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Submissions from entities in the United Nations system, international organizations and other stakeholders on their efforts in 2022 to implement the outcomes of the WSIS

Submission by

International Trade Centre, United Nations Conference on Trade and Development and 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 26th 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 2022</u>

For the CSTD twenty-sixth session in March 2023

Part 1: Executive Summary

Action line C7 (e-business) in 2022 continued to be implemented against the backdrop of the COVID-19 pandemic, which over the last two years exposed growing digital divides and accentuated pre-existing inequalities in the access, use, and benefits from digital technology. UNCTAD research showed that despite a sustained growth in e-commerce in 2021, many businesses in low-income economies have been unable to fully harness the increased demand for online shopping, and much of the value from the data-driven digital economy is being captured by a small number of major global digital platforms.

Gender-sensitive digitalization is an essential part of the policy response needed to promote the recovery and strengthen the resilience of developing economies. It can strengthen supply chains through digital trade, promote good governance by increasing transparency and automating trade and customs procedures, enhance productivity and competitiveness and empower women and youth entrepreneurs for a more inclusive and sustainable recovery. UNCTAD and ITC took various actions to empower women entrepreneurs and traders in the digital economy, including through private-public partnerships, while UPU sought to empower national Posts to enhance SME inclusion in e-commerce, benefiting women in underserved regions.

Enhancing the capacity of policymakers in developing countries to strengthen the enabling environment for e-business remains a priority to ensure policy coherence and an effective implementation of the outcomes of the action line in a time of multiple global crises. Improving the availability of timely, robust and comparable official statistics on the digital economy and digital trade is a prerequisite for enabling policymakers to establish benchmarks and better monitor and manage their economies' digital transformation. It is also important to equip MSMEs with the necessary skills, resources, mentorship and networks to successfully trade online.

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.

- UNCTAD analysis revealed that the significant uptick in consumer e-commerce activity fueled by the COVID-19 pandemic in 2020 was sustained in 2021, with online sales increasing markedly in value, despite the easing of restrictions in many countries. However, the extent of the boost to online shopping varied between countries. Many developed countries already had relatively high levels of online shopping (above 50% of internet users) before the pandemic while most developing countries had a much lower uptake. While the greatest rises

among countries for which data are available occurred in several developing countries (e.g., the United Arab Emirates, Bahrain and Uzbekistan), many developing countries, and least developed countries (LDCs) in particular, lag behind in their ability to swiftly turn to digital technologies to mitigate economic disruption.[1]

- The biggest online e-commerce platforms benefited the most during the pandemic. The sales of these companies rose from $2.4 trillion in 2019 to $3.9 trillion in 2021 (in current prices).[2] The shift towards online shopping thus further entrenched the already strong market concentration of online retail and marketplace businesses.

- UNCTAD updated its statistics database with indicators on the use of information and communications technologies (ICT) by businesses, providing data until 2021. The data confirmed developing countries' differing experiences in digital transformation and also showed that only a few developing countries, and no LDCs, regularly collect and report data on these indicators.[3] A third meeting of the Working Group on Measuring E-commerce and the Digital Economy was held in November 2022.

- UNCTAD's Cyberlaw Tracker data released in 2022 showed an increase in the worldwide adoption of legislation to fight cybercrime (from 71 per cent of countries in 2015 to 80 per cent in 2021), and to protect data and privacy (from 55 per cent of countries in 2015 to 71 per cent in 2021). While the availability of such legislation is generally high in developed countries, it remains inadequate elsewhere, especially in LDCs.[4] This situation places e-businesses in developing countries at a disadvantage with regard to leveraging the digital economy for development.

b) Technical assistance and capacity-building

- UNCTAD continued to assess the state-of-play of the e-commerce enabling environment in developing countries through eTrade Readiness Assessments (eT Readies). In 2022, the 32nd such assessment was finalized. New assessments commenced in Mongolia (jointly with the EBRD) and Peru, with Mauritania, Algeria and Zimbabwe in the planning.[5]

- Support for the implementation of the recommendations put forward by the eT Readies conducted to date continued to be provided in 2022 through the UNCTAD Implementation Support Mechanism (ISM). Results from the 2nd implementation review show that countries are increasingly taking ownership of the implementation process and making good progress.[6]

- UNCTAD supported the implementation of selected eT Ready recommendations by assisting with the development of national and regional e-commerce Strategies (in Kenya, the ECOWAS and Solomon Islands) and Action Plans (in Jordan and Tunisia), supporting legal reform (in

[1] See https://unctad.org/webflyer/e-commerce-and-digital-economy-ldcs-breaking-point-covid-19-times
[2] See https://unctad.org/news/covid-19-boost-e-commerce-sustained-2021-new-unctad-figures-show
[3] See https://unctad.org/news/unctad-data-highlights-need-strengthen-business-ict-statistics
[4] See https://unctad.org/news/least-developed-countries-still-lag-behind-cyberlaw-reforms
[5] See https://unctad.org/news/new-partnership-set-unlock-mongolias-e-commerce-potential
[6] See https://unctad.org/webflyer/fast-tracking-implementation-etrade-readiness-assessments-second-edition

Kazakhstan in the context of the ITC-led Ready4Trade Central Asia project) and providing capacity-building services to e-commerce entrepreneurs (e.g., in Botswana).[7]

- Partners of the UNCTAD-led eTrade for all initiative continued to contribute to technical cooperation activities, most notably by supporting the conduct of eT Readies and the implementation of their recommendations. By increasing visibility of various partners' activities, the initiative also continued to play a pivotal role for enhancing transparency in aid for e-commerce and the digital economy, thus helping to identify opportunities for synergies and reduce duplication of work. In 2022, the initiative enrolled the International Chamber of Commerce as its principal private-sector counterpart.[8]

- The 2022 edition of the UNCTAD eCommerce Week on the topic of "Data and Digitalization for Development" took place in a hybrid format in April. More than 2,600 registered participants (of whom 48% female) from more than 130 countries and all stakeholder groups attended one or more of the 8 high-level and 100+ thematic sessions organized by 550 speakers and moderators, including 31 eTrade for all partners.[9]

- The first half of the year saw UNCTAD's eTrade for Women deliver a first Masterclass and Policy Dialogue in the Arab Region and welcome its third cohort of Advocates for a more gender-inclusive digital economy. [10] To date, the initiative has contributed to strengthening more than 200 women-led digital businesses in developing countries.

- The Pacific Digital Economy Programme implemented by UNCTAD in cooperation with UNCDF and UNDP supports the digital transformation of the Pacific region.[11] As part of the Programme and to strengthen the ability of national statistical systems to produce digital economy statistics, UNCTAD delivered the first capacity-building course based on the updated *Manual for the Production of Statistics on the Digital Economy*.[12] A total of 27 participants from 13 countries or areas completed the course. Follow-up technical assistance activities are expected in 2023 in response to country requests. A training course on digital ID in the Pacific is also planned.

- ITC's business partnerships with Novica, eBay, Etsy, PayPal, Payoneer, and DHL offered women in Central America advantageous deals and engaged partners in promotional exercises. These partnerships were extended to Central Asia, where ITC supported small businesses and artisans to connect to international markets and trade their products through online sales channels.

- ITC provided its e-commerce foundation training for SMEs in Central Asia within the EU-funded Ready4Trade project. With ITC support, project beneficiaries achieved $2.5 million in sales through e-commerce.

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[7] See https://unctad.org/news/unctad-supports-solomon-islands-develop-national-e-commerce-strategy
[8] See https://unctad.org/news/new-partnership-forged-make-digital-economy-work-all
[9] See https://unctad.org/news/ecommerce-week-un-convenes-global-forum-digital-economy
[10] See https://unctad.org/news/unctad-names-new-advocates-women-e-commerce
[11] See https://unctad.org/news/fostering-digital-economy-small-island-developing-states
[12] See https://unctad.org/webflyer/manual-production-statistics-digital-economy-2020

- In the MENA region, ITC, with the support of Women Entrepreneurs Finance Initiative, trained more than 40 advisors in e-commerce topics who then provided advisory support and training to more than 250 small businesses in Lebanon and Tunisia.

- ITC developed a number of tools to support capacity building across its multiple projects assisting SMEs to sell through online channels, notably the e-commerce readiness quiz and e-commerce cost calculator. It also released a new online tool to explore the e-commerce marketplace ecosystem in Africa and will be launching the Latin America version shortly.

- UPU has distributed over CHF 10 million CHF in technical assistance to national Posts with the purpose of enhancing e-commerce delivery and support services and making affordable delivery services more accessible to underserved communities.

- UPU's Electronic Advance Data (EAD) programme now counts more than 140 participating postal operators. The EAD Customs Declaration App provides postal customers and MSMEs an easy means to input any Customs information related to their postal item before sending, ensuring that the Post can capture all required data to ensure timely and efficient Customs clearance. More than 40 posts mainly in SIDS actively use the EAD Mobile App, with almost 10,000 active devices.

- UPU's Financial Inclusion Technical Assistance Facility (FITAF) programme delivered specific digital financial service (DFS) "go to market strategies" based on in-depth assessments of national Posts' capacity, DFS regulatory readiness levels, competitive landscape and the specific customer in focus needs. The respective "go to market DFS strategies" were delivered each in conjunction with a proposal for short term and long-term priorities and with particular engagement action plans in each of Argentina, Cambodia, and Togo. UPU FITAF projects also enabled the deployment of particular technical DFS products and solution provisions to promote digital inclusion and better serve customers in Grenada, Kyrgyzstan, Jordan, Morocco, Tunisia and Vietnam.

- The UPU .POST project provides posts with technical toolkits to host highly secure digital postal services and related ecommerce marketplaces for SMEs. As of February 2022, in Zimbabwe, 138 SMEs were registered on the platform, which reached over 70,000 unique website visitors with top countries including Zimbabwe, United States, South Africa, United Kingdom and Mauritius.

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?

- Available statistics on digital trade only provide a partial perspective on the evolution of e-commerce during the pandemic. There is a pressing need for more inclusive statistics on online retail sales, business-to-consumer and business-to-business e-commerce and cross-border digital trade that can provide insights covering a wider range of countries, especially

developing countries. UNCTAD is partnering with the WTO, IMF and OECD on establishing the foundations for international statistics that can bring about a better understanding of the links between e-commerce, trade and development, and compiling the second edition of the Handbook on Measuring Digital Trade.

- Reflecting the critical and ever-growing importance of governing data for e-commerce and a digital economy that work for development[13], UNCTAD provided support to Indonesia's G20 Presidency as a knowledge partner for the Digital Economy Working Group's work on cross-border data flows. It prepared an analysis of G20 Members' current laws and regulations pertaining to cross-border data flows. UNCTAD will continue to build on the work of the Digital Economy Report 2021 and explore how best it can contribute to other processes in the UN and multilateral fora like the G20 and the BRICS.

- As part of SheTrades Rwanda, ITC started a new pilot: digitizing the traceability records of close to 1,000 women coffee growers. Offering digital traceability records helps farmers and processors improve their visibility and sales value to buyers and provide transparency to consumers on where their goods are sourced. The project supported SMEs to engage with premium markets by developing a brand identity, online and offline promotional materials, and online sales channels. ITC provided capacity building for the participating SMEs and more than 5,000 Rwandan coffee farmers.

- ITC has launched a new corporate initiative "Switch ON" that focuses on delivering affordable networks and unlocking access through education and digital literacy. It intends to get more MSMEs in the developing world online and engaged in digital trade and entrepreneurialism. The pilot implementation of a first integrated deployment will take place in Zambia.

- ITC and Alibaba.com launched the Global Digital Trade Accelerator for MSMEs in developing countries to help enterprises in increasing their knowledge of e-commerce practices, improve e-commerce skills, explore business opportunities, and enhance their international export competitiveness.

- ITC also launched the FastTrackTech Africa project to support digital entrepreneurs and tech start-ups in sub-Saharan Africa. Through training, advisory programmes, coaching and other digital and business skills capacity-building activities, it aims to enable African tech start-ups to scale internationally. The support has focused on regional and international business generation and investment promotion. The project has been active in seven countries (Benin, Ethiopia, Côte d'Ivoire, Mali, Rwanda, Tanzania and Zambia). The volume of revenues reported by the beneficiary companies and attributed to the project reached a total of USD 6.8 million, including USD 5.4 million in investments and USD 0.86 million in business deals.

- UPU and the African Union Commission, supported by France, conducted an African continental study assessing the digitization of postal services based on 10 country assessments covering five areas: e-commerce, e-government, digital finance, business support and operational excellence of postal actors.[14] The summary continental report as well as the country level reports were submitted to the African Union Commission in June 2022

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[13] See https://unctad.org/webflyer/digital-economy-report-2021
[14] Benin, Cameroon, Republic of Congo, Egypt, Ghana, Kenya, Madagascar, Mauritania, South Africa and Zimbabwe

providing technical recommendations on implementation issues that will be developed during Phase II of the French Technical Assistance Facility to the African Union.

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

- Stemming from the main findings from the COVID-19 and E-commerce: Global Review[15], UNCTAD, ECLAC and selected eTrade for all partners launched the first phase of a new Core E-commerce Course for policymakers, to bridge knowledge gaps in how to improve the environment for inclusive e-commerce development.

- Through the eT Ready ISM, UNCTAD is increasingly partnering with UN Resident Coordinator Offices (RCOs) to map digital related-activities and assess the level of engagement of in-country development partners in e-commerce development, with a view to seeking out synergies and mainstreaming policy recommendations in development cooperation frameworks at the country level.

- The 7th global edition of the eCommerce Week is planned to take place in December 2023 in Geneva.

- ITC's ecomConnect programme, Youth and Trade programme, and SheTrades initiatives, through their digital tools and online platforms ecomConnect.org, yecommunity.com, and shetrades.com, are aiming to empower MSMEs, youth, and women in developing countries by equipping them with the necessary skills, resources, mentorship, and networks to successfully trade online: ITC has included Youth, Women and Digital Connectivity as central pillars in its new 4-year strategy to 2025.

- UPU is expanding its e-commerce and trade inclusion activities to include greater sustainable environmental, climate and gender balance initiatives related to postal sector development. Specific e-learning courses for postal policymakers, regulators and operational staff are intended to accelerate capacity building in this area.

- A postal network connectivity initiative lead by UPU will ensure universal connectivity of all post offices by 2030, empowering rural and underserved communities to access e-business services through local post offices.

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[15] See https://unctad.org/webflyer/covid-19-and-e-commerce-global-review