

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

UNCTAD



MULTI-YEAR EXPERT MEETING ON TRADE, SERVICES AND DEVELOPMENT

Fourth Session

Geneva, 18–20 May 2016

Unlocking the Potential of E-commerce for Developing Countries

SESSION # 3



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Cécile BARAYRE
Economic Affairs Officer
ICT Analysis Section, UNCTAD



Unlocking the Potential of E-commerce for Developing Countries

Cécile Barayre

(cecile.barayre@unctad.org)

Economic Affairs Officer, ICT Analysis Section, UNCTAD

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Regulatory frameworks and e-commerce at UNCTAD

- Research and data analytics:
 - the *Information Economy Report* 2015 on E-commerce featuring Global Cyberlaw Tracker and B2C E-Commerce Index 2016
 - Study on Data Protection regulations and International Data Flows: Implications for Trade and Development (2016)
 - Comparative reviews of E-Commerce Legislation (2016: ECOWAS and Latin America; upcoming: The Caribbean)
- Capacity building in three key domains:
 - *E-Commerce and Law Reform*
 - *Measuring the information economy*
 - *ICT Policy Reviews - E-Commerce strategy assessment*
- Forum for multi stakeholder-dialogue: eg. E-Commerce Week



Wider scope for **INCLUSIVE** e-commerce

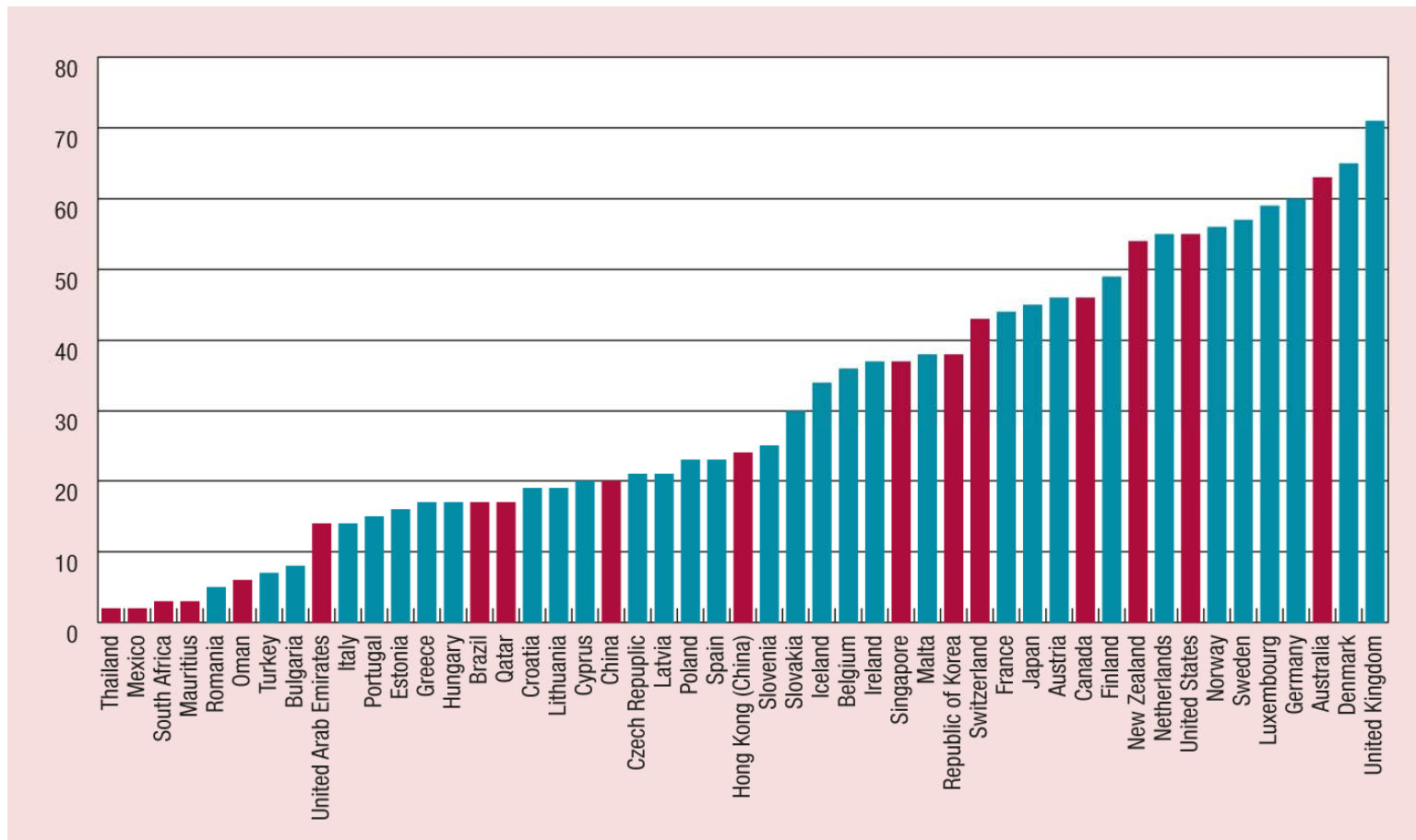
- Beginning of the digital era → both opportunities and challenges
- Goods and services increasingly traded online
- E-commerce is crucial for SMEs (B2B and B2C) to
 - access new markets (domestic and exports)
 - participate in value chains
- Expanding opportunities as a result of:
 - Improved ICT connectivity
 - New e-commerce services and platforms and payment solutions
 - Rise of e-commerce companies in developing countries





...but e-commerce divide is still huge

Share of individuals purchasing online 2013



Source: UNCTAD, based on Eurostat, ITU and national data (in red).



Many barriers to e-commerce uptake

Urgent need for capacity-building and assistance

- Limited use of the Internet among businesses and consumers
- Lack of awareness among governments and regulators
- Concerns about possible adverse effects
- Insufficient access to affordable ICT infrastructure
- Inadequate trade logistics and facilitation
- Lack of security and trust in online transactions
- Inadequate online payment facilities
- Lack of trade finance
- Limited e-commerce skills among enterprises
- Absence of statistical data on e-commerce
- Weak legal and regulatory frameworks

Lack of security and trust in online transactions

- Level of trust in online activities is declining - new 2016 CIGI-Ipsos Global Survey on Internet Security and Trust
- According to UNCTAD's Cyberlawtracker:
 - 75 % of countries with an e-transaction law
 - ✓ Out of 146 countries with an e-transactions law, 29 have adopted technology-specific laws
 - < 50 % of countries with a data protection Law
 - 70 % with cybercrime legislation
 - 50% of countries with a law protecting consumers online
- Issue of compatibility among various legal regimes



Origin of the Aid for eTrade initiative

- Information Economy Report 2015
- Suominen, K. (2014). *Aid for eTrade: Accelerating the E-commerce Revolution in the Developing World*
- FES/UNCTAD workshop on Aid for eTrade (February 2016)
 - Representatives from governments, e-commerce companies and international organizations produced a **Call for Action** submitted to multi stakeholders consultations



WORLD BANK GROUP



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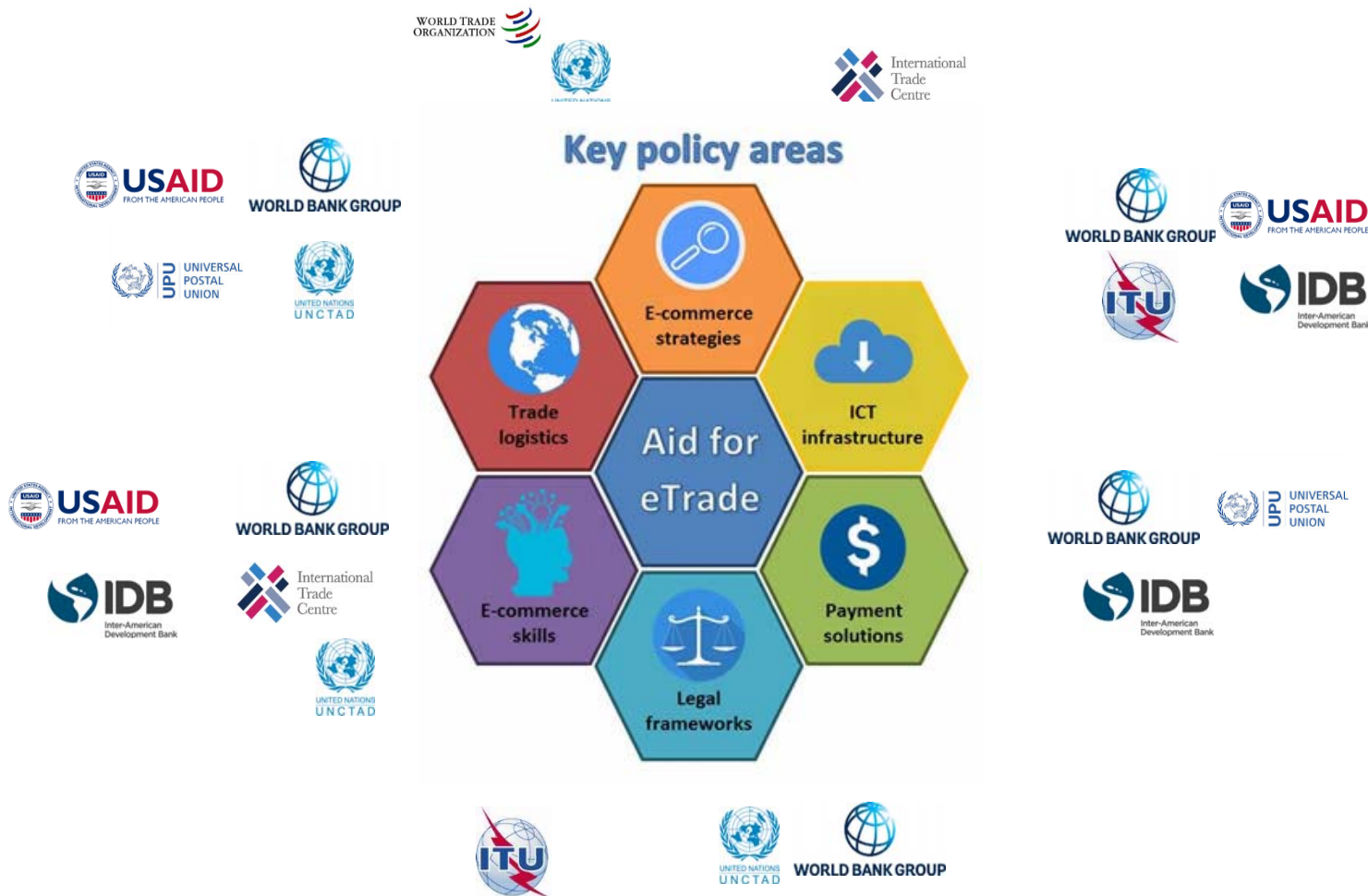


We are not starting from scratch...

Key policy areas



...but current efforts are non-transparent,
fragmented and of insufficient scale



Purpose and scope of Aid for eTrade

- Multi-stakeholder initiative among public and private parties who can contribute to achieving significant improvements in the ability of countries to use and benefit from e-commerce, by:
 - raising awareness of countries' unique opportunities, challenges and constraints to e-commerce;
 - mobilizing and rationalizing available financial and human resources for the implementation of projects that would address those challenges and constraints; and
 - strengthening coherence and synergies among partner activities to further the use and gains from e-commerce in developing countries.



Creating synergies through collaboration

- Developing innovative development solutions to catalyze e-commerce
- Pooling capabilities leveraging each partner's strengths
- Developing joint and complementary initiatives
- Preparing joint studies, surveys and knowledge products
- Drawing on private sector inputs and promoting PPPs
- Sharing data related to e-commerce
- Project evaluation and monitoring to assess “what works”



Organization

- Role of all Partners
 - Respond to requests for assistance
 - Engage in collaborative projects as appropriate
 - Foster innovative thinking and idea generation
 - Further rigorous analysis e-commerce development
 - Discuss and define common goals
 - Monitor progress and report annually to donors and partners
- Role of UNCTAD:
 - Set up and manage a portal on available e-commerce assistance
 - Convene regular meetings among all partners
 - Map demand for assistance in developing countries
 - Map projects of Partners in support of e-commerce
 - Help countries find assistance, as appropriate



Private Sector Advisory Council

- To facilitate the public-private dialogue
- Comprising e-commerce platform companies, payment providers, logistics firms, IT infrastructure companies and private foundations from developing and developed economies.
- Regular calls to discuss gaps and challenges, share ideas and unlock new e-commerce markets
- Share research and thinking
- Polled annually on the state of e-commerce.
- Mechanism to engage the private sector when discussing observed problems to e-commerce and possible solutions.



Next steps

- May-June
 - Develop MoU among partners
 - Establish Private Sector Advisory Council
 - Develop project documents with logical frameworks
 - Explore interest among donors
- 18-22 July
 - Official launch of Aid for eTrade @ UNCTAD14





THANK YOU!

Unctad.org/ICT4D

unctad.org/cyberlawtraker

unctad.org/Data-Protection-Study

<http://unctad.org/ier>