Unlocking the Potential of E-commerce for Developing Countries

SESSION # 3

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Regulatory frameworks and e-commerce at UNCTAD

• Research and data analytics:
  – 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

Source: unctad.org/cyberlawtracker and UNCTAD based on UNCITRAL data, 2015.
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
We are not starting from scratch...
...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!

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unctad.org/cyberlawtrakser
UNCTAD.org/Data-Protection-Study
http://unctad.org/ier