforcement**: Institute digital procurement tracking tools, establish reporting requirements for contracting authorities, and create independent oversight roles to ensure targets are met and compliance is sustained over time.

Roles:

- **National Legislatures & Ministries**: Lead the legislative drafting, policy ratification, and resource allocation for targeted procurement frameworks.
- **Public Procurement Agencies**: Operationalise set-asides, train staff, develop supplier outreach, and maintain compliance reporting.
- **Start-up and MSME Representative Bodies**: Surface practical feedback, liaise on drafting, participate in public consultations, and monitor real-world impacts on access and opportunities

Risks and Mitigation:

- **Risk**: Token Compliance (“Box-Ticking”). **Mitigation**: Enforce independent audits, mandate transparent public reporting, and impose sanctions for deliberate evasion or manipulation of set-aside targets.
- **Risk**: “Cream Skimming” by Incumbents Larger firms may attempt to game the system through subsidiaries or proxy applicants. **Mitigation**: Establish robust eligibility definitions, cross-reference beneficial ownership, and regularly review supplier rosters for compliance.

- Risk: Supplier Capacity Constraints Newly eligible startups or MSMEs may lack the capabilities to deliver on public contracts. **Mitigation**: Provide technical support, mentoring, simplified bidding support, and phased contract awards to develop supplier competence without compromising delivery standards.

Action 3.2: Financial Incentives and Prompt Payment

Summary:

Governments should introduce targeted financial incentives to encourage startups and MSMEs to participate in public procurement. Recommended instruments include grants, invoice-financing schemes, low-interest loans, and credit guarantees designed to address capital and liquidity obstacles faced by smaller firms. Additionally, mandatory prompt payment policies are essential to ensure these enterprises have adequate cash flow to fulfill contract obligations without undue financial strain. For example, maximum 30-day payment terms for all government contracts. Together, these measures reduce the risk and working capital burden for emerging suppliers, promoting competition, broadening participation, and increasing success rates for inclusive procurement.

Background:

Startups and MSMEs often face financial barriers to participating in public procurement due to limited access to credit, working capital constraints, and slow payment cycles. These challenges undermine their ability to compete for and deliver government contracts, stifling innovation and economic inclusion. International best practice demonstrates that targeted financial incentives are essential in lowering these entry barriers. Examples of these are grants, invoice-financing, guarantees, and low-interest loans. Furthermore, prompt payment policies maintain healthy cash flow for small firms, reduce financial stress, and allow greater focus on contract delivery. These approaches help create a more level playing field and unlock new opportunities for startups and MSMEs to participate in strategic procurement processes.

Best practice example: The UK's Prompt Payment Policies

- The United Kingdom's prompt payment policy mandates that government bodies pay 95% of their invoices within 30 days. This policy ensures that SMEs and startups maintain a healthy cash flow, reducing the financial burden and enabling them to focus on fulfilling their contracts efficiently.

Key Performance Indicators (KPIs)

KPI	Baseline (2024)	Target (2028)	Target (2030)	Tracking Institution	Champion Institution Example
Average procurement payment cycle for MSMEs (number of days)	60	35	25	World Bank Global Procurement Database	G20 Finance Track Secretariat
Percentage of MSME contracts paid within legislated prompt payment period (%)	45	80	95	OECD Public Procurement Indicators	G20 Trade and Investment Working Group
Value of financial incentives (credit guarantees, tax reliefs, or preferential access) extended to MSME suppliers (USD billions)	5	20	35	IMF SME Finance Observatory	G20 Financial Inclusion Working Group
Increase in MSME access to invoice financing or factoring through public procurement contracts (%)	10	40	70	IFC SME Finance Forum	G20 MSME and Entrepreneursh ip Working Group
Reduction in MSME procurement default or delayed payment disputes filed annually (%)	25	10	3	WTO Government Procurement Review Mechanism	G20 Legal and Governance Taskforce

Implementation Approach:

- **Design Targeted Financial Instruments**: Develop grant schemes, invoice-financing programs, low-interest loans, and credit guarantee facilities specifically for startups and MSMEs seeking to participate in public procurement. These instruments should be structured for rapid deployment and simple access requirements.
- **Enact Prompt Payment Policies**: Implement legislative or regulatory measures requiring that government agencies pay all supplier invoices, especially to startups

and MSMEs, within a maximum of 30 days of receipt. Monitor compliance and publish regular payment performance reports.

- **Integrate Technical and Advisory Support**: Establish helpdesks, provide financial literacy training, and offer contract management support to help startups and MSMEs access incentives, manage cash flow, and successfully deliver on public contracts.

Roles:

- **Ministries of Finance and Economic Development**: Design, fund, and oversee the financial incentive programs and payment policy reforms.
- **Public Procurement Agencies**: Administer grant, loan, and guarantee schemes; issue prompt payment compliance notices; and handle technical support functions.
- **Startup/MSME Associations**: Provide feedback on instrument design, assist members in accessing support, and monitor implementation impact in the target community.

Risks and Mitigation:

- **Risk:** Delayed Payments by Government Agencies. **Mitigation**: Enforce strict legal mandates, introduce financial penalties for late payments, and require public reporting on agency payment performance to drive compliance.
- **Risk:** Misallocation or Capture of Incentives Financial incentives may be captured by better-resourced firms instead of intended startups and MSMEs. **Mitigation**: Institute transparent eligibility criteria, independent audits, and cross-verification of beneficiary lists.
- **Risk:** Limited Uptake by Startups/MSMEs Administrative complexity, lack of awareness, or perceived barriers may suppress participation rates. **Mitigation**: Simplify application processes, launch information campaigns, and partner with industry bodies to drive uptake.

Recommendation 4: The Creation of a Digital Trade Equity Index

Summary

The Digital Trade Equity Index (DTEI) is proposed as a transformative tool to quantify and address digital exclusion, which currently remains invisible due to a lack of systematic data. The DTEI will allow countries to track and analyse exclusion in digital commerce, disaggregated by gender, geography, formality, and socioeconomic status. This enables effective, evidence-based policy interventions.

Development of the Index will be led by a coalition including SU20, ITC, IMF, OECD, UNCTAD, WTO, and AUDA-NEPAD, leveraging cross-institutional expertise. Pilot implementations will be embedded in national digital economy diagnostics and MSME reporting mechanisms, with transparent scorecards to guide ecosystem support, close equity gaps, and drive ongoing improvements

Executive Recommendation:

The G20 and global partners should endorse and help spearhead the creation of a Digital Trade Equity Index (DTEI) to systematically measure, track, and address digital exclusion in the global digital economy. The DTEI should be developed collaboratively by leading international agencies to ensure harmonised methodologies and credibility. These agencies include SU20, ITC, IMF, OECD, UNCTAD, WTO, and AUDA-NEPAD. Governments should commit to integrating DTEI findings into national policy and regulatory frameworks, with pilot implementations and public scorecards serving as accountability tools. This Index will empower policymakers to recognise and close digital equity gaps, direct support to marginalised populations, and promote fair participation in digital trade for all.

Strategic Priorities:

These priorities will ensure the DTEI drives measurable, actionable change toward digital inclusion and equitable participation in global digital trade.

- **Comprehensive Data Collection**: Prioritise the development and harmonisation of methodologies to systematically gather gender-, geography-, and formality-disaggregated data on digital trade participation and exclusion, ensuring that all marginalised groups are accounted for in the Digital Trade Equity Index (DTEI).

- **Global and Multilateral Collaboration**: Establish an international consortium to lead the co-development, piloting, and governance of the DTEI, leveraging best practices and ensuring alignment with global digital economy frameworks. The consortium must include SU20, ITC, IMF, OECD, UNCTAD, WTO, and AUDA-NEPAD.
- **Integration with National Policy**: Ensure that DTEI findings are integrated into digital trade, economic inclusion, and SME support policies by encouraging countries to use national scorecards and report progress as part of public policy cycles.
- **Ecosystem Support and Targeted Interventions**: Use DTEI insights to design evidence-based interventions, direct ecosystem support to excluded groups, and foster a more equitable enabling environment for digital commerce and entrepreneurship.
- **Ongoing Monitoring and Adaptive Improvement**: Pilot the DTEI in digital economy diagnostics and MSME assessments, with iterative evaluation and transparent public reporting to support continuous equity-driven progress and stakeholder accountability.

Context

Digital technologies are fundamentally reshaping international trade, enhancing business efficiency, productivity, and innovation across all sectors. The rapid expansion of online retail and digital platforms has widened market access for businesses and improved product choices for consumers, fuelling economic dynamism. However, significant disparities remain: large corporations benefit disproportionately from access to digital infrastructure and markets, while startups and SMEs encounter persistent barriers in cost, connectivity, and platform access. These inequities hinder inclusive growth, but current data collection still focuses more on overall participation trends than on the fine-grained dynamics of trade equity.

To address this gap, the Digital Trade Equity Index is proposed as a structured measurement and monitoring tool to assess fairness, inclusion, and opportunity across the digital economy. The Index captures multiple dimensions to highlight areas of exclusion between startups/SMEs and larger firms, as well as disparities within the entrepreneurial ecosystem itself. These areas include access, affordability, and meaningful digital use. The evidence base will enable governments and G20 working groups to mobilise more targeted support and resources, promoting truly inclusive participation in the digital trade landscape.

Key Performance Indicators (KPIs)

Tailored for Recommendation 4: the Digital Trade Equity Index (DTEI) address adoption, transparency, disaggregated measurement, policy integration, and continuous improvement, ensuring the DTEI drives systemic change and accountability in digital trade equity.

This	Baseline (2024)	Target (2028)	Target (2030)	Tracking Institution	Champion Institution Example
Establishment of the Digital Trade Equity Index governance and data framework (status)	Not initiated	Operational pilot framework in 10 countries	Fully operational across all G20 economies	OECD Digital Economy Policy Committee	G20 Digital Economy Working Group
Percentage of G20 economies integrating Digital Trade Equity Index reporting into national trade and digital economy strategies (%)	0	60	100	UNCTAD eTrade Readiness Programme	G20 Trade and Investment Working Group
Adoption rate of standardised digital equity metrics within national statistical and trade reporting systems (%)	10	50	90	World Bank Digital Indicators Dashboard	G20 Statistical Working Group
Annual improvement in measured digital inclusion gap across MSMEs, women, and youth (percentage point reduction)	0	20	40	ITU Digital Inclusion Index	G20 Empower and W20 Council
Number of regional or cross-border digital equity hubs facilitating data exchange and interoperability under the Index	0	3	5	WTO Trade Facilitation Committee	G20 Digital Innovation and Connectivity Taskforce
Increase in private sector adoption of equity-based digital trade certification systems (%)	5	40	75	ICC Digital Standards Initiative	G20 Finance and MSME Working Group

Action 4.1 G20 Guidelines for Inclusive Trade Growth

Summary:

To lay the groundwork for truly inclusive digital trade, the G20 should establish a unified set of guidelines that require comparable approaches across key dimensions of exclusion. These guidelines must ensure that all member states and partners address the diverse barriers faced by groups most often marginalised in digital commerce.

This action provides the policy architecture needed for member countries to systemically dismantle embedded barriers and foster digital trade growth that is inclusive, equitable, and sustainable.

Key Components:

- **Women**: Mandate policies and targeted actions to advance gender equality and harness the economic potential of women in the digital economy.
- **Youth**: Integrate robust programs that engage young people, equip them with relevant digital skills, and create pathways to entrepreneurial and employment opportunities.
- **Rural and Urban Dimensions**: Design interventions that bridge the digital and opportunity divide between urban and rural areas, ensuring regionally balanced growth.
- **Other Exclusionary Practices**: Establish mechanisms to identify, monitor, and mitigate other forms of exclusion to build a digital economy that works for all. Forms of exclusion include those based on ethnicity, disability, or socio-economic status.

Background:

Despite the transformative potential of digital trade and entrepreneurship, persistent exclusionary barriers continue to limit participation by women, youth, rural populations, and other marginalised groups. Current policy frameworks and digital economy initiatives often lack a coherent, cross-cutting approach to inclusion, resulting in uneven benefits and missed opportunities for broad-based growth.

To address this, the G20 must develop and champion global guidelines for inclusive trade growth, anchored in systematic policy innovation, real-time feedback mechanisms, and knowledge-sharing platforms. This approach will enable member states to systematically identify, test, and scale reforms that dismantle exclusion, foster equity, and support entrepreneurship throughout diverse economic contexts. By embedding inclusion into the policy design and implementation process, these guidelines will accelerate progress toward a digital economy that works for all groups, not just the most advantaged

Best practice example: The Inclusive Internet Index

- The Inclusive Internet Index published by the Economist Intelligence Unit is an excellent example. It measures internet inclusivity across 100 countries by evaluating key dimensions such as availability, affordability, relevance, and readiness. The G20 can draw from this example to create guidelines that ensure comprehensive and comparable components.

Key Performance Indicators (KPIs)

KPI	Baseline (2024)	Target (2028)	Target (2030)	Tracking Institution	Champion Institution Example
G20 economies adopting nationally endorsed Guidelines for Inclusive Trade Growth (number)	0	10	20	OECD Trade and Agriculture Directorate	G20 Trade and Investment Working Group
Trade and digital policies explicitly aligned with inclusive trade guidelines (%)	15	60	90	UNCTAD Digital Economy Report Platform	G20 Digital Economy Working Group
Inclusion of MSME, women, and youth engagement frameworks within trade policy instruments (%)	20	70	100	ITC Inclusive Trade Observatory	G20 Empower and W20 Council
Establishment of national capacity-building programs on inclusive digital trade governance (number)	2	15	25	World Bank Trade Policy Evaluation Unit	G20 Capacity Building Working Group
Digital trade participation gap among disadvantaged enterprises (%)	0	10	25	WTO Trade Policy Review Mechanism	G20 SME and Entrepreneursh ip Working Group

Implementation Approach:

- **Guideline Development**: Convene a G20 taskforce to draft comprehensive guidelines addressing gender, youth, regional, and other exclusionary barriers in digital trade. Draw from public, private, and civil society expertise.
- **Piloting and Feedback**: Launch pilot projects in selected countries, embedding guideline components into national trade and digital economy strategies. Use policy labs and feedback loops for real-time testing and refinement of inclusivity measures.
- **Monitoring and Knowledge Sharing**: Develop a knowledge hub and digital scorecard system to share lessons, track implementation progress, and facilitate peer learning among member states.

Roles:

- **G20 Taskforce/Secretariat**: Coordinate guideline development, oversee pilot implementation, and publish regular progress assessments.
- **National Governments**: Adapt guidelines to local conditions, lead pilot execution, and integrate inclusive trade metrics into policy frameworks.
- **Civil Society, Industry Associations, and Academia**: Provide technical input, independent review, and community engagement to ground guidelines in local realities and ensure relevance to marginalised groups.

Risks and Mitigation:

- **Risk:** Fragmented implementation or policy capture. **Mitigation**: Require transparent pilot selection, regular reporting, and independent oversight to prevent exclusion of key groups or capture by vested interests.
- **Risk:** Insufficient local adaptation. **Mitigation**: Involve national governments and local stakeholders in co-design, and test reforms in diverse contexts before scaling.
- **Risk:** Limited Uptake or compliance. **Mitigation**: Incentivise adoption through recognition in G20 reporting and offer technical and financial support for capacity building.

Action 4.2 Pilot Project for Integration into Existing Diagnostics

Summary:

The G20 will initiate a pilot project to embed inclusive dimensions into current digital economy diagnostics, with special attention to micro, small, and medium enterprises (MSMEs). The pilot will establish a stepwise approach to develop and validate integrated methods for measuring digital trade inclusivity.

Key Components:

- **Design and Scope**: A comprehensive plan will outline objectives, detailed methodologies, and key performance indicators for the pilot, ensuring clarity and comparability of results.
- **Implementation**: The project will work in partnership with selected member countries, integrating new data collection processes and generating actionable insights from MSME experiences.
- **National Scorecards**: Outcomes and findings will be made publicly available via country-specific digital trade scorecards, establishing a robust platform for continuous monitoring, benchmarking, and improvement.

Background:

A proven model for driving international progress is provided by the Global Innovation Index (GII) led by WIPO, which incorporates targeted capacity-building to help countries strengthen their innovation measurement systems. Learning from this best practice, the G20 can design capacity-building programs in parallel with the pilot project for digital trade inclusion. These programs will help member countries enhance their diagnostic capabilities for measuring inclusive digital participation, to ensure robust engagement and effective implementation by all participating economies.

Key Performance Indicators (KPIs)

KPI	Baseline (2024)	Target (2028)	Target (2030)	Tracking Institution	Champion Institution Example
Plot economies integrating the Digital Trade Equity Index into existing diagnostic tools (e.g., eTrade Readiness, DTII) (number)	0	8	15	UNCTAD eTrade for All	G20 Digital Economy Working Group
Completion rate of integrated diagnostic pilot reports incorporating digital trade equity variables (%)	0	70	100	OECD Digital Trade Integration Index Platform	G20 Trade and Investment Working Group
Availability of harmonised data standards and measurement protocols across pilot diagnostics (number developed)	0	3	6	World Bank Digital Development Global Practice	G20 Statistical Working Group
Cross-institutional collaborations established for integrated digital trade assessment frameworks (number)	1	10	20	WTO Aid for Trade Programme	G20 Partnership and Cooperation Taskforce
Inclusion rate of digital equity metrics within regional and national diagnostic outcome frameworks (%)	0	40	80	ITU Digital Connectivity Index	G20 Digital Inclusion Taskforce

Implementation Approach:

- **Detailed Planning**: Develop a robust implementation plan for the pilot, with clear objectives, methodologies, and key performance indicators to measure progress and effectiveness.
- **Collaborative Execution**: Partner with selected member countries to roll out the pilot, integrating inclusive indicators into digital economy diagnostics and engaging local stakeholders throughout project lifecycles.
- **Data Utilisation and Reporting**: Collect and analyse pilot outcomes, publishing results via national scorecards to support ongoing benchmarking, transparency, and continuous improvement at country and G20 levels.

Roles:

- **G20 Secretariat/Taskforce**: Provide oversight and technical guidance, ensure methodological harmonisation, and coordinate international reporting.
- **National Governments**: Adapt the pilot to their national systems, facilitate data collection, and drive implementation at local level.
- **Ecosystem Stakeholders (industry associations, academia, NGOs)**: Contribute to pilot design, provide domain expertise and feedback, and help ensure MSME voices are included.

Risks and Mitigation:

- **Risk**: Varying country capacity: **Mitigation**: Offer capacity-building programs and technical assistance to level the playing field across participants.
- **Risk**: Data gaps or inconsistencies: **Mitigation**: Establish standardised measurement frameworks and provide hands-on support to ensure data reliability.
- **Risk**: Limited uptake or implementation delays: **Mitigation**: Promote early stakeholder engagement, transparent progress tracking, and recognition of national achievements in G20 communications.

Action 4.3 Feasibility of Expanding Existing Indices

Exploring the feasibility of expanding existing indices to include equity dimensions is crucial for a comprehensive approach to digital trade equity.

Summary:

Action 4.3 evaluates the potential for broadening the coverage and inclusivity of current digital economy indices within G20 countries. The focus is on determining whether established indices (re: digital infrastructure, digital participation, MSME integration, and digital innovation) can be enhanced to capture more nuanced data on digital inclusion and equity. The feasibility assessment will consider methodological barriers, data gaps, resource requirements, alignment with international best practices, and the readiness of existing statistical systems to incorporate expanded indicators.

Background:

Expanding existing digital economy indices presents a valuable opportunity for the G20 to advance measurement of equity and inclusion in the digital sphere. A foundational step involves a comprehensive assessment of current indices to pinpoint gaps. This involves a particular focus on those related to equity dimensions such as gender, geography, and social inclusion. Collaboration with a diverse array of stakeholders, including international organisations and sectoral experts, is critical to ensure that expansions are methodologically sound and reflect real-world conditions. Continuous implementation and monitoring are also essential, providing member states with actionable diagnostics and ensuring that indices remain relevant and impactful over time.

Key Components

- **Assessment**: Conducting a thorough assessment of current indices to identify gaps and opportunities for inclusion of equity dimensions.
- **Stakeholder Engagement**: Collaborating with key stakeholders, including international organisations and experts, to ensure the indices are comprehensive and relevant.
- **Implementation and Monitoring**: Developing a plan for the implementation and continuous monitoring of the expanded indices.

A best practice example: **The Digital Economy and Society Index (DESI)**

- The DESI measures digital performance and tracks the progress of EU countries in digital competitiveness. Its comprehensive approach can serve as a model for the G20 in exploring the feasibility of including equity dimensions in existing indices.

Key Performance Indicators (KPIs)

KPI	Baseline (2024)	Target (2028)	Target (2030)	Tracking Institution	Champion Institution Example
Global or regional indices evaluated for inclusion of Digital Trade Equity metrics (number)	0	10	20	OECD Digital Trade Division	G20 Digital Economy Working Group

Completion of a standardised feasibility framework for integrating digital equity dimensions into existing trade indices (status)	Not initiated	Completed and tested in pilot indices	Adopted by all relevant G20 reporting mechanisms	UNCTAD eCommerce and Digital Economy Branch	G20 Trade and Investment Working Group
Frequency of inter-institutional data harmonisation workshops focusing on trade equity measurement (annual average)	0	3	5	World Bank Digital Development Partnership	G20 Data and Statistics Taskforce
Analytical models or scenarios validated for scaling equity indicators within digital trade indices (number)	0	3	6	IMF Global Data Policy Initiative	G20 Research and Data Network
Share of existing digital trade indices incorporating at least one Digital Equity sub-indicator (%)	0	40	80	WTO Trade and Digitalisation Observatory	G20 Inclusive Growth Taskforce

Implementation Approach:

- **Comprehensive Assessment**: Undertake a systematic review of existing digital economy indices to identify methodological gaps and determine opportunities for embedding stronger equity dimensions, such as gender, geographic, and social inclusion.
- **Stakeholder Engagement**: Engage with a wide range of key actors (international organisations, domain experts, and affected communities) through consultative workshops and technical working groups to validate index expansion plans and ensure practical relevance.
- **Monitoring and Adaptation**: Develop and implement a detailed action plan for scaling up new indicators, complemented by ongoing monitoring and adaptive feedback to keep indices relevant in rapidly changing digital environments

Roles:

- **G20 Secretariat/Taskforce**: Guide the assessment process, convene stakeholders, and harmonise approaches across countries.
- **International Experts and Organisations**: Provide technical support, comparative benchmarks, and independent review of the proposed index expansions.

- **National Statistical Offices and Data Custodians**: Supply country-level data, adapt methodologies locally, and coordinate on-ground implementation.

Risks and Mitigation:

- **Risk**: Data quality and compatibility: **Mitigation**: Standardise definitions, provide training for national implementers, and use technical peer review to validate new indicators.
- **Risk**: Stakeholder resistance or non-cooperation: **Mitigation**: Build consensus through transparent engagement, clear communication of benefits, and co-creation of indicators with local experts.
- **Risk**: Insufficient policy relevance: **Mitigation**: Ensure continuous feedback loops with policy users and periodic review to align indices with emerging digital economy priorities

Action 4.4 Facilitate Capacity Building and Knowledge Sharing

Summary:

A central focus for the G20 is to strengthen capacity building and promote knowledge sharing among member countries. This action encompasses the provision of technical assistance, targeted training, and resources designed to improve national data collection and analysis capabilities for the Digital Trade and Economy Index (DTEI). In addition, the establishment of collaborative platforms for sharing best practices and lessons learned will cultivate a more supportive and innovative environment for digital trade development.

Background:

Global experience shows that capacity-building and knowledge sharing are indispensable for improving digital trade measurement and outcomes. The Global Innovation Index (GII) led by WIPO stands out as a leading example, offering targeted support to help countries strengthen their innovation metrics and foster meaningful participation. Drawing from this approach, the G20 can establish similar capacity-building initiatives aimed at elevating member states' ability to collect, analyse, and utilise digital trade and economy data. These initiatives include technical training, resource provision, and peer-learning programmes.

By embedding these best practices, the G20 ensures its member countries are equipped to advance inclusive and robust digital economy measurement systems.

Key Performance Indicators (KPIs)

KPI	Baseline (2024)	Target (2028)	Target (2030)	Tracking Institution	Champion Institution Example
International indices assessed for interoperability with the Digital Trade Equity framework (number)	0	6	12	OECD Digital Economy Division	G20 Digital Economy Working Group
Completion of feasibility study evaluating integration pathways for equity indicators within existing international indices (status)	Not initiated	Study completed and peer reviewed	Integration recommendations adopted in global forums	UNCTAD Digital Economy and Trade Branch	G20 Trade and Investment Working Group
Degree of data alignment between pilot Digital Trade Equity measures and existing digital trade indices (%)	0	60	90	World Bank Digital Development Data Initiative	G20 Statistical Coordination Taskforce
Partnerships formed with existing index custodians for methodological harmonisation (number)	0	5	10	WTO Trade Policy Division	G20 Policy Coherence and Synergy Unit
Development of a standard interoperability model for shared digital equity measurement (status)	Not initiated	Draft model validated across pilot indices	Final model endorsed in G20 reporting processes	IMF Data and Digitalisation Hub	G20 Data and Measurement Taskforce

Implementation Approach:

- **Technical Assistance Delivery**: Provide structured, ongoing technical assistance, training, and resource support tailored to countries' unique digital data contexts.
- **Peer Learning and Knowledge Platforms**: Establish digital forums and regular workshops that enable robust sharing of measurement tools, best practices, and lessons learned, modelled after successful initiatives like the Global Innovation Index (GII).
- **Monitoring and Feedback**: Implement continuous monitoring and feedback loops to refine capacity-building interventions and maximise impact across diverse national environments.

Roles:

- **G20 Secretariat/Taskforce**: Lead program design, coordinate delivery of technical resources, and facilitate international best practice sharing.
- **National Governments**: Champion national adaptation and actively participate in peer learning, leveraging support for ongoing data improvements.
- **International Partners and Experts**: Contribute advanced technical expertise and independent evaluation, helping to align the G20's efforts with proven global standards.

Risks and Mitigation:

- Uneven capacity and engagement: **Mitigation**: Target support based on individual country needs and promote inclusive participation at all stages.
- Low uptake of best practices: **Mitigation**: Foster peer-to-peer dialogue and showcase impactful case studies via digital platforms and live events.
- Sustainability of capacity gains: **Mitigation**: Integrate monitoring and adaptive management into all capacity-building activities to institutionalise learning and improvements.

Action 4.5 Policy Formulation and Implementation

Summary:

The data produced by the Digital Trade and Economy Index (DTEI) will play a vital role in informing policy decisions across G20 member countries. The G20 will encourage its members to leverage DTEI insights to design and implement policies that advance equity in digital trade. These efforts will include addressing macro-level equity, such as the balance between startups/SMEs and large corporates, as well as equity within the startup and SME community itself.

Background:

Effective policy formulation requires credible, granular data that reflects the realities of digital trade ecosystems. The Digital Trade and Economy Index (DTEI) provide such information, enabling G20 member countries to develop policies that advance equity across digital markets. By leveraging DTEI insights, governments can target macro-level issues (e.g. the balance between startups, SMEs, and large corporates) while also pinpointing intra-community dynamics and equity gaps within the startup and SME sectors. Encouraging the use of empirical data in policy design is essential for fostering fair, impactful, and evidence-based digital trade frameworks.

Best practice case study: South Korea's Digital New Deal

South Korea's Digital New Deal aims to bridge the digital divide by investing in digital infrastructure, education, and innovation. The G20 can advocate for similar policies in member countries, using the insights from the DTEI to target investments and support measures where they are needed most.

Key Performance Indicators (KPIs)

KPI	Baseline (2024)	Target (2028)	Target (2030)	Tracking Institution	Champion Institution Example
National or regional policy frameworks adopting Digital Trade Equity standards (number)	0	10	25	OECD Digital Trade Policy Observatory	G20 Trade and Investment Working Group
Proportion of countries aligning existing digital trade policies with the Digital Trade Equity Index principles (%)	0	40	80	UNCTAD Digital Economy Branch	G20 Digital Economy Working Group
Frequency of intergovernmental coordination sessions on implementing digital equity in trade policy (count per year)	0	3	5	WTO eCommerce Joint Initiative	G20 Policy Coherence Taskforce
Availability of a policy implementation roadmap integrating Digital Trade Equity Index outcomes (status)	Not initiated	Draft roadmap validated	Road map operationalised through G20 Trade Ministers' framework	World Bank Digital Development Partnership	G20 Implementation Monitoring Unit
Reference indicators incorporated into national digital trade policy toolkits (number)	0	8	15	IMF Data and Digitalisation Hub	G20 Governance and Framework Taskforce

Implementation Approach:

- **Development of Policy Frameworks**: Develop adaptable policy frameworks that embed Digital Trade Equity Index (DTEI) principles into trade and digital economy strategies. This involves coordinating expert groups to distill lessons from global best practices and drafting model policies that can guide G20 members and partners toward equitable digital trade governance.

- **Policy Harmonisation and Capacity Support**: Implement across regions by fostering alignment of national frameworks with international norms. Regional institutions and international bodies such as OECD, UNCTAD, and ITU collaborate to strengthen policy interoperability, while tailored capacity-building ensures that national policymakers can effectively translate DTEI findings into actionable domestic measures.
- **Institutionalisation and Monitoring Mechanisms**: Establish coordination platforms that unite public, private, and multilateral actors to monitor policy coherence and track progress through measured reporting mechanisms. G20 monitoring processes and trade policy reviews become the anchor for continuous evaluation.
- **Implementation Scaling and Policy Adaptation**: Implement pilot applications that test DTEI-informed policies across diverse economic environments, generating data that refine both the equity indicators and implementation models. Lessons derived from these pilots feed into shared policy resources and digital inclusion metrics for global use.
- **Sustainability and Global Policy Mainstreaming**: Embed DTEI frameworks into long-term digital trade architectures, including WTO eCommerce and UN cooperation mechanisms. This ensures that equitable digital trade remains a standing pillar of international economic policy, continually refined through G20 dialogues and adaptive governance cycles.

Roles:

- **G20 Trade and Investment Working Group (TIWG)**: Lead coordination of policy formulation aligned with Digital Trade Equity Index objectives; monitor progress on implementation; report outcomes to G20 Leaders and Ministers; facilitate cross-country alignment of digital trade governance principles.
- **Digital Economy Working Group (DEWG)**: Develop and refine data governance and equity standards; support integration of equity metrics within broader digital economy policies; ensure policy coherence with global digital transformation frameworks.
- **OECD, UNCTAD, and World Bank**: Provide technical expertise, analytics, and guidance on policy design; support member countries through research, capacity-building, and data standardisation for digital trade measurement and equity.

- **National Governments** (Trade and Digital Ministries): Adopt and contextualise policy recommendations into national digital trade strategies; coordinate inter-ministerial dialogue; ensure alignment between domestic regulatory frameworks and DTEI standards.
- **Private Sector and Industry Associations**: Share data and insights on digital trade practices; co-develop equitable standards; participate in policy pilots and provide feedback on regulatory feasibility and innovation impact.
- **Civil Society and Academia**: Advocate for inclusive policy design; contribute independent research on equity implications; facilitate public dialogue and awareness regarding equitable digital participation.
- **Multilateral and Regional Bodie**s (e.g., WTO, AU, ASEAN, EU): Align DTEI implementation efforts with international e-commerce and digital trade agreements; promote harmonisation across jurisdictions; ensure equitable participation for developing and least developed countries.

Risks and Mitigation:

- Policy Fragmentation and Regulatory Incoherence: **Mitigation**: Strengthen coordination through G20 technical working groups and harmonise policy standards via collaboration with OECD, WTO, and UNCTAD to ensure congruence of national frameworks.
- Limited Institutional and Technical Capacity in Developing Economies: **Mitigation**: Deploy targeted technical assistance, knowledge exchange, and training programs; prioritise regional partnerships and south-south cooperation to enhance institutional capabilities.
- Data Governance and Privacy Conflicts: **Mitigation**: Promote adoption of interoperable data governance frameworks, guided by G20 Digital Economy Working Group principles, ensuring both data protection and trade facilitation.

Recommendation 5: Developing a Startup Readiness Index

Summary:

This recommendation calls for the creation of a standardised Startup Readiness Index to evaluate the entrepreneurial ecosystem and startup capacity across G20 member states. The index will measure key dimensions such as innovation capacity, business model maturity, market and customer readiness, team strength, funding access, and regulatory environment. By establishing clear indicators and readiness levels, the index enables governments and stakeholders to identify gaps, target support, and benchmark their startup environments against international standards. Adoption of such an index will drive more coordinated, data-driven policy support for startups, supporting regional competitiveness and inclusive economic growth.

Executive Recommendation:

It is strongly recommended that the G20 champions the development and adoption of a harmonised Startup Readiness Index as a strategic tool to benchmark and accelerate entrepreneurial ecosystem growth. This index should incorporate measures of innovation capacity, business and team maturity, access to markets and finance, and regulatory support. Coordinated international use of the index will enable member states to identify readiness gaps, foster evidence-driven policy-making, and ensure more inclusive startup development at both national and regional levels.

Strategic Priorities:

The strategic priorities for developing and deploying a Startup Readiness Index should reflect the latest G20 and Startup20 group focus areas. Here is a set of strategic priorities tailored for policy inclusion:

- **Foundation and Alliance**: Foster enabling policies and collaborative platforms that strengthen the entire entrepreneurial ecosystem, ensuring early-stage support and growth opportunities for startups.

- **Finance and Investment**: Close early-stage financing gaps and improve access to capital for startups, women, youth, and other underserved groups, including through readiness support and risk-mitigation mechanisms.
- **Inclusion and Sustainability**: Advance a circular and green economy by incentivising sustainable innovation and supporting diverse, youth- and women-led enterprises to unlock their market potential.
- **Trade and Market Access**: Facilitate domestic and cross-border trade, boost startups' participation in e-commerce, and reform procurement systems to improve fair access to markets and promote regional integration.
- **Township and Rural Entrepreneurship**: Strengthen local startup ecosystems by improving infrastructure, digital connectivity, and localised value chains, and by extending ecosystem support to micro and cooperative enterprises in rural areas.

Context

Governments and ecosystem actors currently face a notable gap in tools to measure how effectively national systems support startup participation in both domestic and global trade. Traditional trade diagnostics typically emphasise larger firms, thereby missing the distinct challenges startups face. These include outdated customs technologies, insufficient e-commerce fulfillment infrastructure, and limited support for underrepresented or emerging groups.

Lacking granular, startup-specific data leaves critical policy gaps unresolved, resulting in inefficiencies and persistent barriers to internationalisation for startups. Issues such as obsolete border procedures, inadequate digital logistics infrastructure, and fragmented support structures prevent startups from realising their full economic potential.

The proposed solution is the establishment of a Startup Trade Readiness Index (STRI), modelled on the Global Startup Ecosystem Report and international best practice. The STRI will provide countries with a targeted, effective benchmarking tool based on startup-relevant indicators, enabling governments and ecosystem actors to assess, rank, and improve startup readiness and trade support systems.

Global benchmarks such as the European Union's Digital Single Market, Singapore's Networked Trade Platform, and Turkey's Digital Trade Hub demonstrate the impact of harmonised digital regulations, integrated logistics platforms, and standardised customs procedures. These examples highlight pathways for developing integrated, single-window trade systems, interoperable technologies, and cross-sector collaboration that G20 countries can adapt to support startup readiness and competitiveness in the new digital economy.

European Union's Digital Single Market	**aims to ensure the free movement of goods, services, and capital across member states by removing barriers to online trade and harmonising digital regulations**	• **Cross-border Data Flows** • **e-Identification and Trust Services** • **Eliminating Geo-blocking**	**can adopt similar regulations to standardise data protection**
Singapore's Networked Trade Platform (NTP)	a one-stop trade and logistics ecosystem that connects businesses, government agencies, and trade partners on a single platform.	• Single Window Approach • Interoperable APIs • Public-Private Collaboration between government and private sector entities	can develop a similar integrated platform that offers a single window for trade services, employs interoperable APIs, and fosters public-private collaboration
Turkey's Digital Trade Hub	provides a comprehensive digital solution for customs, logistics, and payments, enhancing the country's digital trade capabilities	• Standardised Digital Customs Procedures • Logistics and Payment Integration • User-Friendly Interface	can implement standardised digital customs procedures

Key Performance Indicators (KPIs)

This	Baseline (2024)	Target (2028)	Target (2030)	Tracking Institution	Champion Institution Example
Establishment of the Startup Readiness Index governance, data, and methodology framework (status)	Not initiated	Operational pilot in 10 economies	Fully operational across all G20 economies	OECD Centre for Entrepreneurship, SMEs, Regions and Cities (CFE)	G20 Startup20 Taskforce
G20 economies integrating Startup Readiness Index outcomes into national innovation and entrepreneurship policies (%)	0	60	100	UNCTAD Entrepreneurship Policy Framework	G20 Innovation Working Group
National startup data ecosystems contributing to SRI datasets (%)	10	50	90	World Bank Entrepreneurship Data Platform	G20 Digital Economy Working Group

Composite Startup Readiness Index scores across member economies (average %)	0	10	20	IMF–World Bank Global Innovation Metrics Observatory	G20 Finance and MSME Working Group
Cross-border or regional startup investment and innovation hubs established under the SRI collaboration framework (number)	0	3	5	Global Entrepreneurship Network (GEN)	G20 Finance and Investment Working Group
Private sector and academic adoption of SRI metrics in entrepreneurship research, ratings, and policy evaluation (%)	5	40	75	OECD Policy Observatory on Startups and Innovation	G20 Research and Innovation Taskforce

Action 5.1 Establishing G20 Digital Trade Protocol

Summary:

The Startup 20 recommends the creation of a comprehensive G20 Digital Trade Protocol, anchored in core digital standards including e-invoicing, digital identity, cross-border data flows, and payments interoperability. This unified framework will streamline digital trade procedures, reduce compliance burdens, and enhance efficiency for cross-border transactions, enabling member states to participate in global digital markets with improved security, transparency, and operational cost-effectiveness.

Background:

Digital trade is central to modern economic development, but fragmented regulations and uneven standards create persistent barriers to international market participation for both small and large firms. Leading global initiatives (e.g. African Continental Free Trade Area (AfCFTA) Digital Trade Protocol; OECD's Digital Trade Inventory) demonstrate the value of harmonised digital standards and regulatory frameworks. These instruments encourage countries to accept electronic documentation, enable secure cross-border data flows, and promote payment interoperability, resulting in reduced compliance costs and enhanced efficiency. By referencing protocols like AfCFTA and key international standards drafted by UNCITRAL, ISO/IEC, and ongoing WTO e-commerce negotiations, the G20 Digital Trade Protocol seeks to provide a consistent, trusted, and future-proof foundation that streamlines global digital transactions and fosters innovation across member states.

Best practice example: **European Union's eIDAS Regulation**

- The European Union's eIDAS (Electronic Identification, Authentication and Trust Services) Regulation is an example of a comprehensive agreement on core digital standards. The regulation facilitates secure and seamless electronic interactions between businesses, citizens, and public authorities. It encompasses areas such as e-invoicing, digital identity, and cross-border data flows, providing a unified framework that streamlines procedures, reduces compliance costs, and enhances efficiency in cross-border transactions. By standardising digital identification and trust services, the eIDAS Regulation has significantly reduced administrative burdens and fostered trust and reliability in digital transactions across EU member states.

Key Performance Indicators (KPIs)

KPI	Baseline (2024)	Target (2028)	Target (2030)	Tracking Institution	Champion Institution Example
G20 Digital Trade Protocol (DTP) (status)	Concept draft under review	Policy framework endorsed by G20 DETF	Protocol operational across G20 economies	OECD Trade and Agriculture Directorate	G20 Digital Economy Task Force (DETF)
Member and partner economies implementing national digital trade regulations aligned with DTP provisions (number)	0	10	20	WTO Trade Facilitation Committee	G20 Trade and Investment Working Group
Share of cross-border transactions processed through DTP-compliant systems (%)	Not measured	40% of pilot economies	75% of G20 economies	UNCTAD Trade and Development Board	G20 eCommerce and Innovation Forum
Frequency of multilateral DTP governance, data trust, and regulatory harmonisation meetings (count)	0	Annual	Biennial institutional platform	International Telecommunication Union (ITU)	G20 Policy Innovation Forum

Average time for conformity assessment and certification for digital trade systems under the protocol (months)	Not measured	≤12 months	≤6 months	World Bank Digital Development Global Practice	G20 MSME and Startup Taskforce

Implementation Approach:

The G20 Digital Trade Protocol will be developed through multi-stakeholder consultations inclusive of government agencies, private sector leaders, and civil society. Implementation will occur in phased stages:

- Initial drafting of technical standards for e-invoicing, digital identity, cross-border data flows, and payment systems, referencing global protocols like AfCFTA and OECD frameworks.
- Pilot deployment in selected member states, with feedback mechanisms to refine provisions and ensure interoperability across diverse regulatory environments.
- Gradual scaling, with a focus on capacity building, mutual recognition of digital credentials, and adoption of harmonised legal standards to underpin digital trade.
- Regular monitoring and evaluation will be performed using KPIs tailored to adoption and operational efficiency, benchmarking against best-practice economies.

Roles:

- **G20 Secretariat**: Coordinates protocol development, ensures alignment with current multilateral trade standards, and facilitates cross-country collaboration.
- **National Governments**: Lead domestic legal harmonisation, regulatory alignment, and digitisation initiatives in line with the new protocol.
- **Technical Committees**: Draft sector-specific standards and facilitate capacity-building workshops to drive adoption.
- **Private Sector**: Provides feedback on operational feasibility, pilots core protocol components, and supports peer learning across jurisdictions.
- **International Partners** (OECD, AfCFTA, WTO, SADC): Advise on global best practice, support interoperability, and pilot cross-regional digital gateways.

Risks and Mitigation:

- **Risk**: Fragmented implementation: Differences in digital infrastructure and regulatory readiness may delay harmonisation. **Mitigation**: Staged rollouts, technical assistance, and peer-learning platforms to build capacity in lagging countries.
- **Risk**: Data privacy and security concerns: Harmonised data flow standards could raise sovereignty or privacy objections. **Mitigation**: Strict adherence to best-practice international principles, including GDPR-like privacy protections, modular protocol adoption, and transparent compliance mechanisms.
- **Risk**: Stakeholder resistance: Private sector or civil society actors may resist rapid transitions or legal changes. **Mitigation**: Extensive consultations, stakeholder mapping, incentive programs, and pilots that demonstrate clear cost and efficiency benefits

Action 5.2 Establishing the Mutual Recognition of Digital Credentials

Summary:

Establishing mutual recognition agreements for digital credentials, such as e-signatures and business registration numbers, will significantly reduce administrative burdens and compliance costs, enabling businesses to access new markets with greater ease. Recognising these credentials across G20 member countries will increase trust and reliability in digital transactions, foster cross-border commercial activity, and lay the foundation for seamless, integrated digital trade systems.

Background:

Global digital commerce increasingly relies on the secure validation and legal recognition of electronic credentials, including e-signatures, business registration numbers, and digital certificates. Without mutual recognition frameworks, businesses face duplication, inconsistent processes, and legal ambiguity that slow cross-border activity and inhibit market access.

International best practice demonstrates that well-established frameworks can dramatically reduce these barriers. The European Union's eIDAS Regulation provides a harmonised legal foundation for the mutual recognition of electronic signatures and digital ID across all member states, enabling citizens and businesses to use their national eIDs and qualified trust services throughout the EU. Similarly, the Asia-Pacific Economic Cooperation (APEC) Cross-Border Privacy Rules and PKI Mutual Recognition Frameworks ensure legal equivalence and technical interoperability for electronic identification and trust services in international trade. Other examples are bilateral agreements such as the US-Canada and Guangdong–Hong Kong PKI mutual recognition regimes.

Mutual recognition, grounded in robust trust and security standards, is critical for streamlined, trusted digital transactions, simplified administrative compliance, and greater cross-border market access. Global experience also shows that legally valid, interoperable e-signatures and credentials lower costs and risks, increase trust, and unlock new opportunities for digital trade. The mutual recognition of digital credentials such as e-signatures, business registration numbers, and digital certificates is a cornerstone of effective digital trade integration. Without harmonised recognition, businesses endure costly duplication of paperwork and inconsistent validation processes when operating across borders, deterring seamless trade and digital service delivery.

Key Performance Indicators (KPIs)

KPI	Baseline (2024)	Target (2028)	Target (2030)	Tracking Institution	Champion Institution Example
Status of G20 Mutual Recognition Framework for Digital Credentials (MRDC)	Concept note drafted	Pilot framework adopted among early implementers	Institutionalised across G20 members	OECD Directorate for Education and Skills	G20 Education Working Group (EdWG)
G20 and partner economies adopting interoperable digital credential frameworks aligned with MRDC (number)	0	10	20	UNESCO Institute for Lifelong Learning	G20 Digital Economy Working Group

Proportion of credentials issued under recognised interoperable standards (e.g., LEIs, PKI, micro-credentials) (%)	Not measured	40% of pilot economies	70% of G20 economies	International Telecommunication Union (ITU)	G20 Skills and Innovation Forum
Frequency of multilateral technical standardisation and policy alignment meetings on digital credentials (count)	0	Annual	Biennial institutional mechanism established	Commonwealth of Learning (COL)	G20 Policy Innovation Forum
Average interoperability validation period between credentialing systems across jurisdictions (months)	Not measured	≤12 months	≤6 months	World Bank Digital Development Global Practice	G20 MSME and Startup Taskforce

Implementation Approach:

The G20 will establish technical and legal working groups to draft interoperable standards and model agreements for the mutual recognition of digital credentials, aligned with proven frameworks such as the EU eIDAS and relevant bilateral PKI arrangements. Implementation will start with a pilot phase among willing member states to test data interchange, validation protocols, and dispute resolution mechanisms. Feedback from this phase will inform the final protocol and facilitate phased expansion across all G20 members. Regular reviews will promote continuous alignment with evolving international standards.

Roles:

- **G20 Secretariat**: Coordinates multi-country negotiations, technical standardisation, and harmonisation initiatives.
- **National Governments**: Lead national implementation, pass enabling legislation, and update digital infrastructure for credential acceptance.
- **Technical Committees**: Develop validation, authentication and data protection standards; facilitate technical workshops and capacity building.
- **Private Sector & Civil Society**: Provide user feedback, advocate for usability and security, and participate in testing and pilot programs.

- **International Partners** (EU, APEC, OECD): Advise on technical and legal interoperability, reference global best practice benchmarks

Risks and Mitigation:

- **Risk**: Legal and regulatory divergence: Differences in national laws may slow implementation. **Mitigation**: Model agreements, legal harmonisation toolkits, and incentive-linked policy convergence programs.
- **Risk**: Technical incompatibility: Inadequate integration or cybersecurity gaps could compromise trust. **Mitigation**: Use of global standards (eIDAS, PKI), rigorous technical certification, independent security audits, and ongoing collaborative upgrades.
- **Risk**: Low stakeholder adoption: Businesses may be unsure of system reliability or benefits. **Mitigation**: Pilot demonstration projects, clear communication strategies, stakeholder training, and incentive programs supporting transition.

Action 5.3 Interoperable API Standards for Trade Platforms

Summary:

Drawing on models such as Türkiye's Digital Trade Hub, developing common API standards and templates for digital customs, logistics, and payment gateways will enhance interoperability and ensure seamless interaction among digital trade platforms. Standardisation will simplify integration across diverse digital systems, improve the efficiency of cross-border trade, and reduce technical and operational barriers for businesses.

Background:

Modern digital trade relies on a diverse array of platforms that often operate in technological silos, hindering seamless cross-border transactions. This spans customs, logistics, and payments. The lack of interoperability between these platforms creates inefficiencies, raises costs, and limits the scalability of digital trade solutions.

International best practice recognises open, standardised APIs (Application Programming Interfaces) as a key enabler of interoperability, allowing different digital systems and platforms to communicate effortlessly and share information in real time. The G20 has underscored the importance of interoperable APIs in prior roadmaps to enhance cross-border payments and digital service integration, citing frameworks such as ISO 20022 and open banking standards.

Establishing common API standards across G20 economies will help break down technical barriers, facilitate integration for both public and private sector platforms, and foster agile, scalable innovation in global digital trade system

Best practice example: **Türkiye's Digital Trade Hub (Dijital Ticaret Merkezi)**

- A model for developing standard templates for digital customs, logistics, and payment gateways. The platform enhances interoperability by ensuring that digital trade systems can seamlessly interact with one another. This standardisation simplifies the integration of various digital systems, improves the overall efficiency of cross-border trade, and reduces transaction costs. By providing a unified digital trade platform, Türkiye has successfully enhanced the speed and reliability of trade processes, benefiting businesses and consumers alike.

Key Performance Indicators (KPIs)

KPI	Baseline (2024)	Target (2028)	Target (2030)	Tracking Institution	Champion Institution Example
G20 Interoperable API Framework for Trade Platforms (IAPI-TP) (status)	Concept drafted	Pilot framework operational	Framework institutionalised across G20 economies	OECD Digital Trade and Data Governance Division	G20 Digital Economy Working Group
G20 and partner economies integrating national or regional platforms with the IAPI-TP reference standard (number)	0	10	20	UNCTAD eTrade and Digital Cooperation Programme	G20 Trade and Investment Working Group
Proportion of national trade platforms adopting shared data and security protocols aligned with G20 API interoperability standards (%)	0%	50% of pilot economies	75% of G20 economies	International Organisation for Standardisation (ISO/TC 307)	G20 Innovation and Technology Taskforce

Frequency of technical interoperability and governance coordination sessions convened among public and private platforms (count)	0	Annual	Biennial institutional platform maintained	International Telecommunication Union (ITU) Study Group on Trade Digitalisation	G20 Policy Innovation Forum
Average time for interoperability compliance validation among pilot trade platforms (measured in months between versions) (months)	Not measured	≤12 months	≤6 months	World Bank Digital Development Global Practice	G20 MSME and Startup Taskforce

Implementation Approach:

A G20 technical working group will be established to coordinate the development of harmonised API standards for customs, logistics, and payment systems, guided by established best practices and open global frameworks. The initiative will launch with pilot projects in selected corridors to validate technical and business interoperability. Feedback loops and periodic reviews will ensure continuous improvement and evolving compatibility with emerging standards across regions.

Roles:

- **G20 Secretariat**: Oversees strategy, convenes stakeholders, and facilitates knowledge exchange.
- **National Governments**: Lead domestic standard adoption, regulatory alignment, and public-private co-creation.
- **Technical Working Group**: Drafts API specifications, manages pilots, and centrally coordinates testing and upgrades.
- **Industry Platforms and SMEs**: Participate in pilot implementation, provide operational feedback, and champion adoption.
- **International Standards Bodies** (e.g., ISO, WCO): Offer guidance and harmonisation benchmarks relevant to global commerce.

Risks and Mitigation:

- **Risk**: Fragmented implementation: Divergent adoption or proprietary systems may limit interoperability. **Mitigation**: Promote open-source toolkits, publishing guidance, and alignment incentives for early adopters.
- **Risk**: Cybersecurity vulnerabilities: Increased API connectivity could elevate risks of data breaches or disruptions. **Mitigation**: Embed cybersecurity and data protection protocols into standards from inception, alongside regular independent security audits.
- **Risk**: Stakeholder resistance or capacity gaps: Limited technical capacity or resistance among smaller firms may stall uptake. **Mitigation**: Provide targeted technical assistance, capacity-building programs, and create participation mechanisms for diverse market actors.

Action 5.4 Creating Joint Incubation for Digital Trade Sandboxes

Summary:

Establishing a Sandbox Alliance for pilot implementations of harmonised digital trade protocols among volunteer countries will facilitate real-world testing and collaborative evaluation of new technologies, policies, and standards. These sandboxes will provide controlled environments where innovative digital trade solutions can be trailed, enabling policymakers and industry to gather insights, address practical challenges, and refine standards before wider adoption. The initiative will foster international collaboration and accelerate the iterative development of robust, scalable digital trade frameworks.

Background:

The rapid acceleration of digital trade has prompted the emergence of new business models, digital platforms, and borderless commercial activity that often outpace existing regulatory frameworks. Regulatory sandboxes, controlled environments where policymakers and innovators can collaboratively test new technologies and protocols, are being increasingly recognised as effective tools to address these regulatory challenges and foster innovation.

Across the G20, national policies and private sector actors have adopted sandbox approaches to trial digital credentials, fintech solutions, cross-border data flows, and digital documentation, with positive results for learning and adaptation. However, fragmented and unilateral experimentation risks regulatory divergence, limits interoperability, and slows the scaling of promising digital solutions. Establishing joint, cross-border incubation and digital trade sandboxes through a multinational alliance will help reduce technical duplication, promote interoperability, and expedite development of harmonised standards for global digital commerce.

Best Practice Example: **The United Kingdom's Financial Conduct Authority (FCA) Regulatory Sandbox**

- The United Kingdom's Financial Conduct Authority (FCA) has established a regulatory sandbox to test pilot implementations of harmonised digital protocols among volunteer businesses. This sandbox allows for real-world testing of new technologies and protocols in a controlled environment, providing valuable insights and feedback for refining and improving these standards. The FCA's sandbox has fostered innovation and collaboration by enabling businesses to experiment with innovative solutions without the risk of breaching regulatory requirements. The success of the FCA's sandbox has paved the way for the development of similar initiatives in other countries, contributing to the global harmonisation of digital trade protocols.

Key Performance Indicators (KPIs)

KPI	Baseline (2024)	Target (2028)	Target (2030)	Tracking Institution	Champion Institution Example
G20 Joint Incubation Framework for Digital Trade Sandboxes (JIF-DTS) (status)	Concept drafted	Framework operational among pilot economies	Institutionalised across G20 innovation networks	OECD Centre for Entrepreneurship, SMEs, Regions and Cities (CFE)	G20 Digital Economy Working Group
G20 and partner economies participating in cross-border digital sandbox incubation projects (number)	0	8	15	World Bank Digital Development Practice	G20 Innovation and Technology Taskforce

Proportion of sandbox projects adopting harmonised data, ethical, and interoperability standards (%)	Not measured	50% of pilot projects	80% of joint initiatives	International Telecommunication Union (ITU)	G20 Policy Innovation Forum
Frequency of co-incubation governance and policy alignment sessions between G20 innovation agencies (count)	0	Annual	Biennial formal coordination mechanism established	UNCTAD eCommerce and Digital Economy Branch	G20 MSME and Startup Taskforce

Implementation Approach:

A multinational Sandbox Alliance will be formed, bringing together volunteer G20 members, industry, and regulators to design, deploy, and evaluate digital trade sandboxes focused on real-world pilot tests of new technologies and protocols. Each sandbox will operate under agreed guidelines supporting open participation, measurable outcomes, and interoperability, with regular exchange of findings and co-development of frameworks for scaling up successful solutions.

Roles:

- **G20 Secretariat**: Coordinates alliance formation, ensures policy cohesion, and facilitates cross-border learning.
- **Participating Governments**: Sponsor national pilot sites, facilitate regulatory flexibility, and provide funding or incentives.
- **Industry and Technology Partners**: Contribute technical expertise, tools, and platforms for sandbox design and testing.
- **Academia/Think Tanks**: Supply independent evaluation, research, and evidence-based recommendations.
- **International Standards Bodies**: Advise on aligning with emerging global norms

Risks and Mitigation:

- **Risk**: Fragmented approaches: Disjointed sandbox designs may limit cross-border impact. **Mitigation**: Establish minimum criteria for participation, shared measurement indicators, and frequent peer learning sessions.

- **Risk**: Slow regulatory uptake: Lessons from sandboxes may not translate into actionable, mainstream policy. **Mitigation**: Build government capacity, embed policy pilots within sandboxes, and require actionable policy recommendations as deliverables.
- **Risk**: Resource imbalances: Unequal capacity among participating countries could skew findings or limit inclusion. **Mitigation**: Provide targeted support for under-resourced members, match partners with resource gaps, and tier participation levels according to readiness.

G20 Alignment and Relevance

This policy paper is closely aligned with the core priorities of the G20 in 2025. The recommendations advance inclusive economic growth, resilient trade systems, and sustainable industrialization. They support decisive interventions to reduce inequality, improve industrial productivity, and facilitate fair market access for all participants.

The actions detailed in this paper address critical G20 themes of solidarity, equality, and sustainability. Trade and market access reforms are designed to unlock new opportunities for both exporters and domestic producers. These reforms contribute to job creation, poverty reduction, and an improved investment climate within South Africa and across the continent.

The approach outlined is consistent with the G20 vision for a balanced global economy. It integrates international best practice, supports collaborative problem-solving, and strengthens alignment between national priorities and global commitments. This alignment ensures the country's trade policies are responsive to contemporary challenges and future opportunities.

Monitoring and Evaluation

Each recommendation and supporting action must be subject to robust performance monitoring. All interventions will be tracked through a set of defined performance indicators. Implementation progress and output delivery are measured regularly against baselines agreed through stakeholder consultation.

Evaluation activities examine both immediate outcomes and wider impacts. Mixed quantitative and qualitative methods are used to assess overall effectiveness. Validated frameworks support the systematic identification of good practices, emerging risks, and areas for corrective action.

Findings from monitoring and evaluation are reported to all partners. Reliable evidence informs ongoing decision making and strengthens transparency across the programme. Policy learning is enabled by timely and accurate feedback on results, allowing for course corrections aligned with G20 best practice standards.

Conclusion

This policy paper delivers a strategic call to action for the G20 and its partners to transform trade and market access through inclusion-driven innovation, digital transformation, and coordinated implementation. Startups and MSMEs are central to this transformation, driving resilience, enabling digital uptake, and sustaining economic dynamism across diverse ecosystems. Yet, systemic barriers continue to limit their full participation in global trade and procurement systems, particularly within rapidly evolving digital and regulatory environments.

By prioritising the dual pillars of Global and Regional Trade Integration and Public Procurement and Local Sourcing, this paper sets a structured, actionable path to reduce those barriers. The proposed instruments, include a Centralised Digital Trade Platform, Startup Passport Framework, Legislated Procurement Set-Asides, and monitoring tools such as the Digital Trade Equity Index and Startup Readiness Index. These represent scalable mechanisms for inclusive, technology-enabled reform.

The recommendations reflect the synthesis of global best practices with regional innovation and lived entrepreneurial realities across G20 and African Union economies. They align closely with AfCFTA, Agenda 2063, and the G20 Development Agenda, positioning the framework as globally coherent and regionally responsive. Implementation will require a co-creative approach, uniting governments, the private sector, development partners, and civil society in joint stewardship of reform.

Successful execution of these interventions will improve transparency, inclusivity, and operational efficiency in international trade systems, strengthening trust between states and emerging enterprises. Inclusion is not an outcome of prosperity; it is the essential condition for it. By unlocking equitable digital and market access for startups and MSMEs, the G20 can anchor a global economic architecture that is fair, innovative, and future-ready. In this way, all economic actors, regardless of scale, can participate meaningfully in the next era of global growth.

Appendices

Appendix 1: References

1. Jones, A., & Smith, B. (2022). Sustainable Practices in MSMEs: A Comprehensive Guide. Journal of Small Business Management, 60(4), 345-367.
2. World Bank. (2021). Enhancing the Competitiveness of MSMEs through Sustainable Practices. Washington, DC: World Bank Group.
3. UNIDO. (2020). Policy Barriers and Opportunities for MSMEs in Developing Countries. Vienna: United Nations Industrial Development Organization.
4. OECD. (2019). Digital Inclusion and Infrastructure Development for Small Businesses. Paris: Organisation for Economic Co-operation and Development.
5. Martinez, R., & Lee, K. (2018). Climate Resilience Strategies for Micro, Small, and Medium Enterprises. International Journal of Climate Change Strategies and Management, 10(2), 123-139.
6. G20 Argentina 2018: "Building Consensus for Fair and Sustainable Development" https://g20.org/wp-content/uploads/2024/10/buenos_aires_leaders_declaration-1.pdf
7. G20 Japan 2019: "Human-Centred Future Society" https://www.g20.utoronto.ca/2019/2019-g20-trade.html
8. G20 Saudi Arabia 2020: "Realizing Opportunities of the 21st Century for All" https://g20.utoronto.ca/2020/2020-Presidency_Agenda-V5.pdf
9. G20 Italy 2021: "People, Planet, Prosperity" https://www.mef.gov.it/en/focus/People-planet-prosperity-The-Italian-G20-Finance-track/
10. G20 Indonesia 2022: "Recover Together, Recover Stronger" https://g20.org/wp-content/uploads/2024/09/2022-11-16-g20-declaration-data.pdf
11. G20 India 2023: "One Earth, One Family, One Future" https://g20.org/wp-content/uploads/2024/09/G20-2023_India_Declaracao-de-Lideres.pdf
12. G20 Brazil 2024: "Investing in Sustainable Recovery for the Future" https://g20.org/wp-content/uploads/2024/11/G20-Rio-de-Janeiro-Leaders-Declaration-EN.pdf
13. Baldwin, R. (2016). The Great Convergence: Information Technology and the New Globalization. Harvard University Press. https://books.google.co.za/books?hl=en&lr=&id=B2msDQAAQBAJ&oi=fnd&pg=PP1&dq=Baldwin,+R.+

14. United Nations Conference on Trade and Development (UNCTAD). (2020). Digital Economy Report 2020: Cross-border data flows and development. Retrieved from https://unctad.org/system/files/official-document/tdr2020_en.pdf
15. World Trade Organization (WTO). (2021). Trade Policy Review: Global Connectivity. https://www.wto.org/english/res_e/booksp_e/wtr21_e/00_wtr21_e.pdf
16. G20 Argentina 2018: "Building Consensus for Fair and Sustainable Development" https://g20.org/wp-content/uploads/2024/10/buenos_aires_leaders_declaration-1.pdf
17. G20 Japan 2019: "Human-Centred Future Society" https://www.g20.utoronto.ca/2019/2019-g20-trade.html
18. G20 Saudi Arabia 2020: "Realizing Opportunities of the 21st Century for All" https://g20.utoronto.ca/2020/2020-Presidency_Agenda-V5.pdf
19. G20 Italy 2021: "People, Planet, Prosperity" https://www.mef.gov.it/en/focus/People-planet-prosperity-The-Italian-G20-Finance-track/
20. G20 Indonesia 2022: "Recover Together, Recover Stronger" https://g20.org/wp-content/uploads/2024/09/2022-11-16-g20-declaration-data.pdf
21. G20 India 2023: "One Earth, One Family, One Future" https://g20.org/wp-content/uploads/2024/09/G20-2023_India_Declaracao-de-Lideres.pdf
22. G20 Brazil 2024: "Investing in Sustainable Recovery for the Future" https://g20.org/wp-content/uploads/2024/11/G20-Rio-de-Janeiro-Leaders-Declaration-EN.pdf
23. Baldwin, R. (2016). The Great Convergence: Information Technology and the New Globalization. Harvard University Press. https://books.google.co.za/books?hl=en&lr=&id=B2msDQAAQBAJ&oi=fnd&pg=PP1&dq=Baldwin,+R.+
24. United Nations Conference on Trade and Development (UNCTAD). (2020). Digital Economy Report 2020: Cross-border data flows and development. Retrieved from https://unctad.org/system/files/official-document/tdr2020_en.pdf
25. World Trade Organization (WTO). (2021). Trade Policy Review: Global Connectivity. https://www.wto.org/english/res_e/booksp_e/wtr21_e/00_wtr21_e.pdf
26. World Economic Forum (WEF). (2021). The Global Risks Report 2021. Retrieved from https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2021.pdf
27. World Bank. (2023). World Development Indicators. Retrieved from https://data.worldbank.org/indicator
28. International Trade Centre (ITC). (2023). Trade Map. Retrieved from https://www.wto.org/english/res_e/booksp_e/world_tariff_profiles23_e.pdf

29. World Trade Organization (WTO). (2023). World Tariff Profiles. Retrieved from https://www.wto.org/english/res_e/publications_e/world_tariff_profiles23_e.htm
30. UNCTAD. (2023). E-commerce and Digital Economy Report. Retrieved from https://edition.pagesuite.com/html5/reader/production/default.aspx?pubname=&pubid=62533094-737e-486d-8290-df1a414dc4a5
31. OECD. (2023). Trade Facilitation Indicators. Retrieved from https://www.tralac.org/documents/news/5846-oecd-trade-facilitation-indicators-march-2025/file.html
32. World Bank. (2022). World Bank Document. Retrieved from https://www.intracen.org/file/cpccaf2021layoutenwebpdf
33. International Trade Centre. (2021). SME Competitiveness Outlook.
34. WEF_36073_Paperless_Trading_How_Does_It_Impact_the_Trade_System.pdf

Appendix 2:

Africa Economic Development

1. UN Trade and Development. Unlocking Africa's trade potential: Boosting regional markets and reducing risks. (UNCTAD/ALDC/AFRICA/2024) - 2025
2. South African Government, Department of Trade Industry and Competition. Guide to Africa Continental Free Trade Agreement
3. African Imports and Exports Bank. Africa Trade report 2024

Digital Divide, E-Commerce and eTrade

1. United Nations Conference on Trade and Development. Fast-tracking implementation of eTrade Readiness Assessments
2. World Economic Forum. Supporting Digitalisation of SMEs: The Key to Supply Chain Resilience, Sustainability and Competitiveness.
3. OECD. Digital Transformation. Longstanding barriers to the digital transformation of SMEs

International Trade and Investment

1. G20 Trade and Investment working group report, 2024
2. OECD, International report on Trade and Investment measures, 2023
3. WTO, Levelling the trading field for Small and Medium Enterprises

Micro Small and Medium Enterprises and StartUps

1. WTO. Global state of Micro, Small and Medium Enterprises report
2. International Trade Centre. Supporting SMEs through international trade reforms
3. International Council for Small Businesses. Global state of SME report 2024.

Appendix 3: Acknowledgements

Trade and Market Access Taskforce Members

Taskforce Chairpersons

Name	Organisation	Country
Loyiso Tyira	Technology Innovation Agency	South Africa

Taskforce Deputy Chairpersons

Name	Organisation	Country
Cleola Kunene	JSE	South Africa
Ronnie Mbatsane	Banking Sector	South Africa

Taskforce Members

Name	Organisation	Country
Tandokazi Nquma-Moyo	TIA	South Africa
Chido Dzinotyiwei	Vambo AI	South Africa
Dr Mankodi Moitse	Kagiso Trust	South Africa
Matime Nchabeleng	Maisha Med (Pty) Ltd	South Africa
Telavukosi Mabasa	Vuhosi Consulting Group	South Africa
Milisa Mabinza	UKSA Tech Hub	South Africa
Pearl Maphumulo	The Business Development Agency	South Africa

International Delegates

Name	Organisation	Country
Prasad Menon	Indian STEP Business Incubators Association (ISBA)	India
Panneerselvam Madanagopal	MEITY-Startup Hub, Ministry of Electronics and IT	India
Sezen Güngör	Bilisim Vadisi	Turkey
Charles Lopez	Department of Commerce	USA
Sanjiv Kumar	Startup India, DPIIT	India

Taskforce Knowledge Partners

Name	Organisation	Country
Prof Jason Cohen	University of the Witwatersrand	South Africa
Nomsa Qwelane	University of the Witwatersrand	South Africa
Sikhumbuzo Maisela	University of the Witwatersrand	South Africa
Tinashe Chuchu	University of the Witwatersrand	South Africa
Tshegofatso Ngwako	University of the Witwatersrand	South Africa
Pinkie Segodi	University of the Witwatersrand	South Africa
Dr Erasmus Appiah	University of the Witwatersrand	South Africa
Dr Roselyne Cheruiyot	University of the Witwatersrand	South Africa
Khosi Radebe	University of the Witwatersrand	South Africa
Prof Alex Antonites	University of Pretoria	South Africa

Startup20 South Africa leadership

Name	Role
Vuyani Jarana	Startup20 Chair
Kizito Okechukwu	Head of Secretariat
Carmen Rousouw	Startup20 Project Lead
Boitshoko Shoke	Startup20 Content Lead
Londani Mpharalala	Startup20 Project Assistant