

**COMMISSION ON SCIENCE AND TECHNOLOGY FOR DEVELOPMENT
(CSTD)**

**Twenty-third session
Geneva, 23 to 27 March 2020**

**Submissions from entities in the United Nations system, international
organizations and other stakeholders on their efforts in 2019 to
implement the outcomes of the WSIS**

Submission by

International Trade Centre,
United Nations Conference on Trade and Development
and
Universal Postal Union

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 23rd 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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WSIS 2019 : C7 EBUSINESS ACTION LINE

Inputs by co-facilitators International Trade Centre (ITC), United Nations Conference on Trade and Development (UNCTAD), and Universal Postal Union (UPU)

NOVEMBER 2019

Part One: An **executive summary** (half a page) of activities undertaken by all stakeholders, progress made, and any obstacles encountered.

Activities during 2019 related to action line C7 (e-business) aimed at expanding the benefits of information and communication technology (ICT) enabled services for trade in developing countries. During the WSIS Forum, the co-facilitators discussed how digitalization and e-business can contribute to the formalization of small and medium-sized enterprises (SMEs). Through their technical assistance work, they replied to requests from countries to build the capacity to leverage e-commerce and the digital economy for development.

ITC continued its work to support SMEs in developing countries to engage in digital entrepreneurship, support women in digital trade, and leverage technology for trade facilitation. UNCTAD hosted multistakeholder discussions at its E-Commerce Weeks on how digitalization has globally transformative impacts on the way we live, work and develop our economies, and continued to help developing countries assess their readiness to engage in digital trade and integrate the evolving digital economy at the global level. UPU continued its programmes to modernize and transform public postal infrastructure to support the unconnected and introduce new ICT enabled services at the national level that increase digital inclusion, financial inclusion, trade inclusion for citizens and micro, small and medium enterprises (MSMEs).

Part Two: A brief (1–2 pages) **analytical overview of trends and experiences** in implementation at the national, regional and international levels and by all stakeholders, highlighting achievements and obstacles since WSIS and taking into account the follow-up and review of the 2030 Agenda for Sustainable Development. This could include information on the facilitation process of implementation, monitoring and cooperation among stakeholders.

Trends in the digital economy and e-commerce

The UNCTAD Digital Economy Report 2019 found that the digital economy has led to the creation of enormous wealth that is concentrated in a few countries, companies and individuals. The Report examines the scope for value creation and capture in the digital economy by developing countries, notably with regards to entrepreneurship, data, trade, competition, taxation, intellectual property and employment. Developing countries must find opportunities to take advantage of the data-driven economy as producers and innovators.

Consumer trust online continues to be a barrier to e-commerce adoption. As at October 2019, the UNCTAD Cyberlaw Tracker showed that 79% countries had e-transaction laws and 72% had cybercrime laws, but only 58% had privacy laws and 52% had consumer protection laws adapted to e-commerce. In addition,

an UPU Cybersecurity Readiness Survey showed there is a need to establish a formal national cybersecurity programme for Posts.

E-commerce has become a key driver of innovation, competitiveness and economic growth. Global e-commerce sales grew 13% in 2017, hitting an estimated \$29 trillion, according to numbers released by UNCTAD in March 2019. While business-to-business (B2B) e-commerce accounted for 88% of all online sales, business-to-consumer (B2C) saw the most growth, increasing by 22% to reach \$3.9 trillion in 2017. The number of online shoppers grew by 12% and stood at 1.3 billion people, or one quarter of the world's population. Key findings of a survey of postal consumers in 41 countries across all regions showed that shopping on smartphones had risen sharply in the past two years. Although most internet buyers purchased goods and services from domestic vendors, the share of those buying from abroad rose from 15% in 2015 to 21% in 2017.

Recent trends also include the development of digital postal services. The UPU report "The digital economy and digital postal activities – a global panorama" shows that over 90% of postal operators provide digital services, while 73% have increased their investments in such services. However, 56% of those questioned are doubtful their investment is sufficient to ensure full deployment of digital services. The report found that greater access to finance to enhance this public infrastructure is needed, and that manual customs processes were a significant barrier to cross-border e-commerce. Greater investment in automation of customs processes should increase the efficiency of cross border movement of parcels and small packets.

Supporting the development of e-commerce readiness in developing countries

There is a growing interest from developing countries to assess their readiness to engage in e-commerce. The UNCTAD Rapid eTrade Readiness Assessments help countries identify opportunities in e-commerce and barriers, and recommend policy measures. As at October 2019, 18 Rapid eTrade Readiness Assessments had been completed, and have shown that least developed countries (LDCs) are inadequately prepared to capture the opportunities of digitalization. Given the cross-cutting nature of e-commerce, better synergies and cooperation between development partners and governments must accompany the implementation of the recommendations contained in the assessments. In addition, a number of countries have requested UNCTAD to assist with the development of national e-commerce strategies. Furthermore, an UPU project on Operational Readiness for E-commerce has delivered technical assistance to 27 postal operators to optimize their e-commerce activities, through numerous onsite missions, training workshops, and procurement of equipment in African and Arab countries, Latin America and the Caribbean region, and Asia.

Rwanda is an example of a country taking concrete actions to improve its e-commerce readiness. In addition to drafting a national e-commerce strategy with UNCTAD, it has benefited from ITC work to launch a new e-commerce marketplace (platform) for domestic and international trade. The ITC project is accompanied by a dedicated e-Commerce Service Centre in Kigali that combines services such as storage and fulfilment, consolidation of shipments for transport, packaging and photography, and training and showcases for local products. Logistics services have been improved, including work with the Rwanda Post Office to develop logistics solutions and innovate last mile delivery with local partners.

Policy briefs, guides, and online resources have also been developed by the co-facilitators and offered to all stakeholders looking for ways to leverage e-commerce. For example, the UPU E-commerce Guide assists countries in modernising postal e-commerce business models, delivery services and tools; it consolidates all UPU-provided capacity building and technical assistance related to e-commerce, including ICT tools to support e-commerce. The eTrade for all platform also offers access to development solutions from UNCTAD, UPU, ITC and more than 20 other Partners for developing country stakeholders.

Need for more and better data on the digital economy

Given the shortage of relevant statistics and empirical evidence from developing countries, as well as the rapid pace of technological change, decision-makers face a moving target when trying to adopt sound policies relating to the digital economy. There is an acknowledgement that e-commerce impacts enterprise performance and it increasingly contributes to the global economy, so there is growing interest to measure SME e-commerce use and growth. In response to this need, UNCTAD is holding the first meeting of a Working Group on Measuring E-Commerce and the Digital Economy in December 2019. The Working Group aims to advance cooperation on these issues and enhance the availability, quality, comparability, and relevance of statistics concerning e-commerce and the digital economy, with a view to supporting policymaking, especially in developing countries. Survey-based data should be complemented by other sources; for example, the UPU 2019 Integrated Index for Postal Development relies on big data generated by postal item tracking events. The index is also part of the UNCTAD B2C e-commerce index in which countries are ranked based on their e-commerce readiness.

Part Three: A brief description (1–2 pages) of:

(a) **Innovative policies, programmes and projects** which have been undertaken by all stakeholders to implement the outcomes. Where specific targets or strategies have been set, progress in achieving those targets and strategies should be reported.

Digital entrepreneurship, women and refugees

Digital entrepreneurship will accelerate the digital transformation of developing regions, which will be a key driver for the implementation of the Sustainable Development Goals. In this context, ITC has been supporting tech entrepreneurs in Uganda, Senegal and The Gambia since early 2018, and launched the “Fast Tracking Digital Entrepreneurship in Africa” initiative which aims to build entrepreneurial-driven ecosystems in 7 sub-Saharan countries (Mali, Ivory Coast, Benin, Tanzania, Ethiopia, Rwanda and Zambia), supporting the growth and internationalisation of 200 tech start-ups and 2000 entrepreneurs. The co-facilitators of the C7 e-business action line are also active Partners in the eTrade for all initiative (etradeforall.org), which facilitates interactions among all stakeholders, including digital entrepreneurs, to build local capacities to engage in and benefit from e-commerce.

Women and refugees have received particular attention from programmes to help include them in e-commerce and the digital economy. As part of the eTrade for all initiative, the eTrade for women network

was launched in 2019 aiming at making women digital entrepreneurs a force for inclusive wealth creation by leveraging the work and visibility of a selected group of leading women digital entrepreneurs from developing regions. The ITC SheTrades initiative has connected women entrepreneurs in Viet Nam, Mexico, and the United Arab Emirates to global markets through a network and platform, increasing their visibility. SheTrades also helps corporations to include more women entrepreneurs in their supply chains. Through the EQUALS Global Partnership, ITC also supports leadership training of women in the digital workforce, also connecting them to investors, funding, and role models. For example, ITC has supported 200 women-led businesses in Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama to export their handicrafts through e-commerce channels, including international B2C marketplaces, as well as to optimize their websites and social media strategy.

The Refugee Employment and Skills Initiative (RESI) at ITC works to connect refugees and internally displaced persons to work opportunities as online freelancers. In various locations in Kenya, Palestine and Jordan, the RESI identifies motivated youth, builds their skills, and fosters market linkages in online work platforms or with clients seeking remote work services. A remote mentorship programme is also being tested in refugee camps in Kenya, with plans to expand it to internally displaced groups in Somalia. RESI helps refugees navigate the legal procedures for freelancers to open bank accounts and receive appropriate identification documents. A partnership with Upwork allowed refugees to access the work platform with identification cards issued by UNHCR.

Digital technology for trade facilitation

ICT can promote trade facilitation by improving operational efficiency, cutting costs and creating further economic opportunities. A number of trade facilitation agreement (TFA) measures encourage the use of ICT to address bottlenecks and to reduce waiting times for traders. For example, to improve transparency, the TFA requires governments to make certain trade information public and easily accessible. ITC in collaboration with UNCTAD has established Trade Facilitation Portals in 10 countries that provide online step-by-step guidance on how to successfully comply with the regulatory and procedural requirements of an import, export or transit transaction. These portals reduce the time and cost invested by traders and especially SMEs to obtain trade information and minimize the risk of shipment delays at the border due to non-compliance with import/export requirements.

Through its Ecom@Africa project, UPU is also leveraging digital technology to facilitate trade. By improving the access of MSMEs to local and international markets and by simplifying import and export procedures, UPU aims to develop e-commerce through the African postal network. Côte d'Ivoire and Ethiopia recently signed formal agreements to launch e-commerce hubs, and Tunisia laid the foundation of its Ecom@Africa fulfilment hub in March 2019. In Tunisia, the UPU's Customs Declaration System (CDS) is being installed to support paperless trade interactions between Post and Customs authorities, and Tunisia Post will use the UPU's e-commerce interface between postal operators and their commercial partners to automate orders, payments, shipments, customs clearance, and deliveries. The CDS supports country implementation of TFA measures on Single Window, Acceptance of Copies, Pre-Arrival Processing, Advance Rulings for postal

items. The UPU and UNCTAD are collaborating to implement an interface between their customs declaration and customs automation systems.

(b) **Future actions or initiatives to be taken**, regionally and/or internationally, and by all stakeholders, to improve the facilitation and ensure full implementation in each of the action lines and themes, especially with regard to overcoming those obstacles identified in Part Two above. You are encouraged to indicate any new commitments made to further implement the outcomes.

Moving forward, ITC will be looking at synergies between technology, trade facilitation, trade policy and quality standards to provide an integrated approach to the supply chain, in order to resolve obstacles to trade and directly impact selected value chains. UNCTAD will be discussing the policy implications of digital platforms and value creation in developing countries, with a view to issuing recommendations to countries. The UPU is implementing a digital transformation and diversification project to accelerate the deployment of ICTs in the postal industry, identifying countries and areas where the potential of ICTs and e-services have not been yet fully exploited.

To enhance the inclusion of MSMEs in trade through e-commerce, the postal channel needs to be integrated into national and international trade programs. This requires increased coordination efforts between trade implementation agencies to ensure integration of digital platforms for all stakeholders.

In terms of commitments, donors need to step up collective efforts to help developing nations harness the power of the digital economy. Only 1% of all funding provided under what are known as Aid for Trade programmes is currently allocated to ICT solutions. Similarly, multilateral development banks are investing just 1% of their total spending on ICT projects, only about 4% of which is being spent on policy development, work that is critical if digital economies are to be well regulated. If left unaddressed, current divides are set to widen further, exacerbating existing inequalities. This calls for more attention to the digital dimension in the context of development cooperation strategies of both public donor agencies and their private sector counterparts. An UNCTAD mapping of efforts by development partners to support development gains from digitalization showed that while a number of agencies and institutions have relevant strategies in this area, few have assigned clear funding to them and there is yet little knowledge to date about their impacts. The research found that, where donors have dedicated funding to digital solutions, this has clustered around health (SDG 3), education (SDG 4), decent work and economic growth (SDG 8) and industry and infrastructure (SDG 9), while other areas appear to have attracted relatively little attention.

The UPU Financial Inclusion Technical Assistance Facility (FITAF), with support from the Gates Foundation and Visa, provides technical and financial resources to national postal operators to deepen the digitization of postal financial services by leveraging technology (mobile, cards, apps, etc.) to offer more relevant and accessible financial services to meet the needs of unbanked individuals and small businesses. In 2019, the UPU assisted nine Postal operators in Africa, Asia and the Pacific in building mobile solutions for payment, savings and insurance services supporting MSME and e-commerce. Further calls for projects will be

launched, so that by the end of 2020, the UPU will have supported 20 digital postal financial services projects.

Governments of developing countries have significant interest in digital technologies that have the potential to revolutionise production, global supply and value chains, and consumption, such as additive manufacturing, blockchain and artificial intelligence. Some developing countries are hesitant to engage in negotiations on e-commerce at the WTO, unsure about how to deal with “digital transmissions”, or whether to tax digital trade. On the other hand, blockchain-based platforms are being considered to enhance trust and identity services in the digital space. More study is required on the projected impacts of e-commerce and the digital economy and the capacities of policy makers and the private sector to consider these issues needs to be built further. The CSTD might consider looking at how efforts to engage with policymakers can be supplemented by studies and workshops examining the impact of emerging technologies for the benefit of developing and least developed countries.