

# E-commerce and Digital Economy Programme

Year in Review 2022

Executive Summary





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## Message from Shamika N. Sirimanne, Director, Division on Technology and Logistics



The year 2022 was not without challenges. The supply-chain pressures from a protracted COVID-19 pandemic in some parts of the world and the war in Ukraine gave rise to a cost-of-living crisis for many, in particular the world's most vulnerable

households, prompting concerns of food and energy insecurity and instability of the public financial system.

In 2022 human development fell back to its 2016 levels, reversing much of the progress towards the Sustainable Development Goals (SDGs). The need to recover lost ground in global efforts to meet the SDGs renders the role of digitalization and data for development even more important and makes UNCTAD's work in this area all the more relevant.

Against this background, the E-Commerce and Digital Economy (ECDE) Programme delivered on the strengthened mandate that member States gave UNCTAD in the Bridgetown Covenant to assist developing countries seeking to enhance their readiness to engage and integrate into the digital economy.

The acceleration of digital transformation over the past couple of years is both a consequence of the forces at play and an opportunity to enable more inclusive and resilient economic recovery from current crises. Such a recovery will necessitate an innovative and sound approach to digital and data governance for development, further capacity building on various aspects of e-commerce and the digital economy and sustained multi-stakeholder dialogue and cooperation.

I am proud of the results the ECDE Programme achieved to this end in 2022 and I would like to express my sincere appreciation to our partners, donors and beneficiaries for their trust in our work on enhancing developing countries' capacity to harness digitalization for inclusive and sustainable development gains in the past year. In recognition of the importance of further strengthening the Programme, member States also decided to allocate increased resources to it from the UN's regular budget.

We count on continued support in 2023 and beyond as we pursue our work in the lead up to the United Nations Summit of the Future in 2024 and a Global Digital Compact for an open, free, secure and inclusive digital future.

## Message from Torbjörn Fredriksson, Head, E-Commerce and Digital Economy Branch



Another eventful year has passed with exciting developments in the ECDE Programme. The COVID-19 pandemic continued to influence many social and economic activities, further underlining the importance of leveraging digital technologies for ensuring

economic resilience. We were also reminded of the major digital and data divides that have to be addressed in order for e-commerce and the digital economy to support inclusive and sustainable development. Against this background, 2022 underscored the relevance of the ECDE Programme.

This *Year in Review* provides a detailed account of all the work under the Programme, so here I will only highlight some milestones and innovations in 2022. Building on the *Digital Economy Report 2021*, we were invited to support the G20 discussions on data, first in the Digital Economy Working Group under Indonesia's Presidency and then in the Development Working Group under India's Presidency. At the request of China, together with ITC we supported the work on the digital economy during its BRICS Presidency. The topic of data for development furthermore featured in the context of UNCTAD's Intergovernmental Machinery and our work was also noted in the UN General Assembly's Resolution on ICT for Development.

Our capacity-building work expanded further, reaching countries across all developing regions. The demand for our eTrade Readiness Assessments and related follow-up support was accentuated. At the end of the year, 32 such assessments had been completed with new ones in the pipeline. But, as was noted during a face-to-face Stocktaking Meeting of the eT Ready community of Focal Points and partners in October, their real value is realized only once recommendations are actually implemented. Successful implementation requires effective inter-ministerial coordination,

multistakeholder cooperation and increased support from development partners.

Our collaboration with UNCDF and UNDP in the Pacific saw its first concrete outcomes - an E-Commerce Strategy for Solomon Islands and the first Digital Economy Report: Pacific Edition. Statistical Offices in the region were also the first to benefit from training based on UNCTAD's revised *Manual for the Production of Statistics on the Digital Economy*.

The eTrade for Women initiative held an inaugural meeting of its new Advisory Board, aimed at ensuring continued involvement of current and past eTrade for Women Advocates. It also welcomed a new cohort of Advocates and experienced a surge in demand for participation in regional Masterclasses as well as a rapid expansion of the Communities, which now count more than 160 women digital entrepreneurs from across 40 countries among their members.

Our partnership continued to expand, with the eTrade for all initiative gaining two new members and a principal private-sector counterpart - the International Chamber of Commerce. The pivotal role of this partnership was demonstrated during the UNCTAD eCommerce Week, where more than 30 partners contributed actively to sessions reaching some 2,600 participants from 139 countries.

We were also happy to welcome Sweden as a new member of our Core Donor Advisory Board and to conclude a new four-year partnership agreement with the Netherlands. New funding partners in our work included the European Bank for Reconstruction and Development and China.

I would like to close my message by expressing my sincere appreciation to the entire ECDE team, to our consultants, donors and partners. Together we remain committed to further supporting the efforts of developing countries to harness e-commerce and the digital economy for sustainable development.

# Executive summary

Digitalization in 2022 became further entrenched in development discourse, policy and practice. Amidst multiple global challenges, e-commerce and the digital economy were brought into global focus at the highest level of the United Nations (UN), the World Trade Organization and the G20. The erosion of years of progress towards meeting the Sustainable Development Goals further emphasized the importance of digitalization and data for development. Boosting digital readiness in support of robust digital economies and trade in developing countries and beyond has become an imperative for inclusive, equitable and sustainable development.

Against this background and in accordance with the strengthened mandate that member States gave UNCTAD in the Bridgetown Covenant, the E-Commerce and Digital Economy (ECDE) Programme supported developing countries and the international community by providing the evidence, developing capacities and channeling assistance needed to better manage digital transformation and ensure that the opportunities of the digital economy reach all people, everywhere.

## Laying a foundation for data governance for development

Building on the work of the [Digital Economy Report \(DER\) 2021](#), UNCTAD supported Indonesia's G20 Presidency as a knowledge partner for the Digital Economy Working Group (DEWG). UNCTAD analysis of G20 Members' current laws and regulations pertaining to data flows was presented at the DEWG and fed into the G20 Bali Leaders' Declaration, which reaffirmed the role of data for development and reiterated a commitment to further enable data free flow with trust and promote cross-border data flows.<sup>1</sup> The *DER 2021* also underpinned UNCTAD's knowledge support to India's G20 Presidency (together with the Office of the Secretary-General's Envoy on Technology) and China's BRICS Presidency respectively.

The *DER 2021* informed UN General Assembly Resolutions on information and communications technologies for sustainable development<sup>2</sup> and made a mark in scholarly research.<sup>3,4</sup> Policy citations of the report appeared in documents across a number of countries and organizations, including Estonia, Nigeria, the United Kingdom and the European Parliament, to name a few. By the end of 2022, the *DER 2021* had been downloaded more than 120,000 times.

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1 See G20 Bali Leaders' Declaration

2 A/RES/76/189 and A/RES/77/150

3 See <https://www.globaltradealert.org/reports/gta-29-report>

4 See Journal of Digital Economy, ISSN: 2773-0670, Vol: 1, Issue: 1, Page: 20-31





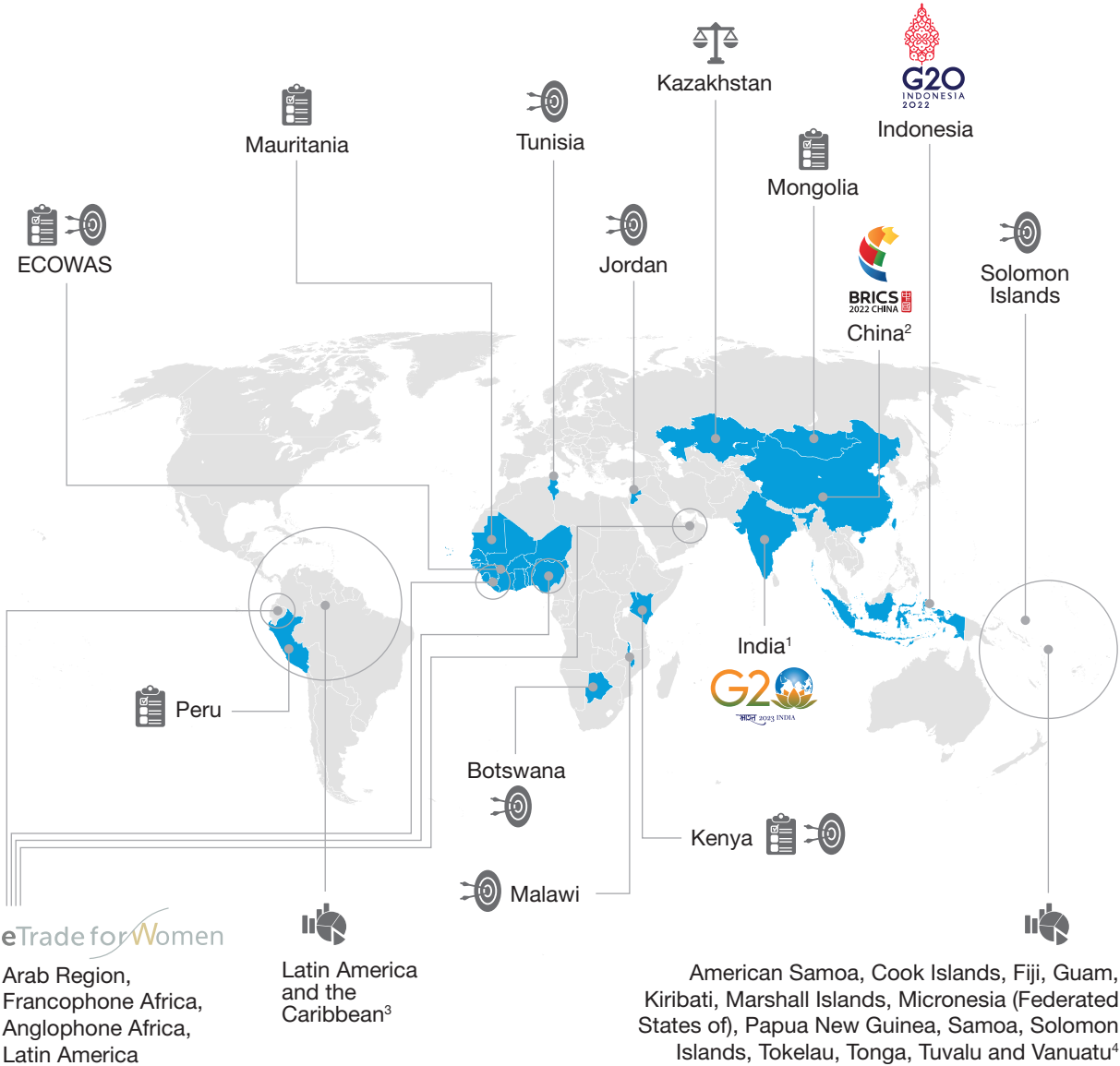
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I would encourage all member States – as you reflect on the analysis and recommendations in the Digital Economy Report – to consider what you think UNCTAD, in collaboration with other parts of the UN system, should do to foster the dialogue needed to shape a shared vision towards effective global data governance. [...] Time is of the essence. How we handle data will greatly impact our ability to meet the SDGs.

– UNCTAD Secretary-General Ms. Rebeca Grynspan, during a discussion on the Digital Economy Report 2021 in the 69<sup>th</sup> annual session of the Trade and Development Board, 21 June 2022



**Map 1: Where we worked in 2022**



The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

<sup>1</sup> in close collaboration with the Office of the Secretary-General's Envoy on Technology  
<sup>2</sup> in collaboration with the International Trade Centre (ITC)  
<sup>3</sup> Webinar on Measurement of the digital economy and trade, in collaboration with UN ECLAC and the IMF  
<sup>4</sup> Training on production of statistics on the digital economy, in collaboration with TrainforTrade

**Legend:**

eT Ready    
 E-Commerce Strategy or Action Plan    
 E-Commerce and law reform    
 Measuring the digital economy

Source: UNCTAD 2023.

## Cultivating national and regional capacities for inclusive e-commerce development

UNCTAD deepened its engagement with developing countries to strengthen their e-commerce enabling environment through eT Readiness Assessments (eT Readies) and the development of E-commerce Strategies and Action Plans. Four new eT Readies were completed in 2022 – for Kenya, the Economic Community of West African States (ECOWAS), Tunisia and Jordan. Following the completion of these eT Readies UNCTAD provided support for the development of e-commerce strategies (Kenya and the ECOWAS) and action plans (Jordan and Tunisia). Work on new eT Readies commenced in Mongolia, Peru and Mauritania, and the development of an Action Plan got underway in Malawi.

The Action Plans for Jordan and Tunisia catalyzed increased interest from and enhanced cooperation among development partners - including donors, UN agencies (through the UN Resident Coordinator Offices - RCOs) and eTrade for all partners - to support the implementation of priority actions. In Jordan, priority actions were also included in the new UN Cooperation Framework, led by the UN RCO in Amman. Other positive effects of the eT Readies were strengthened public-private sector dialogue on e-commerce related policies, empowerment of women-owned businesses to influence policymakers on the digital economy, and better-informed countries to engage and participate in e-commerce negotiations.

The impact of this work to date is evidenced by the successful eT Ready implementation experiences of several countries, such as Cambodia, Bhutan, Senegal, Togo and Tuvalu. With 92 per cent of recommendations implemented at the time of the 2<sup>nd</sup> eT Ready implementation review, Cambodia in 2022 launched a business-to-business-to-customer e-commerce platform to provide SMEs with better

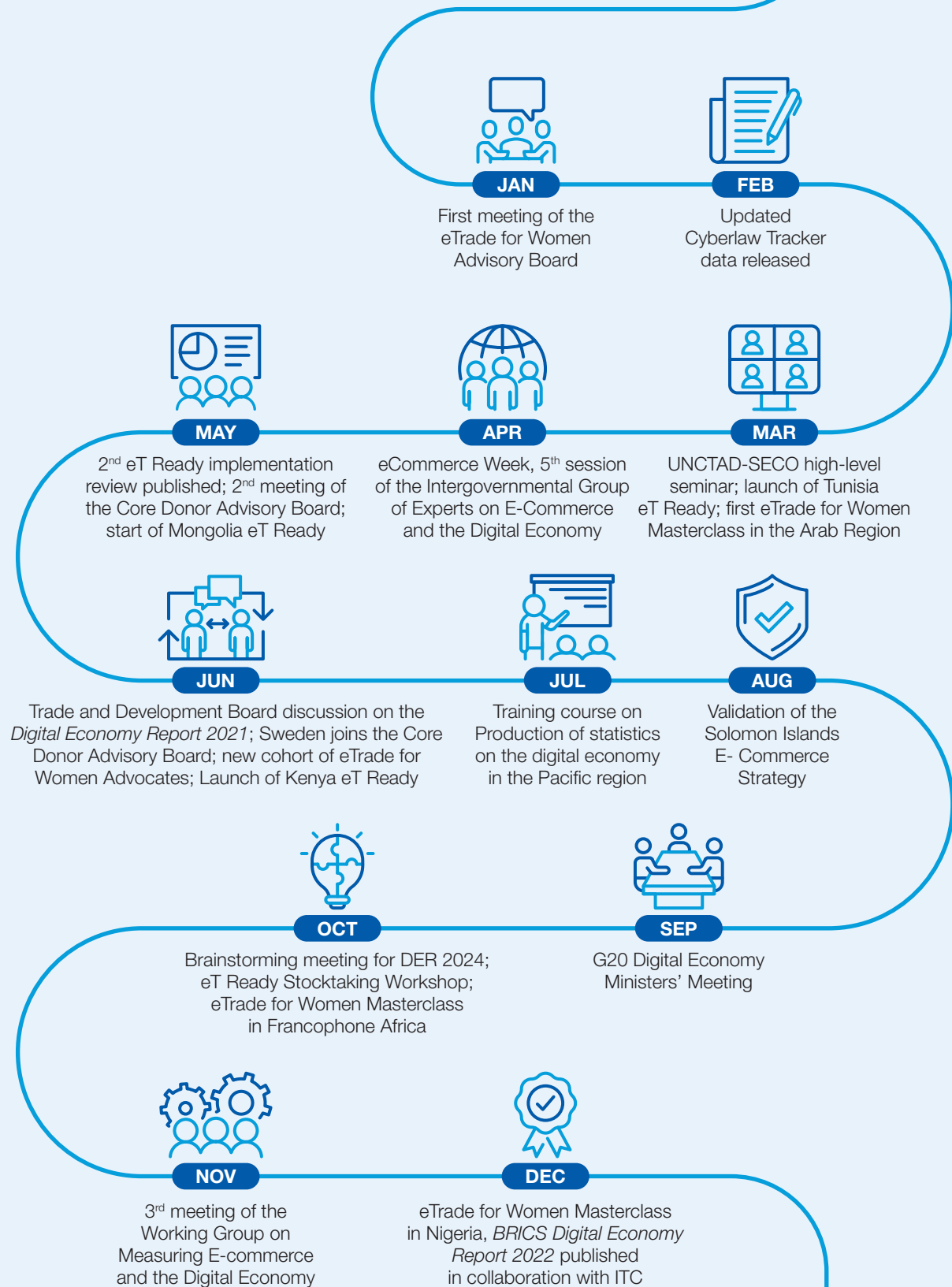
market access. The country estimated the market value of e-commerce in 2021 to have increased 19 per cent from 2020, with e-commerce revenue projected to reach \$1.78 billion by 2025.<sup>5</sup> In Tuvalu, support was provided by different eTrade for all partners in a range of areas as part of the eT Ready implementation process.

To further strengthen implementation, UNCTAD in cooperation with the Friedrich-Ebert-Stiftung (FES) convened in October a 2-day hybrid meeting of eT Ready Focal Points and other key stakeholders, mainly senior government officials, representatives of Permanent Missions to the UN in Geneva, eTrade for all partners and other development partners, as well as UN RCOs. The discussions enabled 47 officials from various Ministries in 21 beneficiary countries, including 16 women, to share experiences and good practices and identify the types of support they need to play a more active role in the implementation of eT Ready recommendations.

The eTrade for Women initiative consolidated its efforts at bringing the voice of women digital entrepreneurs to the forefront of policymaking on e-commerce and the digital economy. The third cohort of Advocates assumed their tenure and championed the empowerment of close to 80 women digital entrepreneurs across Africa and the Arab Region through Masterclasses and Community events. The Advocates engaged in more than 20 high-level events in 2022, advocating for more and better targeted support for women digital entrepreneurs at the national and regional level. Building on their experience, a new study on [Fostering Women Entrepreneurship in the Digital Economy](#) shed light on the main obstacles that women digital entrepreneurs encounter in developing countries and proposed actionable measures to help more women grow successful digital businesses.

5 According to the Ministry of Commerce's July 2022 iTrade Bulletin.

## ECDE Programme highlights in 2022



To help address the challenge of insufficient statistics on the digital economy and trade, UNCTAD launched a new online course based on the revised *Manual for the Production of Statistics on the Digital Economy*. National Statistical Offices and other relevant institutions from across 14 Pacific countries and territories benefited from the first training activities, which were delivered in the framework of the Pacific Digital Economy Programme (PDEP), which is jointly implemented with UNCDF and UNDP and closely coordinated with the Pacific Islands Forum Secretariat (PIFS). Also prepared under PDEP, the [Digital Economy Report: Pacific Edition 2022](#) explored how to prevent the further widening of digital divides and build inclusive digital economies in the region. A national E-Commerce Strategy was developed for Solomon Islands.

In the area of e-commerce and law reform, a workshop on the Joint Statement Initiative (JSI) on e-commerce enhanced the capacity of 46 Government officials from Kazakhstan to define the direction of legislative reform to facilitate e-commerce and align national law with the JSI consolidated text on e-commerce.

New developments in the work on measuring the digital economy and trade resulted in a report on measuring the value of e-commerce. It will serve as a basis for the development of statistical guidelines in this area and inform deliberations of the UNCTAD Working Group on Measuring E-commerce and the Digital Economy. At its 3<sup>rd</sup> meeting it was proposed to create a Task Group of delegates from interested countries and international organizations to take this work forward.

## **Fostering cooperation in support of developing countries' goals**

The eTrade for all initiative marked a new milestone with the enrolment of the International Chamber of Commerce as its principal private sector counterpart. The PIFS and the Digital Cooperation Organization joined, raising the initiative's membership to 35 partners. The initiative continued to foster synergies for joint projects leveraging different partners' expertise and to facilitate access to information on Development Solutions in e-commerce and the digital economy to more than 65,000 visitors on the [etradeforall.org](http://etradeforall.org) online platform in 2022.

In its first global edition since the start of the pandemic, the UNCTAD eCommerce Week in April gathered more than 2,600 registered participants from 139 countries, including 30 least developed countries under the topic of "Data and Digitalization for Development". A dedicated high-level session, the Leadership Dialogue, provided a unique forum to leaders from partner agencies to reflect upon lessons learned during the first 5 years of the initiative and highlight key areas for support in the aftermath of the pandemic.

At the same time, the 5<sup>th</sup> session of the UNCTAD Intergovernmental Group of Experts on E-Commerce and the Digital Economy resulted in a set of agreed policy recommendations on recovering from COVID-19 in an increasingly digital economy.

## Communications and outreach



**9** new publications were released in 2022

An *impact story* about trailblazing eTrade for Women Advocate *Mona Attaya* featured in **global UN news coverage**



More than **350,000** downloads of ECDE publications in 2022<sup>6</sup>

**25** news articles published, generating more than **27,000** unique page views



The Programme's work received **coverage** in **multiple national** and **international media** such as:



- Business Daily Africa
- China Daily
- the Economist Impact
- Forbes Magazine

• *COVID-19 boost to e-commerce sustained into 2021* featured among the top **10 most read UNCTAD stories in 2022**

• *UNCTAD names new advocates for women in e-commerce* and *UNCTAD assessment set to boost digital economy in Peru* were promoted on the **UN home page**



The Programme's Twitter handle, **@ECDEatUNCTAD**, has become the **4<sup>th</sup> largest account** in UNCTAD,



with **7,200+** followers as of December 2022 – **↑ 22%** from 2021

The **eTrade for all newsletter** continued to provide relevant content to a **growing audience base** (up 44% from 2021).

eTrade for all  
Connecting the dots



The **eTrade for all** and the **eWeek mailing lists** collectively account for more than **7,500 subscribers**



In response to the Programme's active management of the newsletter's content and audience, its **'open'** and **'click'** rates **increased by 32%** and **28%** respectively on an annual basis.



The **eTrade for all platform** maintains its cruising speed of **more than 65,000 visitors annually**



6 Covers publications released in 2019-2022

## Progress amidst widening digital and data divides and multiple global crises

New data released allowed for an interim assessment of the development gains from e-commerce and the digital economy. It revealed that while the percentage of people (aged 15+) shopping online increased overall and across all country groups since 2017, LDCs recorded the smallest increase, meaning that gaps between developed countries and LDCs are in effect widening.<sup>7</sup> It confirmed that although the significant uptick in consumer e-commerce activity fueled by the COVID-19 pandemic in 2020 was sustained in 2021, much of the value from the data-driven digital economy continued to be captured by a few major global digital platforms. Current trends towards widening inequalities in the digital and data realm must be reversed.

The 8<sup>th</sup> Aid-for-Trade Global Review showed that the share of resources allocated to the ICT sector is not increasing fast enough, levelling off in 2020 at 2.7 per cent of the total.<sup>8</sup> In light of the rapid acceleration of digital transformation fueled by the pandemic and widening digital divides, a further increase in the share of Aid-for-Trade resources allocated to ICTs is required for developing countries to catch up and integrate into the fast-evolving digital economy.

## Upfitting for purpose

In 2022, the ECDE Programme became the third largest UNCTAD technical cooperation programme in terms of expenditure, after the Automated System for Customs Data (ASYCUDA) and the Debt Management and Financial Analysis System (DMFAS).

To keep in step with demand, it continued to expand, growing its team to a total of 34 staff members by the end of the year. In recognition of the importance of further strengthening UNCTAD's work on e-commerce and the digital economy, in December member States decided to allocate two additional posts to it from the UN's regular budget. New human resources also include a Junior Professional Officer (JPO) sponsored by the United Kingdom and a UN Volunteer based in the Pacific. A JPO funded by Japan joined the Programme team in early 2023.

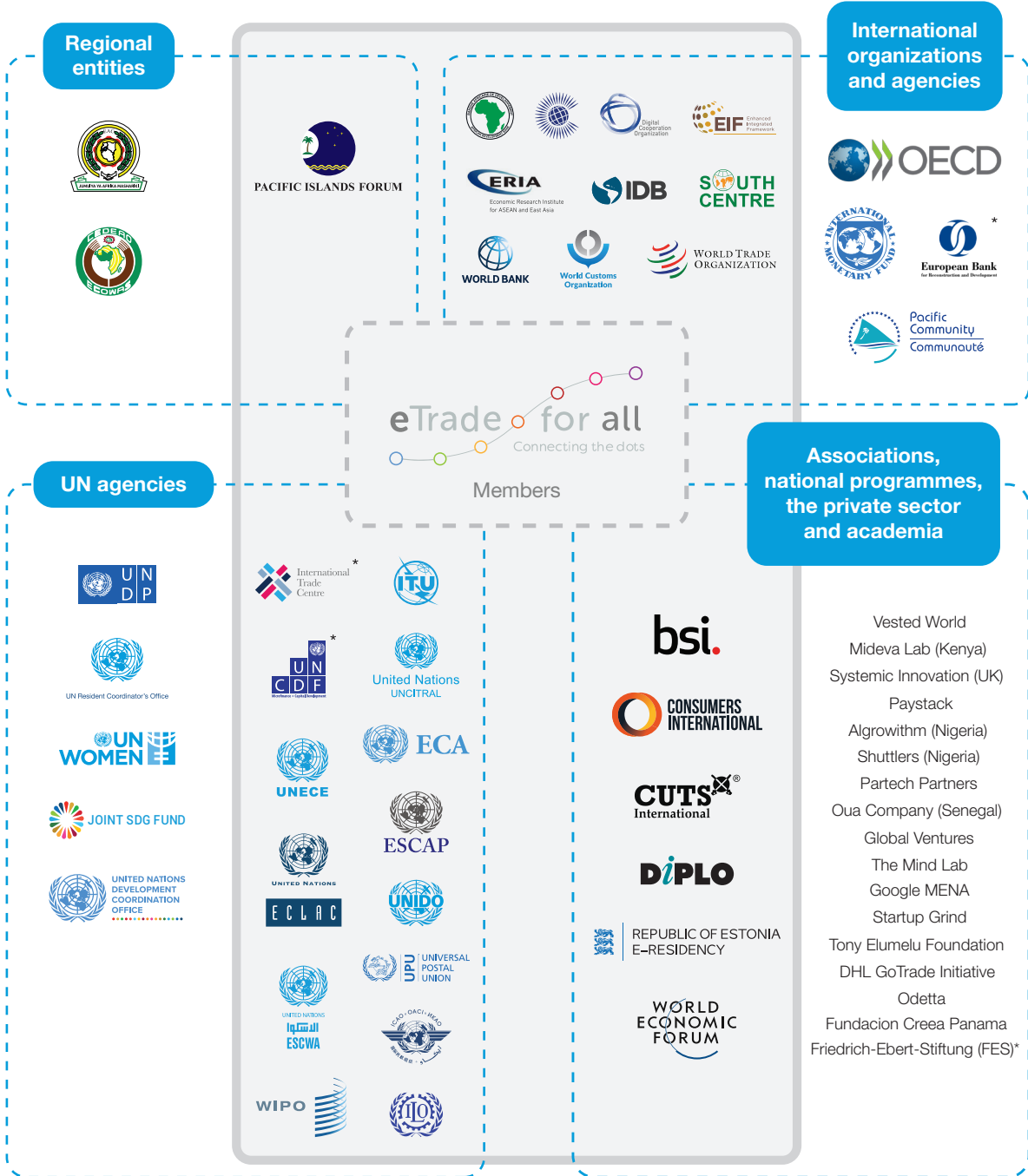
The Programme received a renewed commitment of approximately USD 1 million from Sweden for 2022-2023 and welcomed Sweden into its Core Donor Advisory Board. New contributions were also received from China and the EBRD, while the European Union joined Australia in financially supporting PDEP.

<sup>7</sup> Based on World Bank Global Findex 2021 data. Only includes countries with data in both 2017 and 2021 (121 countries).

<sup>8</sup> Based on OECD data on Aid-for-Trade commitments until 2020. However, in absolute terms, the amount of resources allocated to the ICT area increased by US\$ 300 million in 2020.

# ECDE Partners in 2022

## Funding partners



\*also a funding partner



## Looking ahead to 2023 and beyond

In 2023, the Programme will continue to work with other parts of the UN, the G20, the BRICS and beyond to explore ways forward towards harnessing data and data flows for sustainable development. The Programme's main goals and objectives in the capacity-building domain include new eTrade Readiness Assessments (e.g., for Algeria, Mauritania, Ghana, Timor-Leste, Trinidad & Tobago and Zimbabwe), E-commerce Strategies (e.g., for Kenya, ECOWAS) and Action Plans (e.g., for Malawi). New eTrade for Women Masterclasses and online courses on e-commerce will add to the Programme's capacity-building agenda. The year will conclude with the UNCTAD eWeek on 4-8 December 2023 in Geneva, under the theme "Shaping the future of the digital economy".

Efforts will be dedicated to developing the Programme's Work Plan and budget for the 2024-2027 period, taking into account the strengthened mandate from UNCTAD's member States, lessons learned from the implementation of the 2019-2023 Work Plan, emerging themes and stakeholder priorities.

Last but not least, the Programme will work with the Office of the Secretary-General's Envoy on Technology in support of the preparations for the UN Summit of the Future in 2024 and a Global Digital Compact to foster safe and responsible use of data for development and to strengthen digital cooperation.

