

SYSTEMS ANALYTIC FRAMEWORK FOR THE DIGITAL ECONOMY (SAF-DE)

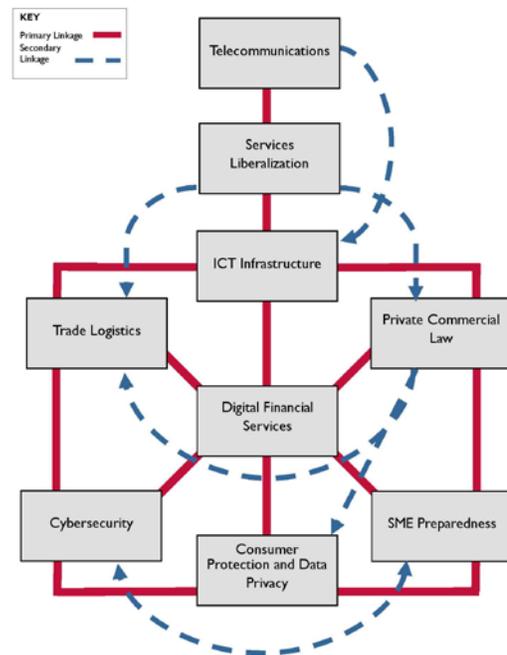
LEADERSHIP IN PUBLIC FINANCIAL MANAGEMENT II (LPFM II)

For enterprises across the globe, the Internet has become an increasingly essential platform for business transactions and growth. Recognizing that e-commerce represents a powerful tool for private sector development, particularly among Small and Medium-Sized Enterprises (SMEs), USAID enlisted the LPFM II project to meet growing demand for context-appropriate information and solutions. Through the Systems Analytic Framework for the Digital Economy (the “SAF-DE”), USAID can now help economies at all stages of development navigate the challenges of creating an inclusive, sustainable environment for trade in goods, services, and digital content through electronic means.

The SAF-DE is a diagnostic tool that allows USAID to take a rapid “snapshot” of the enabling environments for digital trade and help economies create an agenda for capturing opportunities and addressing constraints. Drawn from U.S. policy objectives and international best practice, the SAF-DE is designed for agility of implementation. The tool consists of nine sections, each addressing key components of a digital economy (Figure 1). Each section can be analyzed from a broad policy perspective or through “deep dives” into law and regulation, institutional capabilities, or even political economy analysis. The SAF-DE further integrates issues of importance to women or traditionally disenfranchised groups. The tool helps countries understand their strengths, opportunities, and needs and further supports data-informed prioritizing and sequencing of reforms or interventions.

Economies will vary in how to apply the SAF-DE. For example, some will benefit from analysis and advice concerning the viability and sustainability of their traditional Telecommunications systems and their emerging ICT Infrastructures. Others will seek close examination of conditions for Digital Financial Services and Trade Logistics, two essential components of seamless Internet-generated transactions. As capabilities in e-commerce grow, Consumer Protection and Data Privacy, along with Cybersecurity may attract significant interest. Ultimately, the knowledge gained from implementing a SAF-DE can help USAID partner countries strengthen their capacity, confidence, and inclusiveness when it comes to harnessing the potential of e-commerce, thus resulting in broad-based economic growth.

Figure 1: A SAF-DE diagnostic can analyze up to nine subject-matter areas, alone or in conjunction with one another



LPFM II is a demand-driven project managed by USAID’s Bureau for Economic Growth, Education and Environment (E3) with funding and strategic direction from other USAID missions and offices that provide financial buy-in. The project is managed in Nathan Associate’s Washington, DC area headquarters.