

**Intergovernmental Group of Experts on
E-commerce and the Digital Economy**

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Contribution by

Malawi

MALAWI'S WRITTEN CONTRIBUTION: 7TH SESSION OF UNCTAD'S IGE

(a) Main Challenges for Developing Countries:

1. **Awareness and Communication:** Lack of public awareness and inadequate communication about eT Ready recommendations and implementation activities.
2. **Policy Alignment:** The absence of an official endorsement and monitoring mechanism for eT Ready and its Action matrix hampers alignment with national policies and strategies.
3. **Capacity Building:** Limited institutional capacity and knowledge about e-commerce readiness and digital economy strategies.
4. **Infrastructure and Connectivity:** Despite ongoing efforts, the ICT infrastructure and internet connectivity remain areas that need significant improvement. Limited broadband penetration hinders participation in e-commerce.
5. **Digital Literacy:** Low levels of digital literacy among the population hinder the adoption of e-commerce practices and digital technologies.
6. **Trust and Security:** Concerns about online security, data privacy, and trust in digital transactions deters engagement in e-commerce. There have been numerous instances of fraudulent activities within the realm of digital financial services (DFS), affecting users who utilize services provided by mobile telecommunications companies such as Airtel. Unfortunately, in many cases, these companies have been unable to adequately assist victims in reclaiming funds lost due to fraudulent transactions.
7. **Skills Development:** The need for targeted ICT skills training and curriculum development to support e-commerce and digital initiatives.
8. **Financial Inclusion:** Limited access to digital financial services and payment solutions for broader segments of the population restricts online transactions and financial participation. Some small business owners also find service charges to be prohibitively high, leading them to opt for traditional methods of conducting transactions.
9. **Access to Hardware/Devices:** Although a significant portion of Micro, Small, and Medium Enterprises (MSMEs) own basic feature phones, many lack the financial means to acquire more advanced devices equipped with internet access.

(b) Good Practices and Tools for Effective Policy Implementation:

1. **Strategic Development:** Collaborative strategy formulation aligned with existing national policies, such as ICT, e-transactions, and Malawi 2063.
2. **Infrastructure Investment:** Significant investments in ICT infrastructure through projects like the Digital Malawi Project, supported by the World Bank.
3. **Skills Development:** Initiatives like the NACIT Enhancement Project aim to enhance ICT skills training and infrastructure development.
4. **Financial Inclusion:** Efforts to improve access to affordable mobile Internet and promote digital financial services.
5. **Policy Review and Reform:** Ongoing review of the national ICT policy to identify gaps and align with current ICT needs.
6. **Public and Private Partnerships:** Collaboration between government, development partners, and private sector entities to drive e-commerce and digital economy growth.
7. **Gap Analysis:** Conducting on-going regional landscaping exercises to identify gaps within the business environment.

Role of Stakeholders:

- **Governments:** Create conducive regulatory environments, invest in infrastructure, and facilitate policy alignment and implement supportive policies.
- **Development Partners:** Support infrastructure development, capacity building, and implementation of e-commerce initiatives.
- **UN Resident Coordinator Offices:** Coordinate UN agencies' efforts, provide technical assistance and policy advice, and facilitate partnerships for e-commerce development.
- **Private Sector:** Drive innovation, provide services, and collaborate on public-private initiatives. Industry associations, civil society organizations (CSOs), and academia can contribute through advocacy, research, and capacity-building activities

(c) International Cooperation for Greater E-commerce Benefits:

1. **Knowledge Sharing:** Facilitate exchange of best practices and lessons learned among countries.
2. **Capacity Building:** Provide technical assistance, training programs, capacity-building initiatives to enhance e-commerce readiness.
3. **Financial Support:** Mobilize resources and investments to support infrastructure development and skills training.
4. **Policy Harmonization:** Align initiatives with regional and international agreements, promote the adoption of common standards and interoperability frameworks to foster cross-border e-commerce.
5. **Cross-border Trade Facilitation:** Enhance customs procedures, simplify trade documentation, and reduce trade barriers to facilitate international e-commerce transactions.

(d) International Partnerships and Coordination for Digital Cooperation:

1. **Policy Dialogue:** Foster multi-stakeholder policy dialogues and discussions, as well as collaborative initiatives to address common challenges and develop shared solutions.
2. **Funding and Investment:** Seek support from development partners for priority projects, such as NACIT infrastructure development and curriculum enhancement. Mobilizing financial resources and investments to support digital infrastructure development and capacity building.
3. **Technology Transfer:** Facilitate knowledge sharing and technology adoption to accelerate digital readiness and innovation.
4. **Capacity Building Workshops:** Organize events to mobilize support and share insights on e-commerce and digital economy strategies.
5. **Collaborative Initiatives:** Supporting joint initiatives and partnerships between governments, international organizations, and private sector entities to expedite progress in building readiness for e-commerce and the digital economy.

Overall, Malawi has made notable progress in advancing its e-commerce and digital economy agenda. However, there is a need for enhanced coordination,

capacity building, and international cooperation to fully realize the potential benefits and address the existing challenges.