

**Background Paper of the Proposed Open Forum:
Enhancing International Cooperation on Data-Driven Digital
Economy, Achieving Digital Connectivity and Common Prosperity**

According to *Digital Economy Report 2021* released by UNCTAD, big divides challenge the digital economy and there are risks of a fragmenting digital space. On one hand, the data-driven digital economy is characterized by large imbalances, which limits the possibilities to participate in and benefit from the evolving data-driven digital economy. The data-related divide is adding to the traditional digital divide, hindering the development of digital economy.

On the other hand, the approaches for governing data flows - and the digital economy more broadly - vary considerably among countries and regions. The existing institutional frameworks at the international level are not fit for purpose to address the specific characteristics and needs of global data governance. Consequently, a discussion is needed to analyze the status quo, challenges and opportunities relating to the mix of digital economy, digital connectivity and data governance; explore a new global institutional framework for data governance with multilateral and multi-stakeholder engagement; and jointly advance international cooperation on digital connectivity and digital economy, with a view to building a sustainable and inclusive digital economy for the benefits of all.