COMMISSION ON SCIENCE AND TECHNOLOGY FOR DEVELOPMENT (CSTD)

Twenty-eighth session
Geneva, 7-11 April 2025

Submissions from entities in the United Nations system, international organizations and other stakeholders on the progress made in the implementation of the outcomes of the WSIS during the past 20 years

Submission by

UN Trade and Development (UNCTAD)

This submission was prepared as an input to the report of the CSTD secretariat that will inform the substantive discussion at the CSTD on the progress made in the implementation of the outcomes of the WSIS during the past 20 years during its 28th annual session in April 2025, in response to the request by the Economic and Social Council, in its resolution E/RES/2023/3, to the CSTD to conduct such substantive discussions and to report thereon, through the Economic and Social Council, to the General Assembly.

Twenty years in the implementation of outcomes of the World Summit on the Information Society (WSIS)

WSIS+20 Reporting Template

Name of organization: UN Trade and Development (UNCTAD)

Name of respondent: Torbjörn Fredriksson

Role of respondent: Head of E-commerce and Digital Economy Branch

Date of response: 14 November 2024

I. What is your organisation's formal role and responsibilities concerning WSIS implementation?

a. Mandates of your organization relevant to the WSIS implementation

- Tunis Agenda in its annex lists UNCTAD as possible moderator/facilitator in the following action lines: C4, C6, C7 (e-business) and C7 (e-science)[1]
- The Nairobi Maafikiano, Ministerial outcome from 2016 notes that UNCTAD should "Contribute to the implementation of the outcomes of the World Summit on the Information Society, including the outcome document of the high-level meeting of the General Assembly on the Overall Review of the Implementation of the Outcomes of the World Summit on the Information Society, particularly with regard to its facilitation role in the relevant action lines and in its capacity as secretariat of the Commission on Science and Technology for Development;[2]

b. Brief history of your organization's contribution to the World Summit on the information Society (WSIS)

UNCTAD has contributed in several ways to the implementation and follow-up to the WSIS.

Implementation

- Since 2009, UNCTAD has been a co-organizer of the annual WSIS Forum, together with ITU, UNDP and UNESCO.
- UNCTAD has since about the same time been a chair/vice-chair of the UN Group on the Information Society (UNGIS).
- Together with ITC and UPU, UNCTAD has since 2006 co-facilitated the action line C7 on e-business.
- In 2004, the Partnership on Measuring ICT for Development was created at the UNCTAD Ministerial in Sao Paulo, Brazil. Since then, UNCTAD has been a member of its Steering Committee.

---

[1] See Geneva and Tunis outcome documents from WSIS -
https://www.itu.int/net/wsis/outcome/booklet/index.html
[2] Nairobi Maafikiano, para 55 (w).

<u>Follow-up</u>

- UNCTAD serves as the secretariat to the Commission on Science and Technology for Development (CSTD). Since 2006, the Commission has been mandated by ECOSOC to serve as the focal point in the system-wide follow-up to the outcomes of the World Summit on the information Society.
- In this context, the UNCTAD Secretariat prepares an annual report on major activities undertaken by stakeholders during the previous year.
- It also prepared a report on the 10-year review of the WSIS and is currently involved in the preparations for the 20-year review of the WSIS.
- In 2024, the Global Digital Compact requested the Commission on Science and Technology for Development to establish a dedicated working group to engage in a comprehensive and inclusive multistakeholder dialogue on data governance at all levels as relevant for development.

c. Implementation processes and initiatives within your organization and/or in partnership with other organisations

- The action line C7 (e-business) is jointly facilitated by UNCTAD, ITC and UPU.
- The Partnership on Measuring ICT for Development comprises International Telecommunication Union (ITU), Organization for Economic Co-Operation and Development (OECD), United Nations Trade and Development (UNCTAD), United Nations Educational, Scientific and Cultural Organization (UNESCO) Institute for Statistics, United Nations Department of Economic and Social Affairs (UNDESA), The World Bank, United Nations Institute for Training and Research (UNITAR), UN Economic Commission for Africa (ECA), UN Economic and Social Commission for Asia and the Pacific (ESCAP), UN Economic and Social Commission for Western Asia (ESCWA), EUROSTAT, UNEP Secretariat of the Basel Convention (SBC), International Labour Organization (ILO) and UN Economic Commission for Latin America and the Caribbean (ECLAC).[3]
- UNCTAD has set up the eTrade for all, which comprises 35 member organizations with a shared vision to support developing countries in strengthening their readiness to engage in and benefit from e-commerce and the digital economy.[4]
- UNCTAD's work to strengthen the capacity of developing countries in the area of e-commerce and the digital economy (e-business) involves close collaboration with members of eTrade for all, development partners, UN RCOs and other stakeholders.[5]

---

[3] See https://www.itu.int/en/ITU-D/Statistics/Pages/intlcoop/partnership/default.aspx
[4] See eTrade for all | E-Commerce and Digital Trade for Development .
[5] See https://unctad.org/topic/ecommerce-and-digital-economy .

II. What have been your organization's main contributions to the direct implementation of the WSIS outcomes and related areas of digital development since the Summit, particularly since 2015?

a. WSIS Action Lines (as lead, co-facilitator or supporting participant)

eTrade for all was born in July 2016 from a common vision: digital advances can be a powerful driver of economic growth, job creation, and sustainable development including in the developing world. However, concerted global efforts are required to spread the digital economy's gains to all and help close the digital divide. Against this background, 15 visionary partners joined forces during UNCTAD's 14th Ministerial Conference in Nairobi, Kenya, to engage in a new way of supporting the uptake of e-commerce as a tool for development. Partners recognized the need for a holistic approach to make the digital revolution more inclusive. Governments, civil society, academia, and international organizations acknowledged the need to work together to find new solutions and to maximize synergies. As of December 2024, the eTrade for all initiative included 35 member organizations.

The initiative is a multi-stakeholder partnership, which connects the dots between beneficiary countries, partners, and donors. It seeks to ensure that everyone, including the most vulnerable, can access the information and resources to benefit from the opportunities that the digital economy offers.

b. WSIS-related projects

UNCTAD's programme on E-commerce and the Digital Economy aims at enhancing inclusive and sustainable development gains from e-commerce and the digital economy for people and businesses in developing countries, particularly LDCs. The Programme provides a unique platform for:

- Generating *research and analysis* to enable governments and other stakeholders to better understand the implications of economic digitalization for sustainable development. This includes the Digital Economy Report flagship publication, thematic studies, technical notes and statistics related to e-commerce and the digital economy.
- *Providing assistance* to policymakers in developing countries to strengthen their capacities to adapt the policy environment to digital disruptions. This includes assistance with assessing the state-of-play of the e-commerce enabling environment and issuing recommendations for overcoming barriers and bottlenecks identified (eTrade Readiness Assessments), as well as assistance with formulating E-Commerce Strategies and Action Plans and supporting their implementation. Other technical assistance includes support related to e-commerce legal frameworks and statistics.
- Fostering *intergovernmental consensus* and *global multi-stakeholder dialogue* for a more coordinated approach on e-commerce and the digital economy from a development perspective. This includes the work of the Intergovernmental Group of Experts (IGE) on E-commerce and the Digital Economy (fostering dialogue on the development dimension of e-commerce and the digital economy among UNCTAD member states) and the Working Group on Measuring E-commerce and the Digital Economy (addressing the lack of reliable statistical data in this area). Other activities include the eTrade for all initiative, which seeks to promote more collaborative efforts for the development of e-commerce,

the organization of the UNCTAD eWeek and the collaboration with other parts of the UN, the G20, the BRICS and beyond.

- The Programme also has a dedicated component that focuses on promoting gender equality and women's empowerment in an increasingly digital economy and society by working directly with women digital entrepreneurs in developing countries to raise the profiles of successful women digital entrepreneurs, change stereotypes and bring their perspectives to the forefront of policymaking for more inclusive digital ecosystems.

c. Indicators used to measure the impact of ICT in the achievement of the SDGs in your organization's area of work

For Goal 8 – Decent work and economic growth, particularly in relation to goal targets 8.2, 8.3 and 8a:

- Value added in the ICT sector as a percentage of total business sector value added (ICT producing sector core indicator ICT2):
- Share (%) of digitally deliverable services in total services exports
- Share (%) of Aid for Trade commitments per year dedicated to ICT

For Goal 9 – Industry, innovation and infrastructure, particularly in relation to goal target 9c:

- Proportion (%) of businesses receiving orders over the internet (core indicator on ICT use in business B7)
- Proportion (%) of businesses using the internet for delivering products online (core indicator on ICT use in business B12_idel)

d. What assessment has your organization made of its engagement in WSIS-related work and digital development in its areas of responsibility?

- UNCTAD has submitted an input related to action line C7 (e-business) to the annual report by the CSTD on the implementation of WSIS outcomes. In many years, this input has been jointly prepared with ITC and UPU.

III. What does your organization see as the main achievements, problems and emerging issues arising from WSIS and from digital development in its areas of responsibility since the Summit, particularly since 2015?

a. What have been the main achievements of WSIS and digital development?

Main achievements from WSIS

- Increased policy attention to the importance of information and communications technologies (ICTs) for development
- Clear allocation of responsibilities among different UN entities for different action lines
- Platform for meeting once a year at the WSIS Forum
- An annual follow-up on main achievements each year
- Work under the Partnership on Measuring ICT for Development, which has helped to foster better statistics in key areas of the information society. The Partnership has

enabled more effective use of scarce resources and collaboration in developing core indicators and in delivering capacity-building in the area of measurement.

- UNGIS has served as an inter-agency mechanism to coordinate substantive policy issues facing the United Nations system's implementation of the Geneva Plan of Action and Tunis Agenda for the Information Society adopted by the WSIS, contributing to improving policy coherence in the UN system.

Main achievements from digital technologies

Digitalization of the economy is radically transforming the way we communicate, produce, govern and trade with one another. Digital technologies are engines of growth, increase productivity by reducing production costs, foster economies of scale and more efficient financing, promote innovation by fostering exchange of ideas and expand and diversify export baskets by reducing international trade costs. Digitalization can also promote resilience to shocks, a wider services-led growth model and more inclusive growth.

Digital transformation has seen the transition from mechanical and analogue technologies to the widespread adoption of computers and the exchange of machine-readable information (i.e. digital data). While new digital technologies will continue to emerge, current technologies and their applications include e-commerce, artificial intelligence (AI), 3D printing, cloud computing and blockchain, to mention a few. Digitalization is transforming processes of production, consumption and trade and ultimately impacting on economic growth in multifaceted ways.

b. What problems, obstacles and constraints have been encountered?

Problems, obstacles and constraints from WSIS

- No major problems have arisen from WSIS.

Problems, obstacles and constraints from digitalization

By transforming existing processes and business models, digitalization creates opportunities and risks, with winners and losers both across and within economies. Regrettably, many developing countries are still struggling to harness the opportunities from the evolution of digital technologies. As a result, we are witnessing widening digital and data divides.

Low-income countries still lag behind in terms of access to affordable Internet, use of the Internet, roll-out of broadband networks, uptake of e-commerce and participation in digital trade. This can be observed among both people and businesses.

There is also a widening data divide, with many developing countries struggling to make full use of the opportunities created from data-driven development. The benefits from the digital economy have increasingly been concentrated in a small number of very large economies, including the United States and China.

Challenges commonly observed in UNCTAD's eTrade Readiness Assessments include a lack of clear government strategies on how to leverage e-commerce and the digital economy; weaknesses in ICT infrastructure; a reliance on cash in society; trading environments that are not adapted to e-commerce; weak legal and regulatory frameworks in areas such as consumer

protection online, data protection and cybercrime; limited supply of relevant skills; and difficulties to secure financing of digital enterprises in low-income countries.

There are also significant gender divides in the digital economy. This becomes particularly clear in terms of leadership and management. There is significant scope for more women entrepreneurs to play a prominent role in the digital economy. UNCTAD's eTrade for Women initiative seeks to contribute to this end.

Overall, there is also a need to strengthen the resources allocated to development cooperation related to digital for development.

c. What new opportunities and challenges have emerged over the years since WSIS which need to be addressed?

Increased market concentration

- While digital platforms offer multiple benefits, they exert significant market power in many segments of the digital economy. Large platforms' market power in segments like cloud storage, distribution, mobile applications, search and social networks is amplified by network effects (i.e. the fact that when more people use a product or service, its value increases), access to large data streams and economies of scale and scope. These platforms have further solidified and strengthened their ecosystems through various strategies, including strategic partnerships with traditional sectors, new sector expansion and acquisitions (OECD, 2022c; UNCTAD, 2019). For instance, between 2016 and 2021, Amazon, Apple, Facebook, Google and Microsoft dominated AI start-up acquisitions (UNCTAD, 2021b). A rising share of global digital advertising revenue is also captured by big tech companies.
- As market concentration continues to grow, governments are seeking ways to regulate the digital economy by adapting their legislative frameworks to digital-related competition concerns and strengthening enforcement against anti-competitive conduct. At the same time, many developing economies, particularly LDCs, face challenges in adopting and enforcing competition law for the digital economy.

Speed of technological change and need for effective coordination

- Digital transformations of global value chains and consumer behaviour have implications for countries at all levels of digital readiness. If digital transformation is not managed well, businesses in developing countries will miss opportunities to engage in global value chains and digital trade, and digital divides will widen further. Coping with digitalization is particularly difficult. The issues involved are crosscutting in nature and often relatively new to the government departments concerned. Technologies are evolving at such a high speed that policy makers find it difficult to respond effectively. Digitalization is no longer a matter of concern only for the ICT minister. It requires the attention of the government as a whole.

Increased data flows (exponential, unequal benefitting)

- The surge in digitalization has been marked by an increase in digital data flows within and across economies. These data flows originate from various sources, including personal, social and business activities and play an increasing role in socioeconomic interactions, including trade, global supply chain management and resilience. Access to comprehensive data in this digital age is rapidly becoming a significant source of comparative advantage.
- Cross-border data flows raise various policy concerns, increasingly prompting economies to either condition data movement or mandate domestic data storage.
- The global fragmentation of data flow regulations hinders data protection and digital trade, underscoring the need for increased international cooperation.
- More international cooperation is needed for developing economies to access shared best practices, technical assistance and funding to overcome data-related challenges.

Lack of statistics

- An important aspect of digital divides is the lack of statistics to measure developments in e-commerce and the digital economy in most developing countries. UNCTAD works with partners to strengthen the development of reliance statistics in this area and has produced various Manuals and Handbooks to support member States.

The growing environmental footprint of the ICT sector

- The *Digital Economy Report 2024: Shaping an Environmentally Sustainable and Inclusive Digital Future* highlights the urgent need for sustainable strategies throughout the life cycle of digitalization. From raw material extraction and usage of digital technologies to waste generation, the report explores the nature and scale of the sector's environmental footprint, which remains largely unassessed. What is apparent is that developing countries are suffering disproportionately from digitalization's negative environmental effects, as well as missing out on economic developmental opportunities due to digital divides. UNCTAD calls for global policies involving all stakeholders to enable a more circular digital economy and reduced environmental footprints from digitalization, while ensuring inclusive development outcomes.

IV. Lessons learned in the implementation of the Summit outcomes in your organisation's specific areas of responsibility

- It is clear that collaboration is still needed more than ever. It has improved during the past decade, including with the creation of eTrade for all.
- The establishment of UNCTAD's Intergovernmental Group of Experts on E-commerce and the Digital Economy has provided a unique platform for member States and other stakeholders to discuss key issues of relevance for development and to agree on specific policy recommendations.

- The UNCTAD eWeek (previously eCommerce week) has become the leading global forum for multi-stakeholder discussions on the development dimension of e-commerce and the digital economy.
- In terms of limitations of the WSIS, there are no binding commitments. Moreover, the text agreed upon in 2005 described a very different world than that of today in terms of digitalization. New issues and new divides have arisen, which call for further and innovative ways of addressing them. This is also recognized in the Global Digital Compact.
- The growing importance of digitalization has also led to a greater need for considering its implications from multiple dimensions. For example, it becomes more important to understand the interface between digitalization and environmental sustainability.

V. Observations or recommendations concerning the future of WSIS and digital development, taking into account the outcomes of the Summit of the Future in September 2024

- It will be important to ensure that WSIS implementation beyond 2025 is fully aligned with the outcome of the Summit of the Future. This concerns in particular the Global Digital Compact.

VI. Please identify publications, reports and other documents by your organisation which you consider can contribute to the work of the review.

- Digital Economy Report 2024: : Shaping an environmentally sustainable and inclusive digital future
- Digital Economy Report 2021: Cross-border data flows and development: For whom the data flow
- Digital Economy Report 2019: Value creation and capture: Implications for developing countries
- eTrade readiness assessments for 35+ countries: https://unctad.org/topic/ecommerce-and-digital-economy/etrade-readiness-assessments
- Measuring e-commerce, digital trade and the digital economy: https://unctad.org/topic/ecommerce-and-digital-economy/measuring-ecommerce-digital-economy
- Fostering Women Entrepreneurship in the Digital Economy: https://unctad.org/publication/fostering-women-entrepreneurship-digital-economy
- Policy briefs and technical notes: https://unctad.org/official-documents-search?f%5B0%5D=product%3A501
- Joint study on Digital Trade for Development: https://unctad.org/publication/digital-trade-development