

COMMISSION ON SCIENCE AND TECHNOLOGY FOR DEVELOPMENT (CSTD)

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**Submissions from entities in the United Nations system and elsewhere on their efforts in 2011 to
implement the outcome of the WSIS**

Submission by

WTO

This submission was prepared as an input to the report of the UN Secretary-General on "Progress made in the implementation of and follow-up to the outcomes of the World Summit on the Information Society at the regional and international levels" (to the 15th session of the CSTD), in response to the request by the Economic and Social Council, in its resolution 2006/46, to the UN Secretary-General to inform the Commission on Science and Technology for Development on the implementation of the outcomes of the WSIS as part of his annual reporting to the Commission.

DISCLAIMER: The views presented here are the contributors' and do not necessarily reflect the views and position of the United Nations or the United Nations Conference on Trade and Development.

Parts One and Two: Executive Summary and Overview

WTO bodies have devoted considerable discussion over the past year to issues linked to electronic commerce, the enabling ICT infrastructure and services, and the role of ICT in economic development. Such discussions help to enhance international policy coordination on trade issues relevant to a number of WSIS actions lines. The WTO activities noted below also help contribute to an enabling environment for ICT growth and the expansion of access to ICTs in world markets and among the population at large. WTO Members consider a reinvigoration of their Work Programme on Electronic Commerce, initiated in 1998, to be underway. Moreover, WTO trade ministers succeeded, by year end, in further extending the provisional WTO moratorium on customs duties on electronic transmissions. This extension was largely thanks to efforts made within the dedicated discussions on electronic commerce under the auspices of the WTO's General Council. Additional issues relevant an enabling environment for electronic commerce were the topic of discussion in the WTO Council for Trade in Services; such issues included ICT classification challenges, technological developments in financial services, and the implications of high-cost mobile roaming.

Part Three:

1. Policies, programmes and projects

a) Work Programme on Electronic Commerce¹

ACTION LINES: C7(B) E-business; C1 Promotion of ICTs for development;
C6 Enabling environment; C11 International and regional cooperation

i) Eighth WTO Ministerial Conference

At the Seventh Session of the Ministerial Conference in 2009, Ministers had decided to intensively reinvigorate the examination of issues under the Work Programme on Electronic Commerce, based on the Work Programme and guidelines given in the General Council Decision of 1998. They had instructed the General Council to hold periodic reviews and that the Work Programme shall include development-related issues, basic WTO principles including, among others, non-discrimination, predictability and transparency, and discussions on the trade treatment, *inter alia*, of electronically delivered software. They had also agreed to maintain the current institutional arrangements for the Work Programme and their current practice of not imposing customs duties on electronic transmissions until their next session.

At the their Eighth Ministerial Conference in December 2011, ministers adopted a Decision (WT/L/843) to continue the WTO Work Programme on Electronic Commerce, based on its existing mandate and guidelines and on the basis of proposals submitted by Members, including the development-related issues under the Work Programme and the discussions on the trade treatment, *inter alia*, of electronically delivered software, and to adhere to the basic principles of the WTO, including non-discrimination, predictability and transparency, in order to enhance internet connectivity and access to all information and telecommunications technologies and public internet sites, for the growth of electronic commerce, with special consideration in developing countries, and particularly in least-developed country Members. The Work Programme shall also examine access to electronic commerce by micro, small and medium sized enterprises, including small producers and suppliers.

¹Work Programme on Electronic Commerce" adopted on 25 September 1998 (WT/L/274), and pursuant to the mandate assigned by Members in the Seventh Session of the Ministerial Conference (WT/L/782)

Ministers also instructed the General Council to emphasize and reinvigorate the development dimension in the Work Programme particularly through the CTD to examine and monitor development-related issues such as technical assistance, capacity building, and the facilitation of access to electronic commerce by micro, small and medium sized enterprises, including small producers and suppliers, of developing countries and particularly of least-developed country Members. Further, any relevant body of the Work Programme may explore appropriate mechanisms to address the relationship between electronic commerce and development in a focused and comprehensive manner.

Finally, the ministers included in their Decision agreement to maintain the current practice of not imposing customs duties on electronic transmissions until our next session, which we have decided to hold in 2013.

ii) Dedicated Discussions under the auspices of the General Council

The eighth Dedicated Discussion under the auspices of the General Council relating to the Work Programme on Electronic Commerce took place this year in meetings held on 20 and 28 October and 9 and 16 November 2011. A number of informal meetings were also held. The summary prepared by the Secretariat of the issues raised at this Dedicated Discussion is contained in document WT/GC/W/644. The Dedicated Discussion reviewed the situation with respect to the Work Programme on Electronic Commerce in the context of preparations for the Eighth Ministerial Conference and to prepare a draft text on E-Commerce to be forwarded to Ministers by the General Council.

During the course of the four sessions of the eighth Dedicated Discussion, Members discussed in detail the elements of the text that would be forwarded to Ministers in December 2011 through the General Council. These discussions had, as a starting point, the draft decision contained in the submission by Cuba, Ecuador, Nicaragua, Bolivia and Venezuela in triple-symbol document WT/GC/W/635, G/C/W/650, WT/COMTD/W/179. Many Members suggested that the 2009 Ministerial Decision on electronic commerce could also be seen as a basis for taking the discussions forward.

From the outset and throughout the drafting process, all Members showed a very high level of flexibility, cooperation and willingness to work towards a consensus text. A number of delegations said the proposed draft decision by Cuba and other co-sponsors contained a number of important elements that should be reflected in the text, particularly with regard to the emphasis on development and the reference to micro, small and medium sized enterprises, including small producers and suppliers. In the context of the emphasis on development, the particular role of the Committee on Trade and Development was stressed. It was emphasised that the draft decision should succinctly capture these and other relevant points.

Emphasizing the importance of development and small-scale industries, several Members noted that the development aspects of electronic commerce were cross-cutting issues in other bodies under the Work Programme, and that the text should take account of this. On the issue of the extension of the moratorium on customs duties on electronic transmissions, most Members were in favour of an extension to the Ninth Ministerial Conference in 2013. In general, both developed-country and developing-country Members stressed the importance of electronic commerce to their economies.

iii) COUNCIL FOR TRADE IN SERVICES

The Work Programme on Electronic Commerce was placed on the Council's agenda in May at the request of the delegation of the United States. Members expressed wide support for resuming deliberations under the Work Programme and agreed that, as an initial background to the discussion, the Secretariat would prepare a compilation of elements related to the electronic supply of services drawn from the Background Notes that the Secretariat had issued on a number of sectors, modes of supply, and statistics on trade flows in services.

The Secretariat Note (contained in document JOB/SERV/78 and Corrigendum 1), was first addressed at the June meeting. On that occasion, Members agreed that, in light of the mandate contained in the Ministerial Decision on the E-commerce Work Programme of December 2009, the Chairman would produce, under his own responsibility, a Chairman's Report to the General Council of the discussions the Council for Trade in Services had had under the Work Programme. The Report is contained in document S/C/35, dated 30 June 2011.

At its September meeting, the Council addressed two new documents: a communication from the European Union and the United States (document S/C/W/338) titled "Contribution to the Work Programme on Electronic Commerce"; and a communication from the United States (document S/C/W/339) titled "Work Program on Electronic Commerce: Ensuring that trade rules support innovative advances in computer applications and platforms, such as mobile applications and the provision of cloud computing services".

(iv) Council for Trade in Goods

At its meeting on 7 November, the Council took note of the statements made by Cuba, Ecuador, Venezuela and Nicaragua on the joint draft proposal contained in document G/C/W/650 and G/C/W/650/Rev.1 and on the on-going work in the Dedicated Discussion on the Work Programme on Electronic Commerce (e-commerce) towards drafting a decision for MC8. It also took note of the statements made by the US, Australia, the EU, Argentina, India, El Salvador and the Dominican Republic on their support to the reinvigoration of the Work Programme, including in other WTO bodies and the discussions in the Dedicated Discussion in seek of a balanced and comprehensive proposal for MC8.

(v) Committee on Trade and Development

At the 83rd Session, the Committee considered a communication from Cuba, Ecuador, Nicaragua, the Plurinational State of Bolivia and the Bolivarian Republic of Venezuela titled "Effective participation of developing countries in electronic commerce as a means to combat poverty" (WT/GC/W/635-G/C/W/650-WT/COMTD/W/179, and its addendum). The Committee took note of the communication.

b) ICT Classification Issues

ACTION LINES: C7(B) E-business; C2 Information and communication infrastructure;
C6 Enabling Environment

In the GATS Committee on Specific Commitments, delegations engaged in informal discussions on classification issues, based on the Secretariat Background Notes. Four sectors were examined during the reporting period: computer and related services; telecommunication services; and audio visual services.. To facilitate the discussions, for each sector under examination, the Secretariat prepared an informal note providing an overview of relevant classification issues (JOB/SERV/39, JOB/SERV/73, JOB/SERV/76). After the discussions of each meeting, an informal, non-attributable summary was circulated to Members under the Chairman's responsibility.

c) Impact of technological developments on financial services

ACTION LINE: C7(B) E-business

At its meeting in November 2010, the GATS Committee on Financial services continued its discussion on "Impact of Technological Developments on Regulatory and Compliance Aspects of Banking and other Financial Services under the GATS", on the basis of a Background Note prepared by the Secretariat (S/FIN/W/74), as well as Members' perspectives *inter alia* on the incorporation of technology and the necessary regulatory requirements in their financial sectors. Upon a suggestion by the Chairperson, the Committee agreed that any follow up to this discussion be conducted in further detail under the agenda item on Technical Issues.

d) Dedicated discussions on International mobile roaming

ACTION LINES: C2 Information and communication infrastructure
C6 Enabling environment

At the Council meeting held in March, the delegations of Australia, Norway and the United States submitted a communication (in document S/C/W/335) containing a proposal for a workshop on international mobile roaming (IMR) and the applicability of the GATS. Though Members expressed considerable support for and interest in the proposed workshop, a few questions were raised with regard to its timing and agenda.

Following informal consultations and further discussions at the May meeting, the Council agreed that it would hold a dedicated discussion on IMR, and tasked the Secretariat to produce a Background Note on the issue. Accordingly, the Secretariat prepared the Note titled "International Mobile Roaming: Possible Implications for GATS" (contained in JOB/SERV/77, subsequently re-issued as a formal document with the symbol S/C/W/337).

The Council held a first dedicated discussion on IMR at its June meeting, using the Secretariat Note as a basis. At its September meeting, the Council also addressed an informal Note on the issue by the International Telecommunication Union, contained in document JOB/SERV/85.

2. Future actions or initiatives

WTO Members, having made various proposals and background documents made in the relevant bodies and that work on electronic commerce, confirm that the Work Program has been reinvigorated. They have demonstrated an interest in taking it forward the Work Program on the basis of the existing proposals and any other submissions that may be made subsequently. They intend that substantive work should continue in the WTO bodies relevant to the Work Programme.