



Aid for eTrade

a collaborative effort to
Unlock the Potential of E-commerce for
Developing Countries

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Open Consultation Day
UNCTAD E-Commerce Week

Geneva, 21 April 2016



E-Commerce, Trade and Development

- Beginning of the digital era
- 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 platforms and solutions
 - Rise of new e-commerce companies in developing countries
- Transformational → both opportunities and challenges



Implications of E-commerce

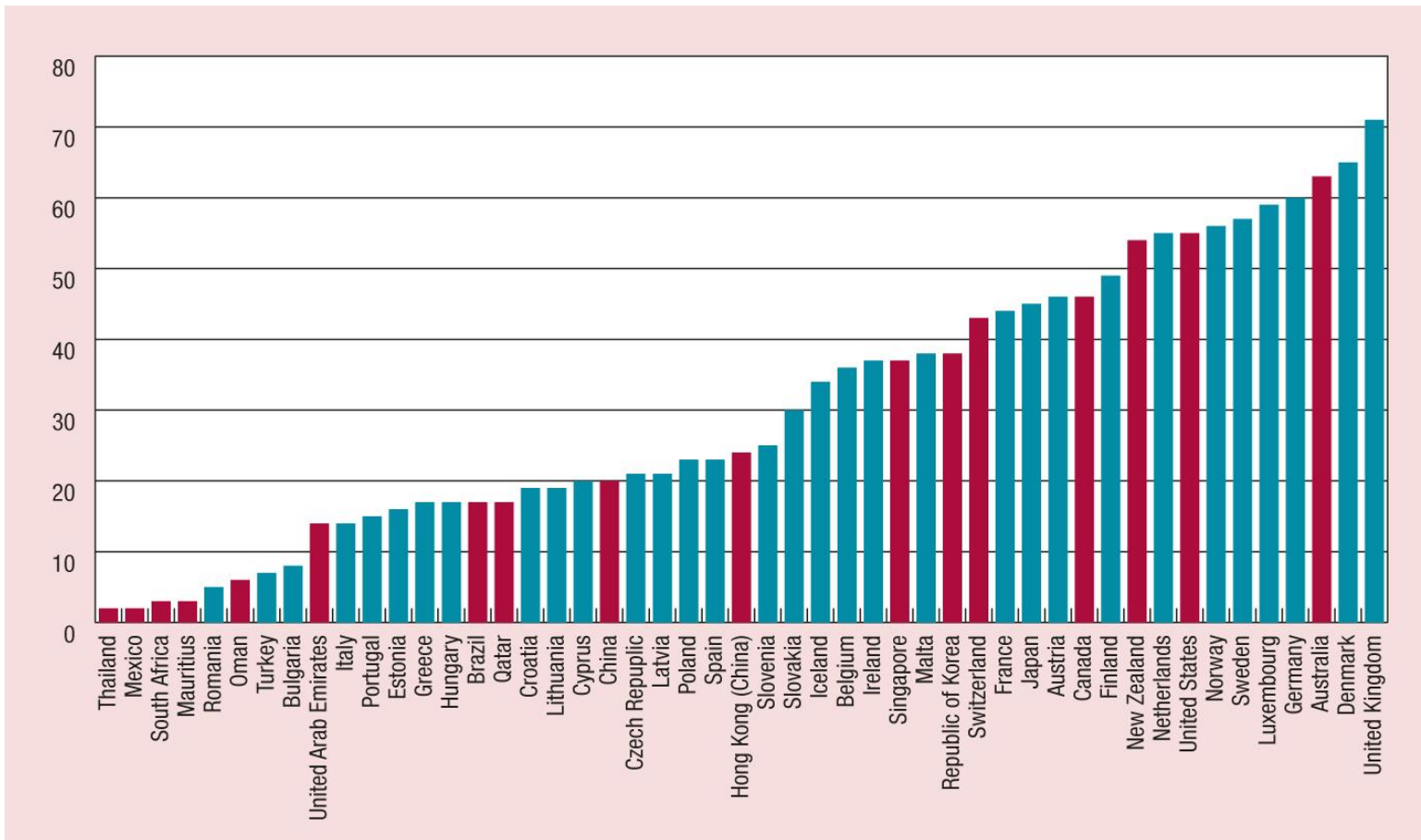
- Access global value chains
- Access to markets/exports
- Access to suppliers/imports
- Higher productivity
- More competition
- Greater consumer choice
- Job creation
- Risk of fraud
- Costs of adaptation
- Risk of crowding out
- Risk of losing tax revenue
- Risk of job losses
- Risk of widening divides





...but e-commerce divide is still huge

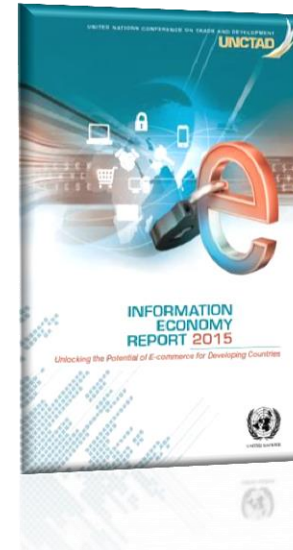
Share of individuals purchasing online 2013



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

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***





Aid for eTrade Workshop

participants from private sector and International Org's



WORLD BANK GROUP



UNITED NATIONS
UNCTAD



UPU UNIVERSAL
POSTAL
UNION

WORLD TRADE
ORGANIZATION



USAID
FROM THE AMERICAN PEOPLE



IDB

Inter-American
Development Bank



itfc

International
Islamic Trade
Finance Corporation



Delivery To Your Door



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



Key policy areas

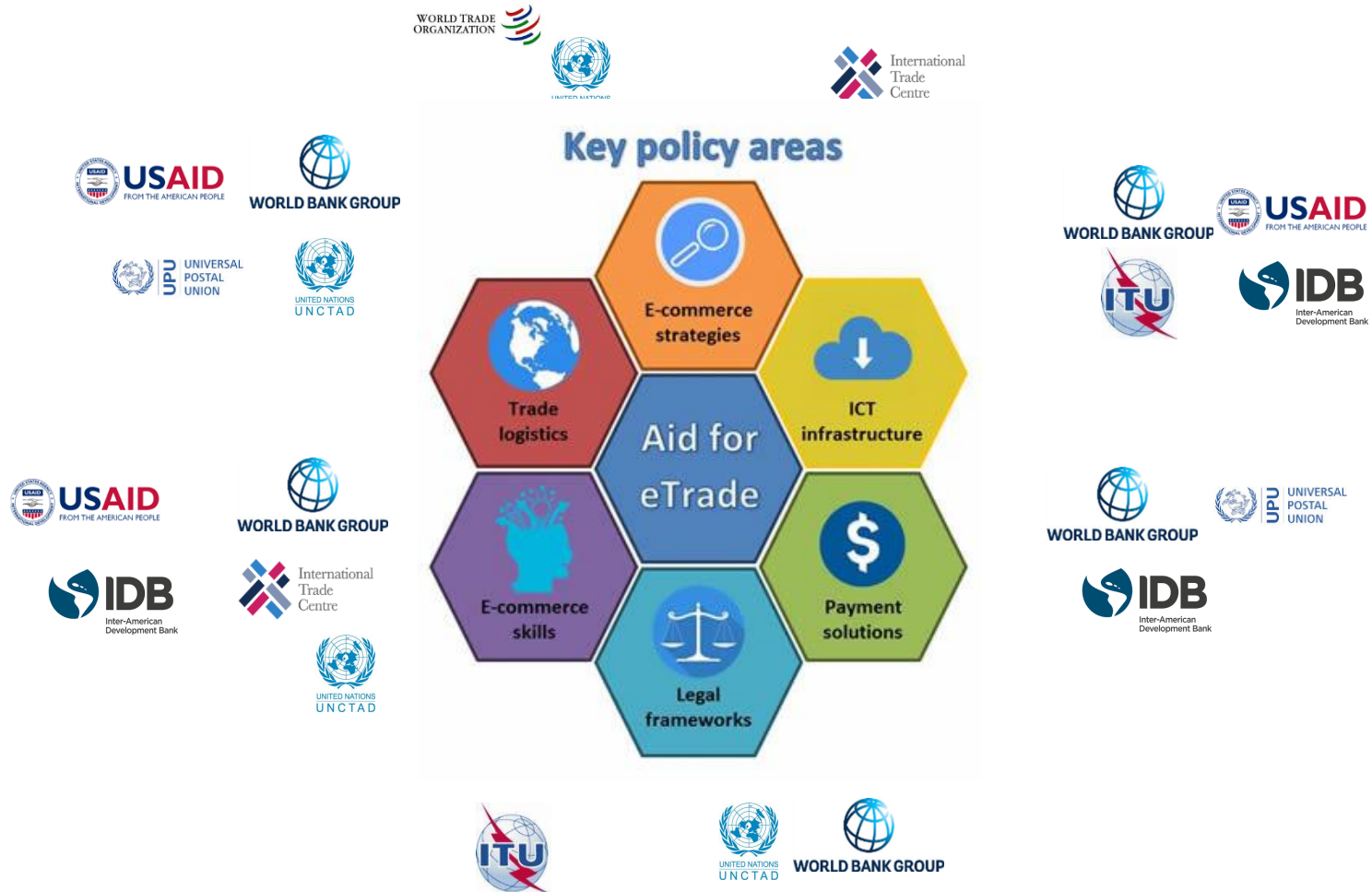


We are not starting from scratch...

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.



Link to Agenda 2030 for Sustainable Development

- Aid for eTrade is a concrete illustration of how to leverage ICTs for sustainable development
- Target 5.b
- Targets 9.1-9.3
- Target 17.11



THE GLOBAL GOALS
For Sustainable Development



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”



Basic principles

- Demand-driven and bottom-up
- Emphasis on synergies and avoiding duplication of work
- Focus on building local knowledge and capacity
- Gender sensitive
- Data and facts-driven
- Performance assessed through results-based management
- Long-term viable impact is the goal, solutions and interventions remain effective after end of intervention



Organization

- 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
- 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



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.



Open Consultation with Stakeholders

- 11 written submissions
 - 4 from member States
 - 4 from the private sector and civil society
 - 3 from international organizations
- More than 30 stakeholders have requested to make a statement today
- At an earlier stage, some 20 written contributions were received in response to a Draft Call for Action



Issues raised in comments

- Express support for the initiative
- Recognize development potential of e-commerce
- Recognize need to scale up, refocus and prioritize aid resources to help developing countries fulfill potential
- Ensure access to affordable ICT devices and infrastructure
- Digitize and improve the logistics infrastructure
- Labour protection
- Role of encryption technology
- Tackle online fraud
- Digital competencies in vulnerable groups.



Issues raised in comments (cont.)

- Mitigate possible adverse impacts of e-commerce
- Add on identity management and trust services
- Thorough needs-assessments
- Data, research and more robust economic approaches to projects and assessments
- Clarify focus and coverage
- Clarify UNCTAD's specific role
- Budgetary and personnel implications
- Link to UNCTAD14



Next steps

- 21 April Open Consultations Day
 - Comments from all stakeholder groups
- May-June
 - Develop MoU among partners
 - Develop Private Sector Advisory Council
 - Develop project document with log frame
 - Explore interest among donors
- 18-22 July
 - Official launch of Aid for eTrade @ UNCTAD14



THANK YOU!