**COMMISSION ON SCIENCE AND TECHNOLOGY FOR DEVELOPMENT (CSTD)**

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# Submissions from entities in the United Nations system, international organizations and other stakeholders on their efforts in 2021 to implement the outcomes of the WSIS

## Submission by

International Trade Centre and United Nations Conference on Trade and Development

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 25th 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.

**Input for the CSTD report on WSIS follow-up <u>during 2021</u>**

*For the CSTD twenty-fifth session in March 2022*

## Part 1: Executive Summary

- Activities related to action line C7 (e-business) in 2021 continued to be impacted by the COVID-19 pandemic. On one hand, the pandemic increased the use of digital tools to continue economic activity and provided a boost to international trade in ICT goods, ICT services, and digitally-deliverable services. On the other hand, it highlighted the widening gap in digital readiness between and within countries. Reducing these inequalities became the critical global policy challenge that emerged in 2021, and all stakeholders have a responsibility to ensure that e-commerce and e-business play a positive role in national and international recovery efforts, and that resources are committed to that goal. The need for improving statistics in developing countries to measure digitalization and e-commerce that will guide policy became more pressing.

## Part 2: Analytical Overview of Trends and Experiences

a) Trends in implementation, monitoring and cooperation at the national, regional and international levels. What are the achievements and obstacles? Relate to 2030 Agenda.

- The years 2020 and 2021 were marked by the effects of the COVID-19 pandemic, not only in e-business, e-commerce, and the digital economy, but also in the ability of co-facilitators and stakeholders to implement, monitor and cooperate in this action line.

- The COVID-19 pandemic provided sudden and strong impetus for businesses and individuals to adopt or increase their use of digital tools to continue economic activity. Despite a backdrop of sharply declining trade overall, accelerated digitalization provided a boost to international trade in ICT goods and services. The share of ICT goods in merchandise imports surged from around 13% in 2019 to nearly 16% in 2020 – the greatest annual increase since records began in 2000. Similarly, ICT services grew to almost 14% of total services exports worldwide in 2020, while digitally deliverable services overall increased to nearly 64% of total services exports – having contracted relatively little against the backdrop of an unprecedented 20% decline in total services trade. However, the pandemic-related acceleration in digitalization risks further exacerbating digital divides, with least developed countries (LDCs) being left further behind.

- In May 2021, UNCTAD published estimates of global e-commerce in 2019 and a preliminary assessment of COVID-19 impact on online retail in 2020. Global e-commerce sales jumped to $26.7 trillion in 2019, up 4% from 2018. This included business-to-business (B2B) and business-to-consumer (B2C) sales and was equivalent to 30% of global gross domestic product

(GDP) that year. In 2020, online retail sales as a share of total retail sales grew from 16% to 19%.

- The eTrade for all initiative analyzed the impact of COVID-19 on e-commerce in a Global Review published in March 2021.[1] The critical global policy challenge that emerged from this study was to ensure that greater efforts are made to reduce inequalities in e-trade readiness. All stakeholders have a responsibility in this context to ensure that e-commerce plays a positive role in national and international recovery efforts. Resources should be committed to that goal.

- The eTrade for all initiative was instrumental over the period, since the pandemic has reinforced the importance of addressing existing barriers withing a holistic and multi-stakeholder approach across the entire value chain. Since the outbreak of the pandemic eTrade for all partners have been working together to raise awareness and identify ways to overcome the challenges. A good example is the aforementioned Global Report on the Impact of COVID-19 on e-commerce[2], which resulted in a series of regional reports to highlight specific challenges and good practices[3], as well as the release of a dedicated COVID repository[4].

- Digital technologies can help accelerate progress towards all the 17 SDGs of Agenda 2030. By working to increase understanding, build capacity, and foster dialogue between developing countries and their partners to enable them to reap the benefits and mitigate the risks of digitalization, the work on e-business, e-commerce and the digital economy contributes to SDGs 5, 8, 9, 10 and 17.2. Research generates better official data and analysis, which are needed to facilitate policy formulation to harness digital trade for development and promote inclusive and sustainable economic growth (SDG 8), foster innovation (SDG 9), reduce inequalities (SDG 10) and boost exports of developing and least developed countries (SDG 17). The eTrade for Women and SheTrades initiatives help women entrepreneurs amplify their voices and engage in the digital economy, empowering them in line with SDG 5.[5] The eTrade for all initiative, established for the purpose of enabling the international community, in partnership with the private sector and other stakeholders, to join forces for a more inclusive digital future, epitomizes SDG 17.

*Technical assistance and capacity-building:*

- Support to the ECOWAS Commission and Members states for the development of a Regional E-Commerce strategy started in 2021. A regional assessment will provide the basis for the strategy which aims to provide a vision and a roadmap for the emergence of cross-border and

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[1] https://unctad.org/webflyer/covid-19-and-e-commerce-global-review and
https://etradeforall.org/publications/covid-19-and-e-commerce-global-review/

[2] https://etradeforall.org/publications/covid-19-and-e-commerce-global-review/
[3] https://etradeforall.org/publications/covid-19-and-e-commerce-global-review/
[4] https://etradeforall.org/covid-19/

[5] https://unctad.org/topic/ecommerce-and-digital-economy/etrade-for-women and
https://www.intracen.org/itc/women-and-trade/SheTrades/

national e-commerce ecosystems in ECOWAS Member States. UNCTAD will collaborate with the UN Resident Coordinator Offices in the 15 ECOWAS countries on the mapping of digital-related activities by resident development partners. Progress was also made in 2021 on the National E-Commerce Strategy of Benin which follows on the Rapid eTrade Readiness Assessment which was published the previous year. Finally, the National ICT Policy Review and E-Commerce Strategy of Botswana was launched in October 2021.[6]

- Producing statistics on the digital economy has become increasingly urgent as the COVID-19 pandemic forced countries to increase economic activity online. These statistics are needed by countries to design, monitor and review national policies and strategies to take advantage of digitalization. To that end, UNCTAD published a 2020 revision of its *Manual for the Production of Statistics on the Digital Economy*, providing guidance to measure e-commerce, use of ICT by enterprises, trade in ICT goods and services and trade in digitally deliverable services. Capacity building based on the Manual is being planned for delivery in 2022 to developing countries.[7]

- Thanks to its relevance and outreach activities, the eTrade for all initiative has been gaining 2 new additional members in 2021: the British Standard Institution[8] and the Economic Research Institute for ASEAN and East-Asia[9], bringing a deeper substantive expertise and a wider geographical reach to its partners and beneficiaries.

- eTrade for Women, the second major spin-off of the eTrade for all initiative, continued in 2021 its empowerment journey of women digital entrepreneurs across the various developing regions. A second cohort of eTrade for Women Advocates[10] came into action to support more inclusive digital policy-making and greater women empowerment efforts. 102 women entrepreneurs benefited from the Masterclasses, a 3-day- empowerment events, organized in East Africa and in the Balkans. Regional Communities have also been established in the regions benefiting from a Masterclass to offer a local support network to women digital entrepreneurs facing professional and personal challenges. eTrade for Women communities are therefore active in more than 20 countries and gather currently more than 100 women entrepreneurs.

- After 27 eTrade Readiness Assessments mostly conducted in LDCs, UNCTAD has been engaged in 2021 in the conduct of three new evaluations in Kenya, Jordan and Tunisia. The reports will provide a detailed diagnostic of the digital ecosystem in the 7 eTrade for all policy areas and identify key policy actions for which support can be mobilized.

- The significant shift to online means of delivering technical solutions has continued: ITC saw a near doubling of course participants in its online learning platform, SME Trade Academy and an 80% jump in the use of video for tutorials.

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[6] [Botswana launches strategy to diversify economy through e-commerce | UNCTAD](#)
[7] https://unctad.org/webflyer/manual-production-statistics-digital-economy-2020
[8] https://etradeforall.org/interview/bsi/
[9] https://etradeforall.org/interview/eria/
[10] https://etradeforall.org/et4women/

- The #FastTrackTech initiative launched by ITC in October 2019[11] assisted digital entrepreneurs who aspire to international growth in Benin, Côte d'Ivoire, Ethiopia, Mali, Rwanda, Tanzania and Zambia, and it helped make these national innovation ecosystems, tech hubs & digital entrepreneurs stronger and more resilient, especially in the Covid19 context. The project is on track to meet or exceed all targets announced in the 2020 CSTD report. By the end of June 2021:
  - 105 MSMEs reported that they made changes to their operations to improve their competitiveness, including 31 women-owned businesses and 47 MSMEs reported new business generated and investments raised, including 14 women-owned businesses.
  - 7 tech hubs reported improved operational and managerial performance further to the support provided by FastTrackTech.
  - The FastTrackTech team took part in several online panels with a total of 1781 participants benefiting from improved understanding about trade opportunities.

- COVID-19 has forced B2B and B2C businesses to accelerate their shift to digital trade. Mobility restrictions and health considerations have forced whole consumer segments to shop online and also B2B buyers show a strong preference for digitally enabled sales and are looking for suppliers that provide an outstanding online experience. There is an opportunity to leverage the shift to digital for augmenting existing offerings, targeting new customers, and creating new product lines. The ITC GreenToCompete Programme (funded by Sweden) established Hubs in Vietnam, Ghana, Laos, Peru and Kenya to help small businesses implement more sustainable business practices and access foreign markets. To help these businesses position their products in international markets, the programme has joined forces with the ITC ecomConnect programme, which is accompanying the businesses on their way to sell online. From late 2020 5 local trade promotion organisations have been trained and equipped to advise small-and medium sized businesses on how to sell their products online, have been supported in setting up marketplace stores, optimising websites and developing social media promotions for over 60 firms.

- In the Gambia, ITC trained freelancing skills among young ICT developers, and linked them to the local tourism sector as a coordinated effort to recover from the economic collapse of the sector following COVID19: enhancing their digital presence is of fundamental importance to operators in the tourism sector and is being used to promote the return of tourists, and innovation of new products and services. Indicative of an approach to stimulate entrepreneurialism and grow the tech sector in developing countries, the Ghana "Youth Empowerment Project" extended its coaching in 2021, leading local participants through training on applications such as 3D printing and organising pitching contests, matchmaking exercises and a hackathon to bring opportunities and ideas together with a focus on youth.

- In Rwanda ITC supported coffee SMEs to develop a unique positioning toward international buyers, through the implementation of traceability systems: piloting two alternative technologies, one of which blockchain based. The pilot demonstrates how the collection of data and creation of detailed story lines on women-owned coffee processors and their farmers has helped build buyer linkages.

- Across 5 Central Asian countries (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan) 200 SMEs from 3 sectors (processed food, textile and garments and handicrafts) are

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[11] Financed by Canada, Denmark, Finland, Germany, Ireland, Norway, Sweden and the Netherlands.

receiving coaching on how to sell internationally through online channels. Around 100 of these are women owned companies – who collectively have received 900 coaching sessions in 2021.

**Part 3: Innovations and Future Initiatives**

a) What policies, programmes and projects have been undertaken by stakeholders to implement the outcomes? Where specific targets or strategies have been set, please report progress in achieving those targets. Any new commitments made to implement the outcomes?

- The 15th session of UNCTAD in October 2021 strengthened its mandate in the digital economy.[12] The 4-year mandate starting in 2021 includes:
  o supporting LDCs on digital connectivity;
  o assisting developing countries to systematically assess their state-of-play and readiness to engage and integrate into the digital economy;
  o strengthening the production of digital economy statistics and policy analysis in relation to the opportunities and challenges of digital economy;
  o doing research and analysis on the development dimension of the use of data and frontier technologies, as well as on the design of policies to seize the opportunities and address the challenges for capturing value in the digital economy;
  o and supporting member States in the design and implementation of policies that enhance women's economic and digital skills and opportunities.

b) What future actions or initiatives are foreseen by stakeholders (regional/international) to facilitate/implement the action line? Any new commitments?

- In the framework of the Central Asia Ready for Trade project, financed by the European Union, ITC provided technical assistance to the governments of Kyrgyzstan, Tajikistan, and Uzbekistan in designing their National E-Commerce Strategies. The regulatory and policy conduciveness for digital trade are assessed in each country, and policy recommendations are provided. Through public-private dialogue, the key priorities for e-commerce development are identified and the plan of action with solutions on how to achieve the fastest results proposed.

- ITC undertook e-commerce policy reform projects in Sri Lanka, Bhutan, Lao PDR, and Myanmar to facilitate domestic reforms through policy advisory services and public-private dialogues (PPDs), including developing roadmaps for regulatory reforms in the area of data protection and data privacy, drafting/reviewing national e-commerce strategies, and Intellectual Property and Consumer Protection laws.

- The ecomConnect.org platform, launched in 2020 has a growing membership of nearly 4,000 ecommerce entrepreneurs and experts, committed to developing their success in developing and least developed countries.

- The "Africa Marketplace Explorer" makes available a dataset and analyses on ecommerce marketplace activity in all 55 countries in Africa, segmented by age of marketplace, gender

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[12] https://unctad.org/system/files/official-document/td-l-435_en.pdf

and type of device.  Information on accessibility of marketplaces to sellers from foreign locations is included as are indicators on payments solutions.  The tool is being updated with additional indicators, extended to Central and South America and the Caribbean in early 2022, with plans to cover other regions thereafter.  The tool supports analysis by policymakers of what makes marketplaces successful and enable entrepreneurs to study marketplace coverage and accessibility.

- An innovative cloud-based tool named "Track Me" was piloted by ITC to enable automatic collection of data on the ecommerce sales of participating SMEs through multiple channels and the combined impact of promotions through social media to track the success of ecommerce support initiatives.  The tool is undergoing development so that it can be deployed on a larger scale.