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**Submissions from entities in the United Nations system and elsewhere on
their efforts in 2015 to implement the outcome of the WSIS**

Submission by

United Nations Conferences on Trade and Development (UNCTAD)

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 18th 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.

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UNCTAD and ITC inputs to the annual report of the Secretary-General to the CSTD on the implementation of WSIS outcomes during 2015

Action Line C7 (e-business)

1. EXECUTIVE SUMMARY

Activities during 2015 related to action line C7 (e-business) aimed at enhancing the international profile of e-business in relation to how it could help support the sustainable development goals. The e-business co-facilitators, UNCTAD, ITC and UPU, jointly contributed to the WSIS Forum 2015 in addition to their own work to build capacity and raise awareness of the relevant stakeholders, as well as guide policy makers in establishing an enabling environment for inclusive e-business. The year was marked by significant progress in developing methodology to measure sex-disaggregated data on the information economy, and on measuring international trade in ICT services and ICT-enabled services. One of the main obstacles to progress in inclusive e-business and e-commerce for developing countries continues to be the difficult access to international markets, including due to a digital divide, a deficient framework to ensure easy and secure payments, logistics, and a lack of e-commerce skills in SMEs. There is also a deficit of official statistics to help formulate and evaluate related policies.

2. ANALYTICAL OVERVIEW

A. Achievements

ITC, UNCTAD and UPU jointly organized an action line facilitation meeting on e-business during the WSIS Forum 2015, focusing on how actions related to e-business may contribute to achieving the SDGs, in particular six goals (1, 2, 5, 8, 9 and 17) and nine targets. The meeting identified priorities for the e-business action line beyond 2015 so that e-business can become more inclusive and sustainable. Main areas highlighted during the meeting were: public-private partnerships, the use of appropriate technologies to strengthen all parts of the value chain, the taking into account of local requirements, and the role of a strong ICT sector in generating youth employment and innovation, and e-commerce. Efforts to promote e-business should be embedded in broader ICT and development strategies.

E-commerce was the focus of the UNCTAD *Information Economy Report 2015*, which provided guidance to countries in order to unlock the potential of e-commerce. The UNCTAD report calls for policies that can help to harness e-commerce for sustainable development. Key policy areas include the development of ICT infrastructure, logistics and trade facilitation, the legal and regulatory environment, e-payments, and platform and skills development in combination with an enabling international environment. To ensure smooth and fair e-commerce, international cooperation may need to pay special attention to international trade rules, taxation and capacity-building.

Following the recommendations of a 2014 assessment of gender and ICT statistics by the Partnership on Measuring ICT for Development, UNCTAD and ILO developed a technical note on the status of sex-disaggregated ICT employment statistics, data availability and challenges on measurement and

compilation. Sex-disaggregated indicators of employment in the ICT sector and employment in ICT specialist occupations will help clarify gender disparities in ICT employment (how many women at the higher skill level in ICT occupations?), ICT skills (how competitive are women in the marketplace), and entrepreneurship. Improved availability of sex-disaggregated ICT data on access to, use of and impact of ICT will inform national policy and measure progress towards SDG 5. The Partnership on Measuring ICT for Development also conducted a wide consultation throughout 2015 to develop methodology to measure international trade in ICT services and in ICT-enabled services (see section 3, below).

In the area of ICT and law reform, UNCTAD continued to build capacity aimed at creating a more enabling environment for e-commerce. An Expert Meeting on Cyberlaws gathered more than 250 delegates from 70 countries - as well as high-level experts from academia, international organizations, civil society and the private sector - that reviewed legal frameworks and shared experiences on cyberlaw. The meeting identified best practices and recommended ways to enhance domestic and cross-border e-commerce through regulatory frameworks.¹ A regional workshop for ECOWAS countries in March 2015 discussed harmonized legislation on e-commerce and ways to facilitate national implementation, and was followed by the publication of a comparative study on e-commerce legislation for the region. Another regional workshop for the Anglophone Caribbean in September 2015 discussed the challenges for implementing and enforcing legal frameworks linked to e-transactions, cybercrime, data protection, the protection of consumers online, intellectual property rights and online content. Finally, the Global Cyberlaw Tracker is a new resource to map legislation that facilitates e-commerce (see section 3, below).²

Work continues in the deployment of ICT solutions for rural SMEs. In Fiji, for example, ITC has collaborated since 2014 with a private sector association, the Fiji Crop and Livestock Council (FCLC) and the Ministry of Agriculture of Fiji, to assist farmers with better information about crops and markets. During 2015 the project helped to register the details of 7,000 farmers, including related to their geolocation. The data can be viewed online. Mobile-based services that are delivered through this CRM platform include “Agritips” on specific topics and “mAlerts” on, for example, Tikina, crop interests, land size and harvest time. The “mPolling” service, an SMS surveying tool to ask large numbers of people about their needs, helps to align corresponding support. All services are reachable via an easy-to-remember short code (1122). ITC also helped the Ministry of Agriculture to modernize its price data collection in key markets on the main island, to have price data in real time.

B. Obstacles

Building on the observations of the UNCTAD *Information Economy Report 2015*, ITC interviewed business owners of SMEs in African countries to understand how they are experiencing barriers to accessing international markets through digital means. The study is to be finalized by the end of 2015. The main findings include:

- Receiving payment is more difficult than perceived

¹ <http://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=955>

² http://unctad.org/en/Pages/DTL/STI_and_ICTs/ICT4D-Legislation/eCom-Global-Legislation.aspx

- An infrastructure deficit hampers efficient logistics
- Socio-political concerns loom in the background
- Digital divides remain

These obstacles are relevant to African countries as well as other developing regions. The infrastructure deficit is particularly difficult for landlocked countries.

Another barrier to trading online is the lack of e-commerce skills. To help overcome this, ITC is building the capacity of SMEs directly. For example, in a project with the World Bank, ITC is coaching SMEs in Tunisia, Morocco and Jordan to promote their products on existing virtual marketplaces. Coaches will accompany 600 SMEs over the next two years. Support during 2015 focused on product selection and preparation for appropriate market places, and on uploading inventory to online channels. ITC is currently studying additional applications of this approach, including setting up platforms for marketing and selling services and B2B products.

There is a lack of official statistical data that could help developing countries understand how enterprises use ICTs and to gauge the magnitude of domestic and cross-border e-commerce. Such data are needed to formulate policies to enhance inclusive e-business and e-commerce, and to evaluate their impact.

3. INNOVATIVE POLICIES, PROGRAMMES AND PROJECTS

- Measuring trade in ICT services and ICT-enabled services

UNCTAD continued developing methodology for measuring cross-border trade in ICT services and ICT-enabled services in collaboration with the Partnership on Measuring ICT for Development. The aim is to help countries produce official statistics in an area that is generating significant new opportunities to participate in knowledge-intensive, and higher-value added, segments of global value chains. These services are intrinsic to e-business and e-commerce. The work includes a proposed complementary grouping for ICT services and ICT-enabled services that is being considered by the UN Statistical Division Expert Group on Classifications. Progress on this work will also be presented at the UN Statistical Commission in 2016.

- The Global Cyberlaw Tracker

UNCTAD developed a new global database with existing laws in the areas of e-transactions, cybercrime, data protection and consumer protection, mapping these laws to highlight progress made and remaining gaps at the global, regional, and national levels. The mapping was launched in March 2015 with the *Information Economy Report 2015: Unlocking the Potential of E-Commerce for Developing Countries*, and is available online.³ Contributors to the database include academics, the Commonwealth Secretariat, the Council of Europe, ITU, UNCITRAL, UNESCWA, UNODC and the World Bank. The data will serve as a valuable resource for further research on the implementation and enforcement of relevant laws and on facilitating cross-border e-commerce.

³ http://unctad.org/en/Pages/DTL/STI_and_ICTs/ICT4D-Legislation/eCom-Global-Legislation.aspx

- The UNCTAD B2C e-commerce readiness index

The new UNCTAD B2C E-commerce Index was launched in March 2015 with the *Information Economy Report 2015* and draws on data on Internet use, secure servers, credit card penetration and postal delivery.⁴ Assessing e-commerce readiness can serve as a first step towards formulating a national e-commerce strategy. The Index allows countries to identify their relative strengths and weaknesses and apply measures to improve the enabling environment for e-business and e-commerce.

- Overcoming barriers to trading on virtual market places

ITC implemented a prototype for an e-commerce platform (“e-mall”) in Côte d’Ivoire, beginning with vendors of fashion and decorative items, enabling small enterprises to sell online for the first time. Key barriers to sell in Europe were overcome by the integration of an online payments solution, logistics processes, fiscal representation to cover duties and taxes, and the establishment of an e-commerce fulfillment center in Europe. The platform is linked to major market places, such as eBay and Facebook, allowing SMEs to manage listings and logistics on many sites, all from one place.

- Enabling the ICT enabled service providers in Kenya and Uganda to sell through digital channels

The ICT services sector is a priority for several East African governments. Local SMEs already provide some contract services in international markets but most often through intermediaries who take a high percentage of the final price to end customers. In order to enable African enterprises to engage in contracts directly, ITC has helped vendors to set up an incorporated institution in the United States, which acts as a share entity for contracting and financial remittances.

4. FUTURE ACTIONS OR INITIATIVES

UNCTAD will continue its statistical methodology work to improve information economy (including e-business and e-commerce related) statistics in collaboration with the Partnership on Measuring ICT for Development. It will also continue its research work on current trends in the information economy that are relevant to developing countries, with the aim of supporting policies that integrate e-business and e-commerce in the achievement of the sustainable development goals. UNCTAD will continue supporting countries in their efforts to adapt their legislation to e-commerce and towards regional harmonization of cyberlaws. UNCTAD will update its e-commerce readiness index and the Global Cyberlaw Tracker on a yearly basis with inputs from other stakeholders.

To enable the IT enabled service providers in East African countries to sell through digital channels, ITC is working with these sector associations in several countries to create a shared portal that will enable simplified transactions for IT enabled services between them and the United States and Europe.

⁴ <http://unctad.org/ier>