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**Submissions from entities in the United Nations system and elsewhere on
their efforts in 2017 to implement the outcome of the WSIS**

Submission by

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 21st 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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REPORT ON IMPLEMENTATION OF WORLD SUMMIT ON THE INFORMATION SOCIETY OUTCOMES

BY UNIVERSAL POSTAL UNION (UPU)

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1. EXECUTIVE SUMMARY

Activities during 2017 related to action line C7 (e-business) aimed at increasing awareness, expanding the use of ICT-enabled market analysis tools and enhancing the international profile of relevant issues. UNCTAD, ITC and UPU jointly contributed to the WSIS Forum 2017 and its open consultation process, as well as to discussions on the digital aspects of trade policy and improving its evidence base.

The outcomes of the World Summit on the Information Society (WSIS) acknowledged the Universal Postal Union (UPU) and the worldwide postal network as an important asset in the development of the information society. Modernization and transformation of this important national infrastructure is an ongoing process, to connect the unconnected and introduce new services at the national level that increase digital inclusion, financial inclusion, trade inclusion and help facilitate increased participation in the information society for micro, small and medium enterprises.

The UPU assists member countries in this modernization through addressing infrastructure development, deployment and regulation via regional conferences, programs, meetings and publications. It works with governments and posts to modernize the global postal network defined within the UPU Treaty and encourages the increased use of ICTs to improve quality, reach and security of services. At the level of technical cooperation, the UPU continues to carry out a number of actions to support the reduction of the digital divide in all countries.

2. ANALYTICAL OVERVIEW

A. Trends and experiences

E-commerce presents a significant opportunity for developing countries. According to UNCTAD, it was worth around \$22.1 trillion in 2015, up 38 per cent from 2013, and emerging economies accounted for most of this growth.¹ While e-commerce is currently mostly domestic, it is becoming more international. By providing more choice and new markets, online commerce can help generate economic opportunities, including jobs, for developing countries.

¹ UNCTAD estimates as at April 2016. E-commerce includes both business-to-business (B2B) and business-to-consumer (B2C), respectively valued at around \$19.9 trillion and \$2.2 trillion each. See <http://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=1281>

During 2017, the research conducted by the UPU showed a growing percentage of postal operators providing postal digital services from 80% in 2016 to 93% in 2017, and postal digital services specifically geared to supporting e-commerce growth from 25% in 2016 to 50% in 2017². The rapid growth of e-commerce is facilitating more inclusive trade and contributing to international trade flows of goods and services, earning renewed attention from the members of the World Trade Organization (WTO) during its ministerial conference in 2017.³

In addition, to get an insight on how the Posts can help to develop the inclusive e-commerce, the UPU developed an Integrated Index for Postal Development (2IPD)⁴. The 2IPD is a composite index providing an overview and progress of postal development around the world, with the results for 2016 covering 170 countries. The basic input into the 2IPD consists of UPU data, including postal big data – over 3 billion tracking records checked and analyzed – official UPU statistics, and key UPU surveys. 2IPD data insights thus rely on the greatest data integration ever conducted to measure the development of postal services on a global scale. This index is a vital component of the UNCTAD business-to-consumer e-commerce index of 2017 in which countries were ranked based on their e-commerce readiness.⁵

B. Achievements

During 2017, UPU created opportunities for governments, regulators and top managers of postal operators to come together to discuss and share knowledge on strategic issues for e-commerce by organizing thematic capacity building workshops. These workshops, held in Latin America and Caribbean⁶, Europe and CIS and Africa, raised understanding on how the postal network can empower SMEs to participate in e-commerce. The UPU contributes to these efforts with capacity building activities such as policy recommendations to governments and Regulators and also making available to Posts strategic components for the digital economy such as generic mobile apps or a single interface to connect the postal network with global e-marketplaces.

Some notable achievements in 2017 include:

- The UPU at its 26th Universal Postal Congress approved the Istanbul World Postal Strategy with a focus on integration, innovation and inclusion. In the strategy, there is a specific mandate for the role of ICTs
- The UPU conducted research activities in order to monitor the technology developments within the postal sector and how the Posts could collaborate to implement global digital policies.
- The UPU joined the “eTrade for All” initiative which intends to improve the ability of developing countries and countries with economies in transition to use and benefit from e-commerce.
- The UPU participated as a panelist in a thematic workshop within the WSIS Forum called “The Contribution of Electronic Trade (e-commerce) Platforms to the Sustainable Development Goals (SDGs)”.

² Measuring Postal E-Services Development 2017 survey

³ https://www.wto.org/english/thewto_e/minist_e/mc11_e/briefing_notes_e/bfecom_e.htm

⁴ <http://www.upu.int/en/the-upu/strategy/2ipd.html>

⁵ http://unctad.org/en/PublicationsLibrary/tn_unctad_ict4d09_en.pdf

⁶ http://news.upu.int/no_cache/nd/posts-rise-to-e-commerce-challenge-in-latin-america-and-caribbean/



- Broadband internet connectivity reaches 39% of post offices in developing countries, whilst around 49% of post offices have broadband internet access in developed countries.
- 50 countries support development of .POST internet top-level-domain for secure digital services
- 70 countries utilizing digital exchange network and software provided by the UPU for remittances
- 125 countries are connected to the global monitoring system (GMS) network, utilizing over 300,000 UHF passive transponders for monitoring postal movements. This generates billions of data elements per year of Big Data for analysis.
- The UPU organized a series of E-Commerce Conferences in Arab, Africa, Asia and Eastern Europe regions aimed at private sector, governments and regulators encouraging the use of ICT in the postal network to foster growth of e-commerce services.

C. Obstacles

Amid growing evidence that e-commerce has a significant impact on enterprise performance and increasingly contributes to the global economy, and rising attention to cross-border e-commerce and digital trade, there is renewed interest in measuring ICT use by enterprises, e-commerce and related development effects. Official statistics from developing countries are scarce in this area and there is a pressing need to improve the quality and availability of relevant data.

In addition, Posts have suggested that customs procedures present the greatest barrier to cross-border e-commerce in line with UPU research⁷.

3. INNOVATIVE POLICIES, PROGRAMMES AND PROJECTS

The UPU Digital, E-Commerce and Trade Programme aims to be the international focal point for measuring and monitoring the latest developments in ICTs with case studies and guides, developing standards to ensure interoperability, developing regulations to support innovation, and providing policy and strategy recommendations, capacity building and training that help member countries use the postal network to better serve their citizens and businesses.

The UPU is a co-facilitator of the C7 WSIS E-Business Action line, and encourages digital innovation within the postal industry to provide significant opportunities for improving inclusion for all. Through innovation and modernization, the postal sector could be a solid vehicle for implementation of digital global policies leveraging the three-dimensional postal network of physical, financial and electronic services can assist:

- governments in becoming more efficient, providing better services and responding to demands for inclusion, transparency and accountability via e-government;
- businesses, especially micro, small and medium enterprises (MSMEs), through its widespread geographic reach which allows greater access to international trade, especially in the e-commerce area; and
- Citizens by ensuring that universal and multichannel services reach everyone in society, especially in terms of digital and financial inclusion via mobile channels.

⁷ http://www.upu.int/uploads/tx_sbdownloader/studyPostalEservicesEn.pdf

- E-Trade for All

E-Trade for All initiative was officially launched in July 2016⁸, bringing close to 20 international, regional and national organizations as well as 25 private sector entities under one umbrella, with the goal of easing developing country access to cutting-edge technical assistance. The initiative focuses on seven policy areas, including e-commerce assessments, ICT infrastructure, payments, trade logistics, legal and regulatory frameworks, skills development and financing for e-commerce. In this way, the initiative supports the December 2015 call by the UN General Assembly to better use ICT to facilitate achievement of the SDGs. UNCTAD began in 2016 to assist developing countries in assessing their e-commerce readiness (Bhutan, Cambodia and Rwanda), with a focus on the policy areas of eTrade for All. In 2017, the UPU and UNCTAD have agreed to enhance their assessment questionnaire to best include relevant post-related elements in their current assessment questionnaire. The objective is to gather the necessary information in order to help strengthen the recommendations for action to improve the role Posts can play in the development of inclusive ecommerce in the country under study.

- Inclusive E-commerce

The UPU has been monitoring developments of mobile services in the postal sector since 2012. In the 2012 Measuring Postal E-Services Development report⁹, only 25% Posts said that they had introduced applications on mobile devices however, in the latest research, this number reached 34%. In order to help MSMEs and consumers in their e-commerce needs, the UPU will provide Posts with generic mobile apps with basic functionalities.

In addition the UPU conducted a research in 2017 in which it was shown that over 30 Posts make APIs available to e-commerce platforms, e-marketplaces and third-party developers for the purpose of sharing data among stakeholders in the e-commerce value chain and ensure the e-commerce is available nationwide. With the aim of providing MSMEs with a single window to use the postal network to sell and buy in global e-marketplaces, the UPU is developing an interface with global e-marketplaces that will be available by the end of 2019.

⁸ <https://etradeforall.org/>

⁹ Measuring postal e-services development report 2015

http://www.upu.int/uploads/tx_sbdownloader/studyPostalEservicesEn.pdf

- .POST

The UPU manages .POST as the sponsored top-level domain (sTLD) available exclusively for the postal sector. As the first United Nations organization to obtain and manage a sponsored top-level domain, .POST is an initiative to explore frameworks where different stakeholders can work together to provide legal frameworks legally binding member countries to the exchange of postal services in the digital space.

Moreover, .POST aims to integrate the physical, financial, and electronic dimensions of postal services to enable and facilitate e-post, e-finance, e-commerce and e-government services to serve underserve communities.¹⁰

- Paperless customs

The Customs Declaration System (CDS), created by the UPU's Postal Technology Centre, helps streamline paperless customs clearance by allowing participating Posts and Customs to exchange advance data and calculate required duties and taxes.

For packages sent, UPU regulations require Posts to share information about the sender, contents and value with customs authorities. This information used to be sent with packages by means of a paper form, but CDS now enables Posts to share this information via electronic data interchange (EDI) messaging before the package is sent. This advance information can help Customs decrease its own processing times.

CDS also enables customs authorities to send EDI messages to Posts. For example, Customs can use the platform to notify Posts if an item has been rejected during the screening process. This, in turn, allows Posts to better track packages as they make their way through the supply chain.

- Big data

Hundreds of millions of physical, electronic and financial transactions are conducted each day via postal networks worldwide, which constitute a vehicle for exchanges and economic development. Postal economics studies economic issues relating to these markets, analyzes supply and demand trends, and compares the sectoral policies implemented in various countries.

The exchanges facilitated by the postal infrastructure in implementing policies aimed at economic inclusiveness result in the improved growth potential of the economy as a whole. Consequently, in-depth studies on the experiences of economic integration through the postal networks are conducted in order to identify best practices and draw appropriate lessons for the sector.

To support this work, the exchange of electronic data between 175 Designated Operators and Customs, as well as potentially organizations in the private sector (airlines, and other partners in the international supply chain) is being captured and analyzed via the UPU Post*Net network. With the exponential growth of e-commerce, this network is becoming an important Big Data store on the movement of e-commerce generated goods around the globe. Under an agreement formally signed recently, the UPU and UN Global Pulse agree to work on analyzing postal Big Data flows, working closely with UPU economists on exploring

¹⁰ <http://www.info.post/en/post/about-post.html>

the potential of postal Big Data for insights into social and economic trends that could reveal early warnings of crises or other phenomena and their impact before they happen.

- Developing e-commerce statistics

To complement official statistics on the information economy, a collaboration of international organizations was set in 2016 and continued in 2017 in order to improve measurement of cross-border e-commerce data.

In addition, UPU began using big data from its Post*Net network to measure trends in e-commerce, specifically the movement of goods generated by e-commerce around the globe and eventually insights into social and economic trends. The WCO is also looking at customs traffic data in order to measure cross-border e-commerce data flows.

- Ecom@Africa

It is an initiative whose objective is to position the postal network as a key facilitator of e-commerce. It aims at establishing an integrated, inclusive and innovative e-commerce ecosystem provided by the Posts through e-commerce (online) platforms using the postal network and products for cross-border logistics, deliveries, returns and payments. The Union member country governments and the Posts are the two main stakeholders in the initiative. Other public or private stakeholders can join the initiative by forming partnerships with the government or the DO, depending on their area of activity.

- UPU Digital Transformation Agenda

The UPU has started to implement the Digital Transformation Agenda recognizing the potential of ICT for development. In order to achieve this goal the UPU has set a list of deliverables with deadlines in order to track the progress over the implementation period 2017-2020. During 2017, some deliverables have been implemented such as “customer relationship management” tools for stakeholder engagement, secure email for communications, virtual workspaces for working groups or remote participation tools among others.

4. FUTURE ACTIONS OR INITIATIVES

In 2018, the digital economy and e-commerce will receive increased and formalized attention from the international community. For example, UPU will be publishing the “The digital economy and postal digital activities global report”. The publication will provide broad trends among countries and across regions by providing better understanding of the emerging patterns of countries’ performance across the world. It will contribute to the ongoing discussion of the critical role of information and communication technologies (ICTs) in the postal industry, identifying countries and areas where the potential of ICTs and e-services have not been yet fully exploited. It will review digital policies models at national and regional level identifying best practices of the UPU member countries in which the DOs were considered. It will also



be useful in planning for future adjustments to postal policy in order to allow for proactive regulation if necessary.

Emerging technologies such as blockchain can also be expected to have a significant impact on postal digital services. In this regard in order to facilitate the provision of digital services across countries, the UPU is exploring blockchain-based platforms to enhance a trust and identity services in the digital space. The purpose is to facilitate cross-border e-commerce through the postal network as an inclusive national and international facilitator for citizens, businesses and governments.