STATEMENT BY THE UNIVERSAL POSTAL UNION (UPU) ON THE 'Aid for eTrade' INITIATIVE MADE AT THE 2016 ECOMMERCE WEEK OF UNCTAD, PALAIS DES NATIONS, GENEVA, SWITZERLAND, 21 APRIL 2016, delivered by Fredrick Omamo, Expert, Physical Services and Trade Facilitation

Chair,
Distinguished delegates,
Ladies and gentlemen,

First of all, I would like to extend to you all warm greetings from the Director General and the Deputy Director General of the Universal Postal Union (UPU), who could not be here to personally due to other commitments. The UPU has been very supportive of this initiative from the onset, and participated in the first workshop held in February this year at the Château de Bossey that resulted in the initial *Draft Call for Action* towards unlocking the potential for e-commerce in developing countries.

Chair,
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Ladies and gentlemen,

The interconnected network of Posts worldwide – offering physical, financial and electronic services - is at the heart of our ability to support the growth of cross-border ecommerce and unlock the potential of ecommerce in developing countries. The capillarity of the postal network in the rural areas and remote locations of the world is unmatched by any other distribution network in the world, and in the absence of reliable private delivery companies outside the big cities, the post provides a universal access point to a wide range of services.

The UPU is constantly engaged in modernizing and innovating the postal network so that, with its 640,000 post offices worldwide, the post can provide reliable and quality end-to-end services to meet the needs of the evolving market. This is a big challenge especially for developing and least developed countries that lack economic resources, technical know-how and the requisite ecosystem to bridge the significant divides that prevent them from realizing the full potential of ecommerce.

The UPU welcomes and supports UNCTAD's efforts in building a more 'coordinated, systematic and coherent' approach focussing on eTrade to unlock the power of the internet for economic development. As the UPU heads to its 26th Postal Congress this Autumn to be held in Istanbul, Turkey, the focus will be on the capacity and capability of the global postal network to support ecommerce growth. The UPU has developed integrated economic, strategic and development indicators to measure the current stage of development of the postal sector in UPU member countries and to support the identification of the priority areas of intervention for UPU development cooperation and technical assistance policies. In this regard, the United Nations Sustainable Development Goals (UN SDGs) are incorporated into the methodology in order to maximize the synchronization between the UPU's internal and external objectives as a United Nations specialized agency. Apart from merely measuring the reach of the postal network, the Integrated Index for Postal Development will also measure the reliability and quality of the postal service, which are essential for ecommerce.

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The UPU wishes to make the following comments on the Aid for eTrade Draft Call for Action:

1. Organizational structure (page 5)

The UPU would like to know whether the small secretariat for the initiative will be multi-stakeholder, and if so, it would wish to be part of it. With present day online collaborative and distant meeting tools, the Aid for eTrade secretariat, while keeping it small, could actually be virtual, with the base team located in UNCTAD.

2. Key policy areas of intervention: e-commerce readiness and strategy formulation (page 6)

Since the postal infrastructure is an important measure of a country's ecommerce readiness, the UPU would be in a position to contribute its data and statistics using its Integrated Index for Postal Development (IIPD). We are indeed pleased to note that UNCAD has already incorporated the use of the **postal reliability score** in its 2016 B2C E-COMMERCE INDEX, which measures the readiness of countries to engage in online commerce.

3. Trade logistics and trade facilitation (page 7)

The second paragraph under this section could be amended to include the following text: '**In spite of the "e" in the eTrade, goods still need to be delivered physically. The posts, courier, and private delivery companies play an essential role in delivering light-weight ecommerce parcels and small packets**'

The UPU encourages the use and adoption of fair common standards and use of technology and regulations to standardize and harmonize the interfaces and interconnections between the different national postal networks to form a single postal territory. The UPU has developed a set of operational, technical, and messaging standards to ensure the inter-operability of postal services across the globe.

4. Legal and regulatory frameworks (page 9)

Online trust and security are crucial to spurring ecommerce adoption and development. The UPU has acquired a top level, industry-specific branded Internet domain space for the postal sector known as .post. As the identifier on the Internet for the postal sector, .post will immediately differentiate legitimate postal services and avoid confusion for Internet-users. The .post top level domain uses DNSSEC internet security protocol.

5. Ecommerce skills development (page 10)

The UPU is in a position to support with efforts to build or enhance the awareness and capacity of developing countries with the necessary skills channelled through this initiative and to pass this on to the postal sector. The UPU has developed manuals and guides on ecommerce and trade facilitation which could be integrated in the skills development policy area of the Aid for eTrade initiative.

Lastly, I would like to assure you that the UPU will continue to work closely with UNCTAD, and indeed the entire Geneva trade-hub which includes WTO and ITC, as well as other stakeholders so as to advance this noble initiative.

Chair,
Distinguished delegates,
Ladies and gentlemen,

I thank all of you for your kind attention.