

CONFÉRENCE DES NATIONS UNIES SUR
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UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT

**Contribution to the UNCTAD Draft Call for Action on the
Aid for eTrade Initiative**

Submitted by
the Republic of Estonia

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Comments on the Draft call for action “Aid for eTrade: Unlocking the potential of e-commerce in developing countries”.

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The e-Residency programme of the Republic of Estonia is delighted to provide its views to the United Nations and the United Nations Conference on Trade and Development in response to the Draft call for action ‘Aid for eTrade’, aimed at unlocking the potential of e-commerce in developing countries.

Estonia, an EU Member State, is the first country to offer e-Residency – a transnational digital identity available to everyone in the world. By giving people – regardless of their nationality or place of residence – access to Estonia’s robust digital infrastructure and e-services, Estonia is building a borderless digital society and unleashing the world’s entrepreneurial potential. After becoming an e-resident people can establish an EU company and administer it online, apply for an Estonian bank account and conduct e-banking, obtain access to international payment service providers, sign all relevant documents and contracts remotely, and enter the EU market more easily.

The democratization in the digital realm enabled by e-Residency aligns with the WSIS Action Lines and with many of the United Nations Sustainable Development Goals, with applications in e-government, e-business, e-employment, and international and regional cooperation. As a programme that builds confidence and security in the use of ICTs by both granting people a government issued digital identity and by allowing them to open an Estonian company and bank account online, e-Residency has far-reaching implications for economic growth and for the trade and development challenges faced by emerging economies.

We welcome the perspective of the draft to create opportunities for partnerships and for pilot initiatives involving different stakeholders, highlighting this cooperation throughout the key policy areas of intervention for the initiative, and also by calling for an emphasis on synergies as one of the basic principles of Aid for eTrade. As the pace of technological change continues to increase, bridging the digital divide around the world will require the expertise and commitment stakeholders working to distribute more equally the benefits of the internet economy. From our unique perspective of being the first initiative of its kind in the world, we understand the need for multi-stakeholder cooperation to close the digital divide that impedes individuals and businesses in developing countries to take advantage of the opportunities of e-commerce to create a more inclusive internet society.

One of the concerns expressed in the draft is how to mitigate the possible adverse effects of e-commerce. We believe a section on identity management and trust services should be included as one of the key policy areas of intervention for Aid for eTrade. The use of a digital identity when transacting online will increase trust in the internet as a place to do business and manage personal data. Further, adding issues related to identity management and trust services would complement the sections of the draft where payments solutions are discussed.



Having a digital identity is increasingly becoming a fundamental part of financial services for individuals and businesses worldwide as a way to facilitate secure cross-border electronic transactions. People from emerging countries have to overcome trust challenges when dealing with clients and providers in the internet. They have to start from a position of disadvantage when compared to people who live in more digitalized nations. In this respect, e-Residency, by being a government issued digital identity can compensate for this drawback. Further, e-Residency will allow non-EU citizens to digitally identify themselves, bank and transact business with the Member States of the European Union (because of the eIDAS regulation, one of the central building blocks of the EU Digital Single Market¹). A digital identity will increase trust in providers, fostering transparency, facilitating e-commerce growth and enabling the creation of an entrepreneurial society.

For this reason, we also welcome the discussion on 'Payment solutions for e-commerce' as one of the key policy areas of intervention for the Aid for eTrade initiative and one of the foundational services for e-commerce. Access to financial services will be a key factor for enterprises to improve their competitive edge, to scale their business, and to optimize some aspects of their business processes.

One of the most pressing issues in e-commerce, as shown in the Aid for eTrade basic principles, is that the policies implemented to achieve the goals need to be gender sensitive. The digital divide between men and women arises as much concern as the one seen between developed and developing countries. Against this backdrop, we strongly support the initiative's call to further the 'empowerment of women using ICTs', in an effort to increase gender equality in e-commerce and the digital economy. Estonia, via the e-Residency programme, can share its knowledge and expertise in ICTs to extend the benefits of the digital economy to individuals and businesses in developing countries, thus enabling e-commerce growth worldwide.

¹ <https://ec.europa.eu/digital-single-market/en/trust-services-and-eid>