Houston Area Model United Nations
Standard Committee

CSTD



Chair | Anthony Rodas-Camacho
Topic B: Regulating AI in Cross-Border Data Flows & E-Commerce
Houston Area Model United Nations 52
February 4 & 5, 2027

Note to Delegates

Delegates,

Welcome to HAMUN 52! I am thrilled to have you as part of the Commission on Science and Technology for Development (CSTD)—truly one of the most exciting committees at this conference.

My name is Anthony Rodas-Camacho, and it is an honor to serve as your chair. To tell you about me: I'm a freshman at Brown University in Providence, RI, studying neuroscience and public health on the pre-medical track. Originally from Houston, TX, I've participated in HAMUN for three consecutive years, one of which was in this very committee. Though I'm a self-proclaimed science nerd, I've always been captivated by international affairs, especially how technology, science, and medicine shape the way people live globally. HAMUN has consistently been a space for exploration, growth, and thoughtful (and respectful) debate, which is exactly why I'm so excited to be back!

I chose to chair CSTD specifically because its topics are not only fascinating, but essential to understand in our rapidly evolving, digital world. Throughout this conference, I look forward to watching you explore emerging technologies from every angle; celebrating innovation while also grappling with the real questions it raises around access, equity, sovereignty, and human rights. I can't wait to see how you approach them!

My biggest piece of advice is to truly enjoy every moment of this experience. Prepare thoroughly, dive deep into your research, and come ready to make the most of your time here. Build friendships that last well beyond this weekend, advocate boldly for what your delegation believes in, and never hesitate to make your voice heard. HAMUN is a tremendous opportunity for growth, and I hope you embrace it fully. Please don't hesitate to reach out with any questions or concerns along the way!



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CSTD Background & History

The United Nations Commission on Science and Technology for Development (CSTD) is the UN's main forum of discussion regarding the implications of science, technology, and innovation on development. As a subsidiary body of the Economic and Social Council (ECOSOC), it holds an annual reunion in order to debate prominent concerns about scientific and technological development [2].

The CSTD does not issue binding regulations or write wide-reaching treaties—instead, it functions as the body of high-level advice through analytic research and policy recommendations for the General Assembly (GA) and ECOSOC. write treaties or issue binding rules [3]. It also represents the platform where nations can raise concerns on challenges which impede developmental opportunities in this rapidly-evolving, technological world [1].



Source: https://unctad.org/topic/commission-on-science-and-technology-for-development

In other words, CSTD acts as a bridge between technology and diplomacy, where new innovations—like artificial intelligence, brain-computer interfaces, and genomic editing—reshape culture, economics, and geopolitics. Hence, CSTD is the hotspot for intersecting conversations between governments, scientific experts, and societal benefactors can better understand the implications for development and how the government should intervene.

Historically, CSTD can pay its respects to the 1979 UN Conference on Science and Technology for Development in Vienna, in which an Intergovernmental Committee on Science and Technology for Development was born. In 1992, the GA decided to convert the committee into a functional commissioniary body of ECOSOC—now CSTD [1]. While the annual sessions in Geneva focus largely on draft ECOSOC resolutions and advising, the 2003-2005 World Summit on the Information Society (WSIS) represented a turning point in focus [2]. Every year, CSTD reviews efforts to progress WSIS goals such as closing the digital divide in developing nations, ensuring universal access to internet, and the application of digital tools in climate change [4].



Source:https://dig.watch/updates/unga-resolution-establishes-intergovernmental-committee-on-international-tax-cooperation

Now, the CSTD has three main roles. Firstly, it reviews how the WSIS goals are being carried out regionally and internationally. Secondly, it explores science, technology, and innovation (STI) more generally, including a large focus on the development of "frontier technologies" like AI and biotechnology. The commission does so with the desire to link them to the UN Sustainable Development Goals (SDGs), ensuring development is not impeded by uncontrolled proliferation of technology [4]. Third, it provides recommendations of policies on concerns ranging from digital connectivity across borders, affordability of internet services, digital skills building, data capacity and transfers, and financing/e-commerce [4]. The CSTD also hosts many panel sessions with scientific experts as well as workshops in order to better study and understand advancements in between annual sessions [8].

In 2024, the CSTD took upon the significant undertaking of establishing a dedicated working group focused on data governance after the adoption of The Global Digital Compact. This framework was a part of the Pact for the Future Initiative of the UN and pushed for better management of digital information and data by member states in all regards [5][6].



Source: https://www.un.org/en/un-chronicle/keeping-pace-accelerated-world-bringing-rapid-technological-change-united-nations

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Topic B: Regulating AI in Cross-Border Data Flows & E-Commerce

TOPIC OVERVIEW

In our ever-evolving digital society, nearly every online interaction transmits data across national borders, from online purchases and video calls to cloud storage of documents and search engine queries. Artificial intelligence (AI) systems are trained on enormous quantities of data, much of it gathered across nations, and are then used to power cross-border e-commerce through tools such as product recommendation algorithms, pricing calculations, fraud and cybersecurity protections, language translation, and currency transfers. The result is a global digital economy in which data is among the most valuable resources, and the nations that can best control it are best positioned to collect, organize, and redistribute its profits.

According to the CSTD's secretariat, the United Nations Conference on Trade and Development (UNCTAD), the current digital economy landscape is fragmented. Its 2021 Digital Economy Report supports this view, highlighting how the largest global digital platforms continue to expand their control over every level of the data value chain [15]. Such overreach makes data flow regulation increasingly difficult, and major powers also take varied approaches: the United States favors private-sector control of data, China emphasizes government control, and the EU prioritizes individual control and fundamental rights [13]. UNCTAD therefore concluded that neither strict data localization nor unrestricted data flow meets the evolving needs of nations, and it called for a middle-ground solution [14].

While the tension between free data flow and data sovereignty is increasingly prominent, there is also a fundamental difference in which countries benefit from data collection, processing, and distribution. Without fair participation, certain developing nations risk falling further behind in the AI-driven digital economy [14]. These conflicts are compounded by the lack of a binding global framework. The 2024 Global Digital Compact and the CSTD's own Working Group on Data Governance are pushing for one, but it is still in progress [5][9]. The failure of WTO members at the Ministerial Conference in early 2026 to renew the 28-year-old moratorium on customs duties on e-commerce shows how live the debate remains and how urgent action is [17][18].

HISTORY

The history of global e-commerce regulation stems from the Second Ministerial Conference of the World Trade Organization (WTO) in 1998, where members adopted a Declaration on Global Electronic Commerce and established a work programme to study the trade-related aspects of e-commerce. The declaration also set a standard of not imposing customs duties on electronic transmissions, known as the moratorium [17]. Although it was meant to be temporary, it was renewed at nearly every ministerial conference until its lapse in 2026, even as developing countries increasingly objected to the revenue and policy autonomy it cost them [17][22]. As digital services grew, so did national and regional regulations, such as the EU's General Data Protection Regulation (GDPR) of 2018, which limits data transfers to approved recipients [29]. China's Cybersecurity, Data Security, and Personal Information Protection Laws require security assessments and local storage for certain data, and Russia requires the primary databases of its citizens' personal data to be stored on servers inside Russia [29]. These localization measures promote state sovereignty, but they also raise concerns about fragmentation and the free flow of data.

The 2021 UNCTAD Digital Economy Report, discussed above, called for a new global governance approach that would let data flow as freely as necessary and possible while ensuring that benefits are shared fairly [15]. Specifically, it proposed a new UN coordinating body focused on global digital and data governance [16]. In 2024, the Global Digital Compact was adopted as part of the Pact for the Future, urging member states to advance responsible data governance and develop inclusive solutions that foster trust and protect privacy [9][10]. The Compact led to the creation of the Independent International Scientific Panel on AI and the Global Dialogue on AI Governance, and it asked the CSTD to establish a working group on data governance [10][11]. Also in July 2024, Australia, Japan, and Singapore announced the conclusion of negotiations on a plurilateral E-Commerce Agreement that includes a commitment to a permanent moratorium on customs duties on electronic transmissions. However, members could not reach consensus to bring it into the WTO framework, and the moratorium and the e-commerce work programme lapsed in 2026 [17][18].



Source:https://www.reuters.com/world/us-commerce-chief-says-dollar-more-natural-level-trade-2026-02-10/



Source:https://www.thebulldog.law/cryptocurrency-revolution-in-global-trade-legal-framework-for-digital-commerce-transformation

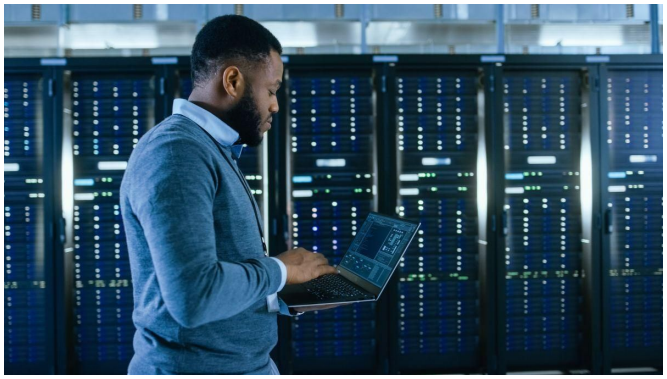
SOLUTIONS & PAST UN ACTION



Source:https://www.heise.de/en/news/Internet-Governance-The-IGF-gets-a-permanent-UN-mandate-11120437.html



Source:https://unctad.org/news/unctad-rebrands-un-trade-and-development



Source:https://unctad.org/topic/ecommerce-and-digital-economy

As explained above, the 2024 Global Digital Compact is the most important recent UN advancement on the issue of AI and digital trade governance. It recognizes cross-border data flows as a key driver of the digital economy and calls for interoperable frameworks across national, regional, and international systems, while prioritizing privacy, security, and human rights under national laws [9][10]. Although it is not a binding treaty, it is a political commitment that gives delegates shared momentum and common goals of interoperability and equitable governance. Moreover, the CSTD's Multi-Stakeholder Working Group on Data Governance was established by the CSTD at the General Assembly's request under the Compact, and it works to foster inclusive dialogue and develop a framework that addresses the development needs of all nations [5][10].

The CSTD Bureau decided in 2025 that the working group would have 27 state members and 27 non-state members, with observers from intergovernmental and international organizations also permitted [5]. The group is currently chaired by Brazil's Ambassador, Guilherme Patriota, and its mandate focuses on four primary areas: designing fundamental principles of data governance for development, drafting proposals to support interoperability, discussing how the benefits of data can be shared, and creating options for safe, secure, and trusted data flows, especially across borders [5]. With AI playing a growing role in e-commerce and digital trade, the gaps in interoperability, in how stakeholders share the value of data, and in the regulation of cross-border data sharing have become even harder to close [7]. A draft final report is expected by December 2026, so delegates should build on this process instead of duplicating it in committee action [7].



Source:https://www.wto.org/english/news_e/news19_e/gc_10dec19_e.htm



Source:https://unctad.org/meeting/commission-science-and-technology-development-twenty-seventh-session

The UNCTAD proposal suggests one possible solution: a new, balanced UN coordinating body on digital and data governance [14][16]. Any such effort must confront the difficulty of building plurilateral trade rules, the failure to renew the WTO e-commerce moratorium, and the challenge of using AI to make e-commerce more efficient without undermining trust or state autonomy [18]. Delegates can also learn from the EU's use of adequacy decisions and standard contractual clauses, which allow data to flow while carrying protections with it [29]. This kind of coordinated data transfer calls for careful use and regulation of AI tools that reinforce those protections while improving efficiency and narrowing interoperability gaps for developing nations [12].

CASE STUDIES

Case Study 1: The WTO Moratorium Debate:

The fight over the moratorium shows the clash between free digital trade and sovereignty at its sharpest. More than 90 ministers attended MC14 in Yaoundé, but the conference ended without an agreement on the moratorium, even as AI accelerates the growth of digital trade [19]. Supporters, including business associations, argued that the moratorium keeps digital trade affordable and expands market access, while opponents argued that it unfairly costs developing countries public revenue and limits their policy choices [22][24]. The WTO E-Commerce Agreement (ECA) has been negotiated among only a subset of members, so it has not been incorporated into the WTO's legal framework, where a single member can block consensus [18]. Even so, 66 WTO members, representing roughly 70 percent of global trade, have agreed to move ahead with interim implementation [19]. Critics worry that rules written by a subset of nations may leave out the voices of many developing countries. Supporters view this as a critical and practical path forward, especially when AI is advancing faster than any single nation can regulate it without international coordination.



Source:https://www.wto.org/english/news_e/news26_e/mc14_30mar26_354_e.htm



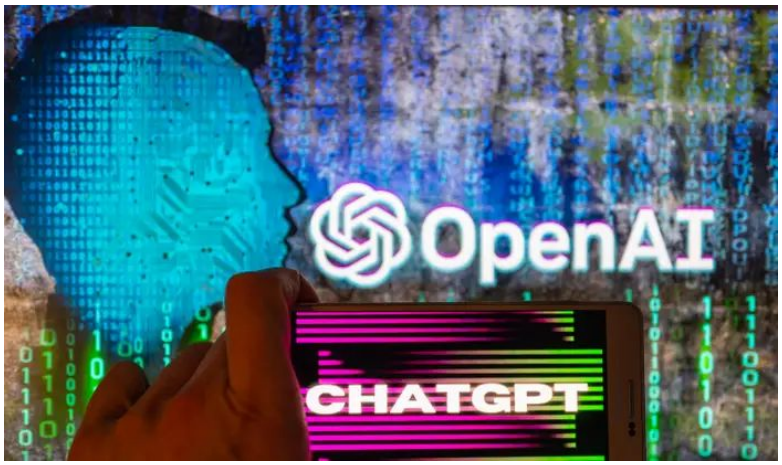
Source:https://worldef.com/2026/09/04/the-debate-over-the-e-commerce-moratorium/

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CASE STUDIES



Source:https://www.wsj.com/tech/chatgpt-openai-content-abusive-sexually-explicit-harassment-kenya-workers-on-human-workers-cf191483



Source:https://www.businessinsider.com/openai-kenyan-contract-workers-label-toxic-content-chatgpt-training-report-2023-1

Case Study 2: AI Data Exploitation in Kenya:

In 2023, TIME magazine investigated an OpenAI outsourcing operation in which Kenyan workers labeled tens of thousands of text snippets, including graphic descriptions of violence, to help make ChatGPT safer [26]. Workers reportedly earned roughly $1.32 to $2.00 per hour, depending on seniority and performance [26]. Sama, the outsourcing firm, ended the work early and later said it would exit sensitive-content work altogether [26]. Kenyan workers also petitioned the country's National Assembly to investigate the conditions of outsourced AI and content-moderation work [27]. Separate Kenyan litigation involving Sama and Meta led a court to rule that Meta could be held liable alongside Sama [28]. Without international oversight, the line between lawful and exploitative practice remains blurry. The case shows how companies can concentrate profits in some countries while data-rich countries like Kenya are left with limited investment, weak bargaining power, and little share of the benefits of AI development and governance.

QUESTIONS TO CONSIDER

- Can a universal global standard for cross-border data governance actually achieved, or is interoperability between different regional systems a more suitable solution?
- How should the international community value free-flowing data (supportive in innovation and smaller organization) against national data sovereignty and security?
- What are the benefits and limitations of data localization for developing countries?
- Do certain regulations better protect citizens, or do they raise costs and limit global market access?
- Should customs duties on electronic transmissions return now that the WTO moratorium has lapsed without a full consensus? What would be the impact on small businesses, consumers, and government revenue for developing countries?
- How can countries in the Global South share fairly in the value generated by data collected from their citizens and used to train foreign AI systems?
- What responsibilities do AI companies and MDCs have regarding ethical data sourcing, and regarding the workers who moderate it?
- How can this committee support the CSTD Working Group on Data Governance and other preexisting compacts/agreements without duplicating their work?
- Is it better to pursue global consensus through slow, inclusive processes, or allow for smaller coalitions of countries to move forward through interoperability?
- How should privacy and human rights protections travel with data as it crosses borders? What mechanism should AI implement in order to protect such rights?
- What capacity-building, financing, or technology transfer would help developing countries take part in the AI-driven digital economy on equitable terms?



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