



eCommerce Week

1–5 April 2019

Palais des Nations, Geneva



From Digitalization to Development

SUMMARY REPORT

UNCTAD's eCommerce Week is the leading forum for Ministers, senior government officials, CEOs and other business representatives, international organizations, development banks, academics and civil society to discuss the development opportunities and challenges associated with the digital economy. Under the theme "From Digitalization to Development", this year's edition of the eCommerce Week, that ran from 1 to 5 April 2019, emphasized the need to scale up support and break down silos – among institutions, government and policy areas – for a more effective contribution of e-commerce towards sustainable development.

eCommerce Week 2019 in a nutshell



1520+
Registered
Participants



5 High-level
sessions



350+
Speakers &
moderators



38%
Women



135 Countries
represented

35
Represented
are from LDCs



503
Government
representatives



350
Private
sector



354
Civil
society



35+ Sessions
organized by
26 out of the
30 eTrade for all
partners

IGE



120
Countries

30 LDCs



Thanks to the generous support of the Governments of:

Australia, Finland, Germany, the Netherlands and the Republic of Korea

#Data
#Negotiations #Platforms
#Trust #Blockchain
#Women #Networks
#Digital #Resources
#Transformation
#Policy

Key facts and achievements to take back from this week:

The event attracted **more than 1,500 registered participants**, from all backgrounds: public, private, civil society, all sides of the digital spectrum were well represented.

- There was a very strong presence of **stakeholders from developing countries**, which is critical to put the **development dimension** in focus.
- There was a good **gender balance** amongst participants, and one of the key issues discussed during many sessions was the digital gender divide.
- **eTrade for all partners** were instrumental in the organization of the event, with 26 out of 30 of them actively participating in the various thematic sessions, proving the inclusive nature of this initiative.
- The **new eTrade for Women Network**, championed by UNCTAD with the support of the eTrade for all initiative and funded by the Netherlands, was launched during the event. It will help to expand opportunities for women entrepreneurs in e-commerce.
- This fifth edition saw a steady **increase in the number of sessions and participants**, emphasizing the relevance of such an event in today's evolving digital world
- The eCommerce Week looked in depth at **key digital issues** including the digital divide, digital skills, digital data, gender, trade and logistics, online platforms, consumer trust and new technologies (such as artificial intelligence and blockchain).

FROM THE HIGH-LEVEL TRACK



“We are at a time where we are seeing unprecedented growth in e-commerce sales and the digital economy. It is critical however to remember that half the world is still not connected and that levels of digitalization will impact countries’ ability to achieve the Sustainable Development Goals.”

Mukhisa Kituyi
Secretary-General
UNCTAD



“Data offers new opportunities to build knowledge and profits. However, regulators must ensure the benefits are spread evenly and that people’s privacy is protected. If not, there is a significant risk that the data-driven economy will be an increasingly unfair economy.”

Isabelle Durant
Deputy Secretary General
UNCTAD



“Mobile money shows how developing countries can use data to improve financial inclusion. This data collected can play a key role in helping to improve this essential service for the world’s unbanked.”

H.E. Lantsoa Rakotomalala
Minister of Industry, Trade and Crafts
Madagascar



“My starting point is to say that I am optimistic about the potential for the digital economy because when I see women in markets using platforms to create an income, I see empowerment.”

H.E. Amani Abou-Zeid
Commissioner for Infrastructure and Energy
African Union Commission



"Human rights are the starting point. We talk so much about the digital economy and development, but we don't spend time thinking about at what cost and if we are playing on someone else's terms then am I being forced to play against my will?"

Malavika Jayaram
Executive Director
Digital Asia Hub



"The Internet is the oxygen of the digital economy. If we don't have access to the Internet, there is an extreme cost in the growth in digital business."

Rebecca Enonchong
Founder and CEO
AppsTech



"We can't forget that our ability to improve a consumer's decision making is driven by the same thing that creates challenges and concerns in the area of privacy."

Helena Leurent
Director General
Consumers International



"With cross-border data flows, restrictions are being put in place for a number of reasons including privacy, law enforcement, digital protectionism and cybersecurity as well as politics or culture. We must continue to be aware that one country's data restriction is another country's lost commercial opportunity."

Joshua Meltzer
Senior Fellow
Brookings

If you missed it, you can watch the [entire recording of the High-Level Dialogue here](#) (UN WebTV) or listen to it on the [UN Digital Recordings Portal](#).

If you have suggestions or comments on the eCommerce Week, [kindly take a minute to take our survey!](#)

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MONDAY 1 APRIL

eTrade Readiness Assessments: Afghanistan and Bangladesh

The session launched the new Rapid eTrade Readiness Assessments for Afghanistan and Bangladesh. The event, organized by UNCTAD, was chaired by Germany's Federal Ministry of Economic Cooperation and Development (BMZ) – which had funded the two assessments – and heard comments by high-level government officials from both countries, private sector representatives and experts. The panel reviewed the key findings of the reports and participants discussed the next steps to ensure an effective implementation of the policy recommendations contained in each assessment.

The session highlighted efforts made by both countries to create a more favourable environment for e-commerce. Bangladesh stood out in terms of strategy formulation, as ICT is centrally positioned in the national development agenda through the 'Digital Bangladesh' initiative, which has driven growth in the digital economy ecosystem in close collaboration with the private sector. ICT infrastructural improvements were also emphasized, with increasing mobile services coverage in 2G, 3G, 4G networks throughout the country. Three challenges in terms of e-commerce growth were stressed: logistics, payment services and last mile Internet access services.

The situation of Afghanistan came across in slightly different terms as the country faces security challenges which impede the growth of e-commerce, in spite of a dynamic emerging youth-led IT sector. There was however consensus on the fact that e-commerce is increasingly being recognized by both policymakers and enterprises as a growth driver; which has led to regulatory and legal reforms and growing investments in ICT infrastructure. Mismatch of skills for the digital economy, lack of awareness on benefits of e-commerce and issues of coordination between the government and private sector were impeding the development of e-commerce.

Common challenges faced by both countries in e-commerce development were discussed including, the overreliance on cash-based transactions, insufficient legal and regulatory frameworks for e-commerce and inadequate financial mechanism to enable SME growth through e-commerce. The session proposed several steps forward including:

For Afghanistan:

- Develop a national ICT policy and an e-government strategy that builds on the vision of the ICT Law of 2003,
- Establish a dedicated working group on e-commerce building upon its current mandate,
- Raise trust and awareness about benefits of mobile money with national advocacy campaigns.

For Bangladesh:

- Formulate masterplans to translate the ICT Policy 2019 and the National Digital Commerce Policy 2018 into actionable roadmaps,
- Institutionalize inter-ministerial and private sector coordination on e-commerce,
- Enhance the statistical backbone to monitor ICT and e-commerce developments,
- Ensure policy and implementation spotlight in ensuring 100 per cent coverage vis-à-vis 2G, 3G and increasing 4G and 5G coverage.

Enhancing the digital dimension in development cooperation strategies

This session, jointly organized by UNCTAD and Germany, sought to take stock of the work and priorities of development partners in relation to the targeting of development assistance to support the development of the digital economy in developing countries, exploring ways in which such support could be enhanced and expanded. Results were presented from a study on donor support to the digital economy that was undertaken by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) on behalf of UNCTAD, and which incorporated the results from a survey of a number of major public and private sector development partners.

The report had found that, while international aid flows to developing countries amounted to about \$177.6 billion in 2017, the extent to which these flows support value creation and capture in the digital economies of developing countries is not well known. However, available estimates suggested that only a small fraction of aid flows were explicitly addressing the development implications of digital transformations. In the case of the Aid for Trade programme, it was estimated that only 1 per cent of its funds are allocated to ICT solutions. It also highlighted a great deal of variation between donors in the nature of their strategies and policies in support of digital economies in developing countries.

The report made 10 recommendations for action by donors, by developing countries, and by relevant UN agencies, to ensure that the digital dimension is adequately reflected in the development cooperation strategies of both public and private donor organizations.

Recommendations for actions by donors

1. Establish an alliance of donor agencies at the global level – for example through the OECD’s Development Assistance Committee and/or other established international fora – to document, exchange and promote good standards and practices in donor support to digital economies in developing countries with special emphasis on digital inclusion and leaving no one behind.
2. Improve the alignment of donor support through digital economies in support of the SDGs and development strategies and programmes of partners in developing countries.
3. Promote broad-based awareness of the opportunities and risks of digital economy development among partners in developing economies, with a view to strengthening local ownership and stakeholder empowerment, as well as within donors’ home constituencies.
4. Develop and apply viable concepts and tools for evidence-based, results-oriented and unbiased monitoring and evaluation of the outcomes and impacts of donor interventions to support digital economies in developing countries.

Recommendations for actions by policy and decision makers in developing countries

5. Promote – through appropriate capacity and awareness building measures – an open, lively and well-informed public debate as well as regional and international peer exchange with a view to improving own strategies and programmes and aligning international assistance that

addresses the opportunities and risks of digital development in achieving the SDGs and other national policy goals.

6. Reinforce own systems of impact monitoring, evaluation and reporting of digital economy impacts on the achievement of the SDGs.
7. Adopt and implement national strategies and programmes for digital development, drawing on the results of independent and evidence-based reviews such as eTrade Readiness Assessments, with due consideration of the associated opportunities and risks.
8. Integrate donor support to digital economies into local systems of resource mobilization and allocation including national planning and public financial management systems.

Recommendations for actions by the competent UN agencies

9. Facilitate donor dialogue through existing channels (e.g. eCommerce Weeks, the eTrade for all initiative and the OECD Development Assistance Committee) and efforts to adopt and apply good standards and practices, create synergies and enhance aid efficiency and effectiveness in donor support to digital economies in developing countries.
10. Facilitate the design and implementation of strategies and programmes within the UN system for more efficient and effective support to digital economies in developing countries.

A number of the development partners outlined their approach to supporting the digital economy, or particular initiatives that they have undertaken. For example, Australia had recently announced a new AUD\$4.5 million program to help developing countries in the Indo-Pacific to maximize the benefits of digital trade.

Areas where progress is needed to develop the digital economy in developing countries included:

- Basic infrastructure (such as electricity) in LDCs,
- Access to Internet at reasonable cost,
- Financial inclusion, and access to payment methods (which can depend upon laws and regulations, amongst other things),
- Education and skills,
- Online security, and
- Logistics and trade facilitation.

There was agreement that digitalization could have far reaching implications for the realization of the sustainable development goals. However, it was acknowledged that the scale of the challenge faced by the international community to rapidly scale up development assistance to the digital economy would be too great to be tackled by any single organization, and therefore collaboration was essential.

For example, in the case of the European Union, its engagement had begun to shift from a “development approach” to one of partnership, working with a broad range of organizations, including the private sector and financial institutions, to address challenges in a holistic manner.

The OECD representative stated that, to ensure that policies harness the benefits while mitigating the challenges, policy makers have to be proactive, and action was needed now. Making the digital transformation work will require inclusive, coherent and well-coordinated policies, reflecting a multi-stakeholder and whole-of-government approach to policy making, that proactively considers those who benefit and those who risk being left behind.

While several speakers referred to the risks of digital divides, references were made to the opportunities that the digital economy could open up to empower women, entrepreneurs and small and medium enterprises. The importance of attracting private sector investment was stressed by a number of speakers.

Several participants commented on the usefulness of UNCTAD's eTrade Readiness Assessments for allowing LDCs to identify main areas of need, while having ownership of the process for developing relevant national actions. There was demand for expanding these assessments to other developing countries. Such assessments should also be supported by work on national strategies.

There was agreement that collaboration on enhancing the digital dimension of development is important, and the discussion of this topic at the UNCTAD eCommerce Week was welcomed. The OECD stated that they will continue to bring donors together so that digitalization will be better reflected in the development cooperation strategy of all donors. UNCTAD offered to assist the OECD in their preparations for their High-Level council meeting to be held in May 2019, and which had the theme of digitalization.

TUESDAY 2 APRIL

MINISTERIAL ROUNDTABLE



Ministerial Roundtable on Trade, Data & Digitalization

At this Ministerial Roundtable, government and private sector participants grappled with the tension between digital trade regulation and on-the-ground realities of data collection and use. The session paired the two issues to address pressing digital economy prospects and problems at a juncture where both e-commerce and data regulation are needed but require extraordinary global collaboration.

Discussions emphasized the central role of data, which was described as the currency of the digital economy and suggested that we are still only at the beginning of this phenomenon. We must expect to experience increased uptake of the Internet of things (IoT), Big Data, 3D-printing and artificial intelligence (AI), all of which will make data both from people and objects even more important.

Digital data, when properly collected, processed, stored, analyzed and transformed into digital intelligence, can provide new sources of knowledge, innovation and profits, including for women and the youth. In developing countries, benefits can accrue from the fact that the threshold for adoption of technology has been lowered. Data can also be used to promote inclusion (e.g. financial inclusion) and formalization of the informal sector. There was a call for data to be considered beyond its commercial value and rather as a vector for delivering prosperity across the globe. The increasing digitalization of the economy should not be seen as a zero-sum game.

However, there were legitimate concerns regarding the distribution of benefits from the data-driven economy. In various countries there had been success stories, but the aim for these successes needed to be more widely shared. Moreover, there were growing concerns among citizens, regulators and

watchdogs about the implications for security, privacy, ownership and use of data. Empowerment of consumers was considered particularly important, which could be advanced by ensuring access and control over their own data. It was also suggested that access to data by all players could play an important role in countering anti-competitive practices of certain platforms.

During the session, concerns were raised about the impact of recently concluded trade agreements and ongoing negotiations on government regulation of cross-border trade data flows. However, it was added that research is still not conclusive as to whether data restrictions are productive or counter-productive so restrained use of restrictions, based on a risk-based analysis, might be warranted. As with other areas of trade, the objective should be to achieve a balance between potential trade disciplines and national policy objectives. It was important to acknowledge that many of the traditional barriers to trade (e.g. inadequate trade facilitation) are relevant for the digital economy and that more work had to be pursued on several fronts (new challenges should not be the enemy of old challenges).

Appropriate policies, at national and international levels, are needed to address these complex issues and to ensure that no one is left behind in the digital economy. Further dialogue, more research (including to clarify the terms and concepts used in the discussions) and stronger efforts to support were needed for countries that embark on the digital journey.

HIGH-LEVEL DIALOGUE



From Digitalization to Development

The High-Level Dialogue addressed the issue of the digital divide and to what extent people and countries are benefitting from digitalization.

Featured panelists called for increased efforts to bring the remaining 50 per cent of the world's population online. Even though the digital divide is closing, important differences remain, both between and within countries. Cost and availability of digital infrastructure, but also language and skills, were barriers for people to benefit from opportunities from digitalization, especially in rural areas. To make digitalization work for development more must be done, as its benefits are not automatic.

The panel addressed some of the key challenges related to the production side of e-commerce, including local value creation and ensuring local value capture. E-commerce companies are calling for governments to provide a more conducive business environment based on trust and support for start-ups, while refraining from measures that may stifle the development of e-commerce, such as politically driven internet shutdowns or excessive taxation. At the same time, concerns are raised regarding the social impact of digitalization, and in particular the commercialization of user data and impact on labour. Digital businesses should be obliged to take greater responsibility when it comes to data management and privacy concerns. Furthermore, while improved internet access facilitates efforts to find work in the formal and informal economy, many workers still struggle to sustain themselves in the digital economy.

To secure its benefits, governments need to take a holistic approach to digital development and address concerns in different policy areas, including business facilitation, innovation, digital infrastructure, digital skills, digital payments, data ownership, privacy, entrepreneurship, consumer protection and labor rights.

In identifying the right solutions, stakeholders had to take into account national and local circumstances. Developing countries should be fully part of international digitalization debates, in order to avoid delivering a top-down form of development support that does not reflect the concerns and needs of all societies. The panel recognized that international organizations can play an important role in providing a platform for discussions and technical assistance to developing countries, in particular to identify specific needs and challenges and providing policy recommendations.

WEDNESDAY 3 APRIL

Digitalization and the realization of the African Continental Free Trade Area for Africa's digital transformation

The session organized by the African Union Commission (AUC) focused on new opportunities to boost the African economy offered by digitalization, including through increased e-commerce, the cutting of red tape reducing trade costs and enabling e-government. The growth of the digital economy in Africa, including e-commerce, is creating new opportunities for entrepreneurs and businesses to expand their market access and join value chains. However, it also creates risks and challenges, and gains e-commerce are not automatic. Plurilateral discussions have recently begun in Geneva. The low involvement of most African countries in the WTO should not be mistaken as disinterest in the topic, but rather as discontent with the multilateral trading system, often leading to unfavorable results. This is also evident from the requests for UNCTAD's research, capacity building and technical cooperation activities in this area. UNCTAD will continue its support to African countries, in collaboration with the AUC, the UNECA and other development institutions partners in Africa, including in the context of the eTrade for all initiative.

The recent ratification of the AfCFTA Agreement by The Gambia brought the number of ratifications to the threshold needed for the entry into force of the agreement. This is a historic moment for Africa, demonstrating that the continent is on the move and that the future of its regional integration is bright. Several of the institutions and modalities envisaged under the AfCFTA will benefit from the digitalization process such as the online Non-Tariff Barriers Reporting, Monitoring and Elimination Mechanism; the Digital Payments and Settlement Platform; and the African Trade Observatory Portal, which will among others, provide real time information on export and import opportunities in the AfCFTA. The are many initiatives relating to digitalization and ownership by Africa is key in this context, so that the continent can determine for itself when, how and at what pace it wants to move.

The first substantive segment of the session heard a diverse panel of representatives of African Internet and e-commerce associations, tech entrepreneurs, and development partners discussing what digitalization means for ordinary African traders and SMEs, the status of research on

digitalization across African and key initiatives undertaken at the continental level. Participants identified a range of challenges to digitalization in Africa including the absence of harmonization of regulation and procedures for e-commerce, insufficient trade facilitation, lack of interoperable payment solutions, lack of strong political leadership in this area, the need for digital IDs, insufficient data protection in many countries and the need to ensure that digitalization and e-commerce work for African traders (with the emergence of African champions in the digital space) rather than contribute to benefitting others outside the continent. Reference was made in particular to MSMEs and the informal sector and the importance of ensuring that digitalization contributes to inclusivity and a transition towards the formal sector.

The second substantive segment of the session which included panelists from government, civil society organizations active in fintech and e-commerce, as well as development partners discussed multi-stakeholder approaches and partnerships for strengthening Africa's capacity to achieve its digital transformation. The discussion acknowledged the plethora of initiatives and programmes taking place across Africa, at national, regional and continental levels and the need for coordination and synergies among these initiatives if they are to contribute towards Africa's digital transformation. Words of caution were expressed when it came to trade negotiations and the need to ensure that space is preserved for African economies and entrepreneurs to develop. A number of success stories were showcased, and continued attention was requested for the specific situation of youth and women. The session concluded by emphasizing the diversity of stakeholders in African and partners from outside the continent that could come together in a task force to work together with the AU and its Member States for the digital transformation of the continent.

Women in e-commerce: Changing the current narrative

The discussions were informed by a panel of six successful women entrepreneurs from the e-commerce field. The participants discussed how women in developing countries could get a seat at the table of policy making processes and make an impact in relation to gender-specific challenges they may face.

Participants acknowledged the need for a general change in policy design as a first important step and recognized that discussions of this type were useful to raise awareness, especially to avoid the risk of "gender-washing." There are a lot of inadequate programmes which are not gender-responsive in the industry. Sharing experiences of women entrepreneurs in e-commerce will be important to reflect challenges into policy design in a solution-oriented manner.

Participants agreed that there was a need to analyze the actual constraints that women entrepreneurs face in e-commerce to envision the type of change that is needed and how to implement those changes. This diagnostic could be done at national level but also at regional level.

Entrepreneurship in e-commerce is a challenging journey both for women and men but the former often face specific constraints related to: social bias, family planning, access to finance and even sexual harassment. These concerns needed to be funneled into policymaking-making processes linked to the digital economy.

Changing mindsets by raising the profile of women entrepreneurs is key especially for young women entrepreneurs as they tend to be more inclined to explore new opportunities.

Funding, role modeling, mentoring were levers that can be actionized to empower women entrepreneurs in the digital field.

Self-confidence, attitude combined with constant learning and knowledge and speaking as a private sector representative are other ways to become a trusted source of information and create a change at policy level.

The new eTrade for Women Network, which will complement the current work of the groundbreaking eTrade for all initiative, was announced during the conversation. UNCTAD will leverage its existing relationships with partners involved in the eTrade for all initiative to champion the network.

There are four reasons why UNCTAD established the eTrade for Women Network:

- **Visibility:** to increase the visibility of successful women entrepreneurs in e-commerce in developing countries.
- **Largesse:** to provide them with a relevant network of peers.
- **Inspiration:** to inspire the next generation of women entrepreneurs and e-business leaders in developing countries.
- **Learning:** to highlight good practices emerging from the field that are likely to add value to existing gender initiatives.

FRIDAY 5 APRIL

The development implications of the proposed WTO plurilateral negotiations on electronic commerce

E-commerce and digital trade are growing rapidly and have transformative effects on the global economy and development prospects of developing countries. The digital divide, however, remains a real concern to many developing countries, particularly LDCs, and many face challenges of drawing benefits from vibrant digital trade owing to the lack of adequate digital capacities. Policies and support measures are important in this regard.

The plurilateral e-commerce negotiations launched under the WTO will be an open process aimed at creating a comprehensive and ambitious set of e-commerce rules. The results will be applied on a most-favored-nation basis. So far only a limited number of LDCs have chosen to participate in the negotiations out of the belief that e-commerce is important for their economies but also of the desire to reflect LDC perspectives in the negotiations.

A significant number of developing countries (88), including the vast majority of LDCs, Africa and small island countries, remain outside of the negotiations. They have legitimate concerns over their unpreparedness to benefit from cross-border e-commerce as well as to engage in negotiations. It was argued that the gains from e-commerce are not automatic and there is need to build national digital industrial capacities and improve national preparedness through adequate national policies,

regulations and strategies. In this view, global e-commerce rules and disciplines could affect their ability to do so. It was also argued that the implications of new technologies on the existing WTO rules had not been sufficiently analyzed and discussed in the WTO.

Particular consideration would need to be given to possible effects of some of the “hard elements” of the proposed e-commerce disciplines, such as free cross-border data flows, ban on data localization requirement and a permanent moratorium on customs duties on electronic transmissions. These policies are seen to affect the ability to implement digital industrialization and raise government revenue.

The development dimension is cross-cutting and should be addressed in all aspects and stages of negotiations. Greater participation of developing countries is therefore important in incorporating the development dimension, and it needs to be addressed upfront in the negotiations. In this context, UNCTAD should play an important role in assisting developing countries to better address policy challenges posed by growing e-commerce and WTO e-commerce discussions, for instance by facilitating member states’ examination, assessment and discussion of developmental issues arising from e-commerce and WTO negotiations. It could also provide support to developing countries and LDCs in their national policy, regulatory and institutional capacities building through analytical and research in measuring e-commerce, assessing the effect of proposed e-commerce rules on national economies, e-readiness assessment, broader trade-related capacity building and training, including through trade negotiation capacity building support.

FROM THE INTERGOVERNMENTAL GROUP OF EXPERTS



The third session Intergovernmental Group of Experts on E-Commerce and the Digital Economy witnessed lively and useful discussions around the topic of “The value and role of data in e-commerce and the digital economy and its implications for trade and development”. The debates focused on the opportunities for wealth creation and for addressing development challenges in the data-driven economy, as well as the various potential concerns related to, for example, data privacy and security, cross-border data flows and market concentration. Possible policy and regulatory responses at national, regional and international levels to transform the opportunities and challenges in the data-driven economy into inclusive trade and development were illustrated through the sharing of experiences among experts.

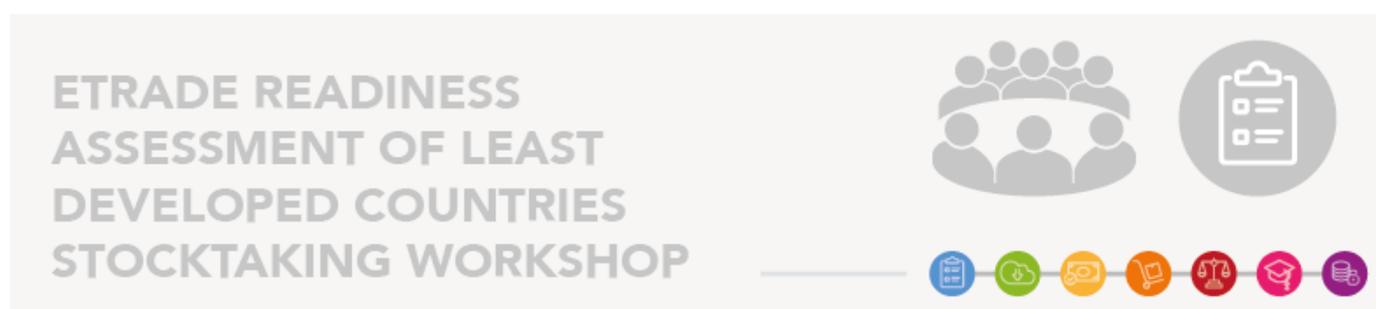
While the Group of Experts was not able to reach an agreement on the policy recommendations, on some issues, consensus seemed to be emerging, such as with regard to the growing importance of digital data for trade and development, that digitalization can bring both opportunities and challenges, and the need to address digital divides through capacity-building and other measures.

Significant divergence of views remained on a number of other issues, however. These included on how to manage and regulate cross-border data flows, on the nature of regulations on data (including data protection, data localization, data ownership, digital industrial policies, trade policies), and with

respect to what policies at the national and international level should be recommended to reap trade and development benefits from data in e-commerce and the digital economy.

The complexity of the topics under consideration highlighted the need for further discussions on their implications, given that the world is at the early stages of the data-driven economy. However, the intense exchanges among all stakeholders helped to build a better understanding of the issues at stake and divergent views, and will hopefully contribute to future work related to reaping development gains from data and the digital economy.

All delegations at the IGE supported the creation of the Working Group on Measuring E-commerce and the Digital Economy, the terms of reference as well as the proposed topics for its first meeting: 1) the revision of the UNCTAD Manual for the Production of Statistics on the Information Economy, and 2) measuring domestic and cross-border e-commerce.



Lessons Learned and Best Practices for the Conduct and Implementation of the rapid eTrade Readiness Assessments

There has been a growing interest from developing countries – especially from least developed countries (LDCs) – to improve their engagement in the digital economy. Over the past two years, 64 per cent of the world’s poorest countries – i.e. 30 out of 47 LDCs – have expressed interest in assessing their e-commerce ecosystem through UNCTAD’s Rapid eTrade Readiness Assessment. Several non-LDC countries have also requested such an assessment, demonstrating the wide-spread interest in what governments and donors can do to support a sector of growing importance.

This two-day workshop, organized by UNCTAD and supported by the Governments of Australia and Germany, offered an opportunity for participants to take stock of lessons learned and best practices from the Rapid eTrade Readiness Assessments. The event gathered more than 60 participants from 23 LDCs¹, four non-LDCs (Côte d’Ivoire, Iraq, Samoa and Tunisia), two regional organizations (PIFS and UEMOA), eTrade for all partners (ITC, UPU, the World Bank) as well as key development partners (the Governments of Australia, Germany, Sweden, the Enhanced Integrated Framework (EIF) and the International Islamic Trade Finance Corporation (ITFC)).

The workshop sought to:

1. Present the main results of an eT Ready stock-taking survey carried out online between February and March 2019 among national focal points,

¹ Afghanistan, Bangladesh, Benin, Bhutan, Burkina Faso, Cambodia, Comoros, Djibouti, Kiribati, Lao PDR, Madagascar, Malawi, Mali, Myanmar, Nepal, Niger, Senegal, Solomon Islands, Tanzania, Togo, Uganda, Vanuatu, Zambia.

2. Share major challenges and best practices stemming from the preparation and implementation of the eTrade Readiness assessments,
3. Identify areas of improvement at different stages of the project (data collection, stakeholders' mobilization, FGD) – to better prepare for future eT Readies,
4. Discuss with donors and eTrade for all partners concrete avenues of collaborations and a roadmap for an effective implementation of the eT Readiness recommendations.

Wednesday, 3 April

Following the introductory remarks and a brief presentation of the eT Readiness Programme and survey outcomes (Session I), selected countries were invited to share their experiences in the preparation and implementation of the assessments (Sessions II and III). Emphasis was put on best practices in resource mobilization, public-private dialogue and e-commerce strategy formulation.

The three sessions were followed by a group exercise during which participants shared and reviewed their experiences with donor mobilization and their plans for further translating the recommendations of eTrade Readiness Assessments into actions.

Below are some of the *key facts and achievements* to take back from Day One:

- eTrade Readiness Assessments have been a **catalyst for new e-commerce initiatives** in many countries, involving also the private sector (e.g. in Senegal and Cambodia, among others). Ten countries indicated their interest in developing e-commerce strategies following the eT Ready, and some have already started working on a strategy, such as Senegal, Rwanda, Nepal, and Cambodia,
- There is a need to **strengthen productive capacities** and to **build trust** among consumers to better exploit e-commerce opportunities,
- **Foster awareness** and understanding of the importance of this evaluation among stakeholders. For this, an additional step will be added to the eT Ready methodology,
- Most of the time, the eTReady report launch has not been planned as part of the eTrade Readiness assessment, and no funding is available at the country level,
- Cross-border considerations and focus on MSMEs could be increased.

Key suggestions for the preparation and implementation of future eT Readies:

1. **Amend the existing eT Ready methodology** to include:
 - A pre-stakeholders' meeting to foster understanding of the assessment and stakeholders' mobilization. This phase will be carried out by the requesting (or appointed) Ministry with the support of UNCTAD,
 - The set-up of a taskforce composed of focal points in different key ministries,
 - A national launch of the eT Ready. The lead Ministry can count on the participation of any of the eTrade for all partners in liaison with UNCTAD.

As a result, the project duration and budget will be affected, to include additional time and resources to cover costs linked to the organization of two further activities.

Advantages: The additional activities should increase the ownership of the process from national stakeholders and in the next phase, based on the national Taskforce, also the accountability, improving the sustainability of the project. It will also allow more time for data collection.

2. **Identify one ‘champion’ for each policy area at the beginning of the assessment**, and bring together the seven champions into an eT Ready core team (Ministry of Commerce, Telecommunications, Digital Economy, Finances, Education, etc.) to lead the preparation and implementation of the recommendations in each area (as did Bangladesh),
3. **Costing** of some of the policy recommendations included in the matrix might be useful to develop project documents. eTrade for all Partners should propose some standard project documents, wherever possible, to be customized in collaboration with the beneficiary country,
4. Make use of the existing **quick-win template to identify priority projects** drawing from the eT Ready best practices and policy recommendations,
5. **Profiling resident donors’ interest** in the digital economy (from job creation to increase trade priorities) at the beginning of the assessment should be a key priority in order to mobilize the resources needed for eT Ready follow-up and implementation of priority actions,
6. Organize a well-prepared **donors’ roundtable** – based on a detailed analysis of donors’ programme and follow-up plans (following Myanmar’s model),
7. **Integrate e-commerce into National Development Plans** and sector (trade) development plans and use the DTIS update process (EIF) to accelerate and prioritize the implementation of some eT Readies recommendations.

Thursday, 4 April

Day Two included a series of interactive discussions between beneficiary countries and relevant donors, eTrade for all partners and regional organizations. Focus was put on the role these actors can play in supporting governments to embark in e-commerce and implementing the eT Ready policy recommendations. The discussions were organized around plenaries, clinics and a final donor session. Some of the key questions included:

- *How to mobilize financial resources more effectively?*
- *How can donors better assist developing countries to translate policy recommendations and action plans into sound project proposals?*
- *How to connect different existing projects run by donors with e-trade policy areas to enhance synergies and avoid duplication of efforts?*
- *What is the role of regional institutions in the preparation of regional e-commerce strategies?*

A new tool – the MyeT4a – was also introduced as an innovative platform and information hub for countries’ focal points to enhance accountability and monitoring of the recommendations of eT Readies and help them reach out to the appropriate donors.

Below are some of the *key take-aways* from Day Two:

1. **Engagement and buy-in from governments** are crucial even before the process starts. eT Readies put the governments in the driving seat. Countries should set their priorities, understand private sector needs and identify potential e-commerce markets, matching with eT4a partners’ abilities and donors’ priorities,
2. **Exploit peer-to-peer learning** and develop clear roadmaps to assist LDCs to quickly implement some of the policy recommendations, as e-commerce is a rapidly evolving sector,
3. **Use the eTrade for all platform** to ‘connect the dots’ and see how partners can best assist countries on specific e-commerce initiatives,
4. **Explore donors’ priorities** with regards to job creation, entrepreneurship, woman empowerment and value chains. Donors have a number of ongoing projects to support LDCs – for instance in access to financing, skills development, entrepreneurship (e.g. BMZ is

supporting programmes on e-skills for girls, a Developing Investment Fund, MakeIT and a Partnership for Digitalizing Africa). Yet, the digital economy and e-commerce are not always key priorities for donors,

5. **Use the different multilateral and regional tracks** – including the Aid for Trade global review, donors' coordination platforms as well as private sector initiatives – to approach relevant actors and place the requests based on specific needs,
6. **Engage with regional economic communities** to address e-commerce development through regional roadmaps and workplans, taking into account the specificities and needs of the countries, building on existing and future eT Readies.

TAKEAWAYS FROM SELECTED SESSIONS



*N.B: These summaries are based on inputs received from each session's organizers. The views reflected in these summaries do not necessarily reflect UNCTAD's positions. Sessions for which no inputs were received are not included in this overview. The following is thus non-exhaustive. For more information **on all the eCommerce Week sessions**, including the ones not summarized in this report, please visit the [official website](#)*

MONDAY 1 APRIL

Industry 4.0 and e-commerce

The session explored synergies between two paradigms that are propelling a digital revolution: Industry 4.0, which transforms the way goods are produced, and e-commerce, which changes the way goods and services are being traded.

Industry 4.0 broadly entails the integration of a set of technologies which promote ecosystems of intelligent, autonomous and decentralized factories – with the provision of integrated products and services. It empowers manufacturers to customize their products and services for their customer base.

The main characteristics of Industry 4.0 production are information transparency, technology supported production methods, autonomous decision making and interoperability. Smart factories connect the digital world of information technology with the physical world of operational technology. Benefits include increased productivity, promoting innovation and increased efficiency. E-commerce acts a connector between Smart Factories and Smart Societies.

E-commerce and Industry 4.0 both contribute to unleashing opportunities for SMEs to participate in international trade. In fact, new technologies such as AI, IoT and robotics all have a key role to play in the e-commerce value chain from manufacturing to after sales services.

In Africa, e-commerce will be a driver for both the 4th Industrial Revolution and seizing the opportunities of the African Continental Free Trade Area. Its efficiencies rely on the technological and communications developments of Industry 4.0 and on advances in infrastructure development. Merging e-commerce with Industry 4.0 technologies can address the logistical flow of goods in Africa, promote fintech solutions, enhance customer service and facilitate growth of digital businesses. This union will support inclusive development on the continent. E-commerce will open the B2B market in Africa, providing economies of scale especially for SMEs in manufacturing. As such it presents an opportunity for technological leapfrogging and contributing to sustainable development for developing countries. There are however also challenges to overcome, such as changes in investment patterns, low skills levels and infrastructure bottlenecks. In Brazil, for instance, the national industrial confederation estimates that only two per cent of the Brazilian industrial sector is prepared to Industry 4.0.

From a consumer perspective, major challenges to overcome include: the huge amounts of personal data collected and shared with other devices and firms, erosion of ownership concept through increased licensing and liability issues due to the blurring of boundary between consumer and businesses. In light of these new paradigms, consumers should play an active role in policy formulation, be made aware of their rights, improve their digital skills, and organize and engage in digital awareness programmes.

As an example of addressing different challenges, the panel discussed Sinopec's e-procurement platform (EPEC) and its utilization of information network and digital to promote the digital transformation, and in particular standardization, digital manufacturing, transparent logistics and information interconnection. China's early adoption of e-commerce has now resulted in inclusive development in most sectors within the country. From EPEC's perspective, e-commerce has supported the digitization of enterprises and consumers and led to the implementation of efficient and effective digital supply chains.

Data sharing and Single Window in the Eurasian Economic Union, using UNECE standards

E-commerce is a source of economic and social development beneficial to all countries. Regional cooperation is vitally important for the inclusive and sustainable development of e-commerce. The countries of the Eurasian Economic Union use international standards, including those of the United Nation Economic Commission for Europe (UNECE) and its subsidiary body UN/CEFACT, to improve the information exchange for business. This creates solid basis for cooperation on a higher level including between different integrational structures.

During the session the panel presented the results of the cooperation between UNECE, the Eurasian Economic Commission (EEC) and Belarus on the Single Window for export, import and transit clearance and on data sharing using international semantic standards. This included the results of a UNECE-EEC project on Single Window, the creation of a Reference Model of a National Single Window, the implementation of UN/CEFACT data exchange standards in the Eurasian Economic Union, implementation of a Single Window in Kazakhstan together with the UNCTAD ASYCUDA system, and a seminar in Minsk from 10 to 11 December 2018.

The use of international data exchange standards is crucial for the efficient functioning of Single Windows, trade information exchange management, and the harmonization of data, documents, data models, and business processes. It has an even higher importance in the current drive to establish a digital economy in the EAEU countries. Standards help create accessible, interoperable platforms for traders and consumers, business and government bodies, as the basis of a common business language, indispensable for efficient e-commerce.

The EAEU Member States regard the Single Window as an ecosystem involving control agencies, the business community and other stakeholders in the business process. They stress the necessity to move from document-based to data-based approach in the modernization and rationalization of trade information exchange. They also stress the key importance, in the age of digitization, of the semantic compatibility of information systems of participants in cross-border supply chains and regulatory authorities, of the use of internationally recognized standards for electronic data exchange, identification and labelling, and of reliable data sources. These international semantic standards include the UN/CEFACT Core Components and trade data element directories, UN/EDIFACT, GS1 identification standards, as well as the data models of UN/CEFACT, WCO and the EAEU. New work on semantic modelling as the basis for the development of electronic certificates using UN/CEFACT tools, such as the results of the eCERT project should be taken on board.

The UNCTAD ASYCUDA team and State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan finalized on 27 March 2019 the launch of a Single Window, fully integrated with the ASYCUDA-based ASTANA-1 Customs management system which includes the following functions: obtaining electronic permits and licenses, electronic Customs declaration, electronic services for issuing Customs preliminary decisions, showing Customs tariffs, directories and document registries, regulatory legal acts. Kazakhstan will introduce other elements of the Single Window components in April–July 2019 to support and ease the documentation processes for national exporters.

Expanding the horizon for MSMEs in international trade: Role of e-services

In this session, participants discussed how e-services can bring effective solutions for MSMEs to access global markets in an efficient manner in the context of the digital revolution. On average, MSMEs occupy 95 per cent of all enterprises. They are the source of major employment, providing livelihoods for more than 500 million people. Lack of professional skills and knowledge, access to finance and quality business services are few of the key international trade barriers for the MSMEs. The UN/CEFACT project 'Integrated Services for the MSMEs in International Trade (ISMIT)' provides a comprehensive framework for such e-services.

To integrate micro enterprises, many of which are still informal (not included in national official statistics) into the digital revolution, the following needs to be ensured – provide basic infrastructure (e.g. electricity, affordable Internet, transport etc.), support skill building and developing the business services sector, ease the tax burden on new enterprises, especially in early years, make it less risky to enter the market (for example by providing affordable bankruptcy insurance).

Innovation in logistics services can bring opportunities for MSMEs. The new-transformative technologies including AI, IoT and blockchain provide cost-savings opportunities, increased trust and

increased visibility. However, main challenges include technical and technological complexity and governance regulations and lack of standards. MSMEs will benefit most if technologies are simple.

The e-business transactions resulted from e-commerce transactions (e.g. online purchases) require B2B or B2G or G2B transactions for regulatory or commercial purposes. It may involve different agencies. Use of standards for using UN/CEFACT semantic models can help make these transactions smooth and inter-operable nationally or across borders. Availability of open standards and free-of-charge allows MSMEs to benefit. In addition, possibility for MSMEs to participate in the development of standards free-of-charge allows them to ensure their needs are represented in the standards.

Examples of projects supporting e-services for MSMEs included the OneTouch platform in Malaysia, the Port Community Systems in Germany and the Tr@de Direct initiative strategic alliance between banks and PortNet in Morocco.

Fees charged by big online platforms may reach 20 per cent of the sales value and act as a disadvantage to the MSMEs. Therefore, policies must focus on profitable growth for MSMEs. Global standards can help achieving this objective by reducing barriers and ultimately providing more profits for the MSMEs.

Technology, data and global trade: New pathways of development

New technologies such as blockchain, AI and 5G have the power to boost trade by reducing costs and improving efficiency. For instance, blockchain could be useful for trade finance and reducing the paperwork, potentially cutting trade cost by 20 per cent. An HSBC blockchain project has already reduced the processing time of letters of credit from 5-10 days to only 24 hours. Other applications of blockchain in trade target coordination among stakeholders along the value chain, facilitating customs procedures, and increasing transparency and trust.

Similarly, cross-border e-commerce transactions through small consignments can make trade more inclusive. Survey results show that cross-border B2C e-commerce is opening new doors for SMEs to export, and the share of women-owned firms doubles when moving from traditional offline trade to cross-border e-commerce. ITC's projects on the ground help SMEs in developing countries to engage more efficiently in e-commerce export.

However, new technologies also pose new challenges, regarding competition, cybersecurity, privacy, and lack of interoperability, among others. These are more of a burden for small players, especially in developing countries. When it comes to e-commerce in goods, asymmetries are also noticeable. The share of logistics costs over final price is nearly double in developing than in developed countries and product returns are a significant cost factor for enterprises in LDCs.

The session addressed the need to accompany the fast pace of technology with regulatory frameworks that are forward-looking and that could facilitate inclusiveness in the e-commerce market, usually dominated by network effects. Regulations need to keep up with an evolving technology environment characterized by the search for accountability, automation, and optimization. From an industry perspective, digital trade requires action in three areas: trust, policy-making and coordinated technical solutions. While digital trade rules are already present in several regional trade agreements, the topic is still under discussion at the multilateral level. Developing countries need to be actively engaged in

the discussions, despite the multiple challenges they face. There could be first mover advantages at rule-setting, as the rules could be spread through business practices.

The Korean digital government, leading the digital economy

This session focused on best practices of the new e-Government strategy in the Republic of Korea, by:

- Introducing how the new e-Government strategy has developed, including several important services such as e-document and e-tax, explain its success factors and details on international cooperation.
- Explaining the Korean Information Network Village (Invil), which revitalizes the local economy and seeks to balance regional development through enabling greater access to the Internet. As a result, households with Internet access increased by 51.2 per cent compared to the initial period.
- Introducing the resident registration system, which has been the main driving force behind the country's rapid digitization and development, allowing the government to provide administrative services more efficiently and the private sector to flourish with active e-commerce transactions.
- Explaining the Electronic Customs Clearance System (UNI-PASS), which is used by the Korea Customs Service and 13 other customs administrations around the world. It is the world's first fully automated customs clearance system that enables export/import customs clearance, tax collection and many other related customs administrative processes. The system has been recognized by international organizations including the United Nations, for its excellence.

The session showed participants how to enhance administrative efficiency and promote e-Government development in their own countries. The Korean experience can provide valuable insights for countries that are planning to enhance their e-Government systems, which in turn can facilitate the digital economy and sustainable development. The Government of the Republic of Korea is ready for international cooperation and to cooperate with other partners for mutual benefits.

Many participants were interested in UNI-PASS and the Korean e-Government policies and questions included:

- *What are the security measures to protect the information provided by the external users such as importers and exporters?* UNI-PASS system is structured in three tiers, where every tier has their own firewalls and security systems. Furthermore, security related hardware and software are regularly replaced with different vendors to apply up-to-date solutions. Every activity is being recorded so that whenever a change is made, an auditor can track the details of the change including who has made the change at what time for what reason.
- *What is the future plan to develop and enhance the system?* Currently the KCS is actively introducing new technologies to the system, including AI, big data and blockchain in various fields of customs administration. These are currently in the pilot project stages and will be deployed over 2019.
- *What makes the Korean government to be ranked in the first place for three consecutive times in the UN e-Government survey?* The Republic of Korea was a largely agrarian society until the 1960s but has made efforts to change this, including through various national development plans. E-government has been one of the core fields where the government has made significant efforts.

TUESDAY 2 APRIL

How can e-commerce, international trade and data flows contribute to development

As digitalization becomes more pervasive, its impacts on development are growing. In this context, there is considerable interest in domestic policies that will best favor the growth of e-commerce, and international trade based on e-commerce. Such policies can contribute to development. In this session, participants discussed different data-related policies, such as data privacy, data flows and data localization.

Current proposals, which have already been agreed in the TPP, the USMCA, and other international agreements and that are being proposed in the WTO, would have the effect of enshrining current business models based on data monetization, thus harming rather than favoring development. In particular, rules regarding data protection and data privacy are currently not likely to result in meaningful data protection because they are set forth as exceptions to the principle of free flow of data. Furthermore, these proposals do not address the real issues of developing country MSMEs (e.g. access to payment and physical delivery systems); on the contrary, the MSMEs will be reduced to sub-contractors in the value chain of dominant Internet platforms.

According to some speakers, it seems premature to negotiate binding rules in the WTO or in free trade agreements. E-commerce is taking place right now. If new international rules are needed, they should focus on bridging the digital divide, ensuring data privacy, ensuring taxation of the digital economy, and combating abuses of dominant market power by large Internet companies.

Furthermore, there is no agreement within the WTO for negotiating binding e-commerce rules and plurilateral negotiations launched by a group of like-minded countries could result in rules that are unfavorable to developing countries. Therefore, prerequisites for developing countries before negotiating any new e-commerce rules should include:

- Availability of digital infrastructure,
- Affordable Internet access,
- Digital literacy,
- National digital policies, in particular for:
 - Data, in particular regarding how data can enable development,
 - Sharing the revenue from monetization of data,
 - Protecting local businesses from large international players,
 - Taxation of the digital economy,
 - Income distribution,
 - The effects of digitization on jobs and work,
- Global measures to deal with the concentration of the digital economy arising from network effects and economies of scale,
- Global measures to deal with abuses of dominant market power,
- Global measures to tax the digital economy and avoid the current tax optimization.

Build an inclusive digital economy with local business communities

As digitalization and access to the global digital economy spread around the globe, local business communities, especially small and medium sized enterprises (SMEs) are still facing barriers to inclusion. This session focused on key challenges and policy responses for building a more inclusive digital economy.

Digital literacy and access to finance remain the most common obstacle for entrepreneurs to compete in global markets despite Internet penetration, social media usage, emphasis on e-payments and the spread of mobile banking. Building trust between global consumers and businesses requires smart public policy that addresses consumer protection, data privacy, and trade and customs processes.

It is essential to support local business advocacy, public-private dialogue between government and the local private sector, including participatory policy-making. Public policy addressing e-commerce and digitalization cannot be designed with only technology companies, start-ups, or those participating in the global goods trade in mind, but must address the needs of SMEs with both domestic and international markets.

Trusted universal connectivity and innovative partnerships to drive inclusive digital transformation

The Broadband Commission's special session discussed the theme of "trusted universal connectivity" and innovative partnership to drive inclusive digital transformation with experts representing some of the Broadband Commissioners' organizations. The session opened with a presentation of the Broadband Commission partnership and reflections on its Global Advocacy Targets 2025 and the post 50/50 moment, in particular on the following questions: with more than 51 per cent of the global population online, how can we connect in a meaningful and sustainable way the remaining part of the population? How can we not only bring people online but also ensure affordable access to all, meaningful Internet use and relevant content in a safe and innovative environment?

Panelists stressed the importance of advancing connectivity in a meaningful and trusted manner. They highlighted the need to look at the whole picture, including the supply and demand side of ICT connectivity and encompassing all the different barriers and enablers of digital services and e-commerce such as: infrastructure (including affordability), digital skills and literacy, trust and privacy as well as locally relevant content.

The session looked in particular at digital services to address demand-side barriers to the adoption of Internet, including initiatives aiming at broadening consumers demand by ensuring relevant content for the remaining 49 per cent who mostly come from rural and poor areas (e.g. e-government services). Experts stressed the importance of the right policy-, legal-, and regulatory framework that reflects a broader than national scope, including (1) an overall digital strategy; (2) an enabling approach to the use and protection of data; and (3) an enabling mechanism for cross-border data and content flow.

The panel also discussed different factors holding back the development of e-commerce in developing countries – which is only partly a question of connectivity and to a greater degree the availability of products and services which meet local needs, barriers from the perspective of the industry and highlighted the cost of deployment as a fundamental issue for rural areas in particular with potential solutions such as low power technology, and the importance of regional cooperation and partnerships and sharing of knowledge and good practices, giving the example of the European Union and the African Union as each faces similar challenges.

In their key messages, the panel stressed:

- the importance of intelligent technologies accessible to all,
- the need to have the right enabling environment for digital services to thrive,
- the necessity to develop trust among consumers, taking into account its cultural and sociological basis and the importance of cross-sector partnerships to drive universal connectivity, and
- the importance of regional and global collaboration to face the challenges of the digital economy.

Connecting the other half will not be business as usual, it will need a more innovative approach and putting people and consumers at the center to benefit fully from the digital transformation.

African continental integration and sustainable development in the digital era

This session explored possible avenues through which African continental integration can harness the sustainable development potential of e-commerce, particularly in the context of the AfCFTA. It was the occasion for CUTS to launch a new project in this area, supported by the *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ).

Discussions particularly focused on three main issues: (i) The role of AfCFTA for Africa in the digital era; (ii) How to unleash women’s potential for digital Africa; and (iii) What can Africa learn from e-commerce provisions in Trade Agreements.

Projected to lead to about 25 per cent increase in intra-African trade, AfCFTA has the potential to boost African industrialization, the digital sector and sustainable development. Therefore, AfCFTA can be a “game changer” for Africa. It was recalled that with AfCFTA negotiations set to resume in 2019, and e-commerce being considered as a potential topic, work this year will be a unique opportunity to leverage digital transformation for sustainable development of Africa and its people.

Indeed, digital entrepreneurship provides unprecedented opportunities for development and uplifting of traditionally disadvantaged groups, such as women and youth. Yet, women entrepreneurs are facing specific challenges that make it more difficult for them to avail equally and fully of the opportunities offered by e-commerce to expand their businesses. This include limited digital education, cultural biases and family obligations. Nevertheless, there are also many success stories which can provide good practices going forward. For instance, connecting women e-entrepreneurs for mentoring could go a long way in gendering e-commerce.

Besides embracing critical SDG areas such as gender inclusiveness, discussions on e-commerce at the continental level should draw lessons from developments elsewhere. But little research has so far focused on analyzing developing countries' participation in RTAs with e-commerce provisions, despite the fact that 29 developing countries have already entered into such agreements. Yet, the experience of these developing countries can provide useful lessons for others. For instance, while virtually no African country has signed such RTAs yet, this may soon change under the auspices of the AfCFTA.

WEDNESDAY 3 APRIL

Latest technology trends: Impacting e-business, internet trading and trade facilitation

This session was divided into three thematic areas, each focusing on a different aspect of new and emerging technologies: trends in device autonomy, connectivity and computation. For each theme experts presented and discussed the latest progress in technology new ideas and products already existing and theoretical use cases. Multiple points were shared across all sessions, in particular with regard to IoT devices and the increased need for interconnectivity.

IoT devices are getting more sophisticated. They can perform their own computations and are getting connected to decentralized networks, where each component has its role and can produce the whole solution, elevating use cases in all trade domains. Progress in connectivity, coverage and new generation of cellular networks promises to boost digital markets and open it to new business and trade opportunities.

Quantum computing is starting to have working prototypes and once their computational power reaches a critical mass, they may spur practical usage in science and provide new solutions to specific scenarios in which current devices are not sufficiently adequate.

Global standards for an efficient, sustainable and inclusive cross-border e-commerce

During this session, the panel reflected on the strategic imperatives for global standards on cross-border e-commerce, providing harmonization and predictability across jurisdictions for the private sector on the one hand and fulfilling the aspirations of consumers and governments on the other hand. To that end, the WCO Framework of Standards on Cross-Border E-Commerce was noted as a positive development towards providing pragmatic solutions for a seamless cross-border flow of ever-increasing parcels, while tackling some of the associated challenges such as safety and security, revenue collection and other regulatory compliance. The Framework provides baseline global standards and addresses the physical aspects of e-commerce for creating/supporting a safe, secure

and sustainable cross-border e-commerce environment; the Framework provides sufficient flexibility for adapting to domestic conditions and specificities.

Panelists acknowledged the ongoing collaboration between the WCO and the WTO in the area of e-commerce when addressing issues falling under their respective domains. It was also noted that the WCO Framework and associated work could complement the ongoing discussion and the envisaged work at the WTO on e-commerce. Furthermore, the existing WTO agreements including the Agreement on Trade Facilitation (TFA) and the UPU Standards and initiatives for postal modernization that could support e-commerce were equally underlined.

The panel emphasized the importance of political will, inclusiveness, and level-playing field by establishing and implementing simplified border clearance procedures and, in appropriate cases, account-based border management, particularly for MSMEs that are disproportionately disadvantaged. In this context, the role of intermediaries to help MSMEs and buyers/consumers meeting the regulatory compliance and border clearance procedures was highlighted.

In the interactive debate, thoughts were provided on the establishment of appropriate de minimis thresholds (potentially excluding VAT/GST, if required), the provision of electronic advance data for an expedited processing of small parcels through postal and express channels, and greater use of modern and emerging technologies such as AI and blockchain across the e-commerce ecosystem for creating a collaborative trust-based environment. These measures would ensure free flow of data with the remit of data protection/privacy laws, enhance traceability, provide digital identity to e-platforms/marketplaces, and accelerate the customs clearance of parcels.

Industry dialogue on trade facilitation for e-commerce development

As part of the eCommerce Week, the China Electronics Chamber of Commerce (CECC) and the International Trade Centre (ITC) jointly organized the “2019 Industry Dialogue on Trade Facilitation for E-Commerce Development”. The dialogue aimed at strengthening the interaction among global cross-border e-commerce associations, SMEs, policy makers and the international development community and resulted in the following key messages:

On importance of PPD

- Strengthening the interaction between private and public sectors and advocating for a common position is key since e-commerce is fundamentally transforming how trade occurs at the global level.
- Policy makers need to play an active role in fostering an enabling environment for e-commerce growth through trade-related policies, which would have a direct impact on cross-border e-commerce, such as measures for trade facilitation, e-payments, and streamlining customs clearance procedures.
- Recommendations from the industry should inform policy makers and international organizations on how to best assist developing countries and their business community to seize opportunities offered by digital trade and to use e-commerce as an engine for inclusive economic growth, empowering women and creating jobs for youth.

On the role of MSMEs in e-commerce

- MSMEs in particular from developing countries are facing challenges to tap into the potential of e-commerce. These include a lack of technical and business skills in setting up online businesses, complex performance standards requirements on international e-commerce platforms, weak marketing strategies to attract customers, unpredictable customs duties and cumbersome procedures, lack of supporting services such as e-payment and express delivery, and high logistics costs.
- For MSMEs to effectively benefit from e-commerce it is essential to maintain a reasonable ratio of profit and enjoy data protection to remain competitive. Accessibility of e-platforms that could assist MSMEs in selecting more reliable and cost-effective logistics partner is also of importance.
- China, with its growing purchasing power and consumer demand, is willing to assist developing countries in entering e-commerce channel of marketing through different means, such as the organization of vocational trainings for students from Africa and Latin America in China's colleges to build capacity of young professionals to develop e-commerce in their home countries.

On new technologies for e-commerce

- In e-commerce environment, the amount of legal information available in relevant legislation and case law is often overwhelming. The use of AI allows the development of automated tools that can help legislators, lawyers and companies to streamline the processing of legal information. A dialogue between IT experts and lawyers is essential and new projects as well as educational programmes provide for this type of collaboration.
- TEGGS is a new comprehensive trade service platform, developed by TEGGS International Authentication Alliance in China, which uses AI, natural language processing, machine learning and deep learning methods to overcome difficulties with understanding different trade laws in crossing borders. It would enhance efficiency, establishing fast flow of data and cargo as well as fully transparent supervision of the cross-border trade digital chain.

On contribution of TFA for promoting e-commerce

- Increasing the speed, improving the safety and reducing the cost of trade is essential for facilitation of e-commerce. The WTO TFA is a milestone for achieving these goals. All TF measures have positive effect on e-commerce readiness, but measures such as border agency cooperation, publication, single windows and expedited shipments show the strongest statistical impact on e-commerce.

International cooperation on consumer protection in cross-border e-commerce

Participants in this session discussed e-commerce challenges for consumers, including the lack of access to online payment options, online scams, fake reviews, drip pricing, lack of redress and use of consumer data and privacy.

Cross-border enforcement cooperation is faced with the lack of resources of consumer protection agencies (CPAs); data protection requirements; different national laws and jurisdictional issues; agreeing on common standards among countries is also a challenge. At the national level, CPAs need

minimum powers for sharing and requesting information to promote cross-border enforcement cooperation. There is the will to collaborate among CPAs but the power to do so does not always exist. Good examples of cross-border enforcement cooperation exist in connection with legal and institutional frameworks for cooperation and within networks of consumer agencies: the EU Consumer Protection Network and ICPEN engaged regularly in joint sweeps in various sectors such as online hotel bookings.

To protect online consumers from unsafe products, there is need for an open dialogue and avoiding double standards in different countries, for instance with product recalls. A product may be recalled in one country for safety or standards reasons, but may be sold in other countries that lack relevant regulations. Consumer education is crucial to raise awareness about product safety.

UNCTAD provides the policy framework for increased consumer protection across the world with the revised United Nations Guidelines for Consumer protection. These Guidelines need to be further implemented, especially by developing countries and UNCTAD needs to continue its efforts for capacity building in developing countries in the area of consumer protection, especially in e-commerce.

UNCTAD also has a role in influencing dialogue on consumer protection and may advance a common international enforcement toolkit. A standard toolkit may foresee that consumer protection agencies have the necessary powers for cross-border enforcement, such as to share information with other enforcers, to request information from other enforcers, to assist with investigatory powers and to impose effective remedies or sanctions.

Moving at speed and making an impact with an inclusive multi-stakeholder approach are crucial for enhancing consumer protection in the digital era. There is a need to reflect more on the paradigm of “the rational consumer”, using behavioral insights. It does not work well in the era of multinational online platforms who can very easily exploit consumer biases. The consumer protection framework focuses on protecting consumers from misleading practices but should also promote sustainable consumption in accordance with the UN Sustainable Development Goals, particularly Goal 12 to ensure sustainable consumption and production patterns.

Sustainable tax policy in the digital era: Implications of technology-enabled trade

The OECD, G20, the UN and governments around the world are seeking solutions to tax avoidance and profit shifting, which are estimated to cost developing countries over \$500 billion annually, severely constraining their ability to meet their domestic financing needs to achieve the SDGs. Given the expansion of technology-enabled trade, an increasingly digitalized economy will have further implications for taxation in all countries. For instance, in an online services work platform, in which the corporate headquarters, the labour, the purchase and the delivery occur in different tax jurisdictions, where is profit recorded and tax assessed? What would be the potential implications of current proposals in the WTO, such as extending the moratorium on customs duties on e-transmissions; raising de minimis, and banning countries from being able to require companies to have a local presence in markets they operate in?

During the session panelists discussed the implications of an increasingly digitalized economy on taxation of cross-border transactions – buying and selling goods and services, investing abroad, deferring tax liabilities, repatriating profits, dissolving corporation and distributing remaining assets.

In the case of Africa, trade taxes are fundamental and necessary based on Africa's economic structure and the unique experiences over the years. African economies are primary commodity dependent and raising taxes from income taxes is still limited due to the small share of the population in formal sector with the majority of the population in the informal sector. Africa's unique experiences over the years have made a case for countries to tread cautiously on how tariffs should be abandoned with the hope of recovering the revenue forgone through other sources. Industrialized countries depend less on import taxes because of their ability to raise taxes from other sources. However, lower income countries that abolished tariff revenue have found it difficult to replace these with other sources.

Cuts to revenue have high economic and social costs, such that the benefits from reduced tax revenue rarely outweighed the costs. Evidence from OECD and UN agencies show that corporate investment decisions are more dependent on government provision of services, such as skilled, healthy workforce, social, legal and political stability and infrastructure than tax rates. A clear warning for governments to be very wary of implementing measures that undermine revenue generation if they wish to attract investment.

The global tax reform process within the OECD and other international agencies. The current tax system is not addressing properly the change in business models from digitalization, and current reform efforts could be threatened by proposals in the name of "e-commerce" in the WTO. In fact, it is argued that evading taxes is part of the business model of Big Tech companies, resulting in seven different proposals under the guise of "e-commerce" in the WTO. These include proposals to reduce tariffs on corporations, such as making permanent the moratorium on customs duties on e-transmissions; raising the threshold for imposing tariffs on trade in individual packages (de minimis); and the elimination of tariffs on information technology goods. But the proposals also include strategies to aid corporations in often fraudulent "trade mispricing", such as banning technology transfer requirements, banning source code disclosure (which is how countries like the US reviews tax software source code to ensure corporations are not cheating on tax assessments), and banning localization of data and local presence requirements, both of which are essential for countries to be able to evaluate tax assessment and to hold countries accountable when they violate domestic tax rules. Thus in addition to prematurely removing the ability to use tariffs for infant industry protection, the e-commerce negotiations could greatly threaten revenue from both tariffs and also corporate taxes, which developing countries need to fund real development demands like health, education, infrastructure, and even the investment necessary to scale up technology access, all of which are more core to development than a small expansion of e-commerce.

During the session an informative research paper (*Growing Trade in Electronic Transmissions: Implications for the South*) was presented to indicate the potential implications for developing countries of a renewal of the moratorium on customs duties on e-transmissions. Comparing the zero-tariff moratorium with current bound tariff rates on both electronic transmissions and digitizable products, the moratorium cost developing countries about 40 times the revenue of all developed countries combined: about eight billion USD while only costing developed countries just over 200 million USD. Thus, countries would be cautioned about agreeing to a permanent extension of the moratorium as some developed countries have proposed.

Monetizing big data in Africa

The first segment of this session discussed the current situation in Africa with regards to the data infrastructure and what is coming in the next five years.

Challenges in the telecoms industry include the issue of connectivity and data backup. In deploying infrastructure, there are two challenges: firstly, the cost of deploying the fiber-optic cables and related infrastructure, such as electricity, if not yet in place. Secondly, regulatory issues, as cables that cross borders involve a lot of politics and logistics. The solutions are to educate communities, and to facilitate international regulations. The work Telecel is doing in central Africa is not only relevant for its fiber cables, but also holds potential for governments and businesses, as they are building electrical infrastructure with the cables.

Regarding data center costs, there are flexible infrastructure kits, with an affordable core component and that can be expanded depending on need. Building national data centers is a clear trend from member states of the African Development Bank (AFDB) as governments want to host national data within the borders. To ensure the financing is profitable, there should be regulatory certainty. The AFDB believes in economies of scale through regional data centers, for instance a start-up in Senegal can be using Nigerian cloud providers.

The AfDB is also trying to promote good standards, for instance by supporting the African Data Centre Association. Promoting a public private dialogue can help unleash Africa's potential in using its 100TB network capacity to increase its share in the 62 billion USD global market for big data, with Africa's current share is only worth half a billion USD.

The lack of infrastructure is a big liability, but also a big opportunity. It holds potential for the people in Africa. PointClick believes in investing in the human capital, for the digital transformation of Africa. Educational programs on what digitization means would lead to the real end goal of development. A digital transformation framework that includes soft components on tech training is necessary.

In the second segment of the session participants discussed regulatory frameworks, data management and data security.

Trust in the digital economy can only be secured through the appropriate regulatory framework, respecting rights of the individuals. There is a fragmentation of the regulatory situation and disparities at the pan-continental level. A sound benchmark regarding data protection could be the Council of Europe's data protection convention (convention 108), which has been a popular alternative among countries in Africa and contains principles that are close to the data protection provisions of the AU Malabo Convention. Convention 108+ has synergies with the GDPR of the EU and allows data to circulate among countries that have committed to the convention. The UN Special Rapporteur on the right to privacy has called upon all UN member states to accede to that Convention, to stir enactment of aligned data protection regulations.

Personal data should not be monetized, as data linked to an individual relies on the inalienable rights to data protection and privacy and cannot be subject of economic appropriation. Where data is anonymized, it is no longer personal data, as long as the process is irreversible, while risks of re-identification might always exist and call for caution.

There is a need to create awareness of cybersecurity issues and for the private sector to be ready when regulations come in. There is also a need for promoting best practices, harmonization of regulations and prioritizing technical assistance. This is essential for scaling up and promoting

competitiveness in pan-Africa and address concerns that many companies do not have a budget for cybersecurity.

The third segment focused on the monetization of data, highlighting innovation & entrepreneurship in Africa.

The potential of big data is huge, given booming demographics, smartphone ownership and the drive for digitalization. The main challenge is connectivity; it is about acquiring, storing and creating value on data. There is a need to create datasets and share them. In healthcare, for instance, there is a lack of anonymized big data from Africa and Baamtu's work on detecting breast cancer requires it to buy 300,000 images from US to train its algorithms.

For entrepreneurship more empowering and enabling programs are needed. Standards to aggregate data will allow for innovation and transformation. Telecel's Africa Startup Initiative supports young entrepreneurs who use data to build their startups and a VC program to invest into startups. The AFDB has invested in technology parks in Senegal and other places, to support the entrepreneur ecosystem, conglomerating startups and investors in Africa. This can facilitate innovation and entrepreneurship with big data.

Key takeaways of the session:

- Connectivity is the first issue to tackle, without connected infrastructure, potential of big data will not be fully realized,
- Regional data centers with harmonized regulations across nations is a realistic way forward,
- Technical assistance programs that focus on education, empowerment are a soft supplement to the hard infrastructure.

Collaborating for success in e-commerce: How jointly managed services can enable small and medium sized enterprises to conduct international e-commerce

Discussions in this session focused on how collaborative business models are key for improving the competitiveness of MSMEs in e-commerce. By joining forces with other companies, MSMEs are able to use logistics and payments services in a cost-efficient way. During the session, ITC launched the publication '[Joining forces for e-commerce: How small African firms succeed with collaborative business models](#)', which explores how corporate structures can help MSMEs access e-commerce in a more efficient way by sharing costs, knowledge and resources. The paper outlines the legal structures for different types of collaboration (e.g. cooperative, association, *groupement d'intérêt économique*) as well as the advantages and disadvantages and explains the legal requirements for establishing these structures in East and West-Africa.

The panel highlighted the benefits for MSMEs of using marketplaces, because they allow sellers to access logistics and payment services as well as a large customer basis. However, through

marketplaces, MSMEs still face some problems, such as difficulties to open a bank account, acquire a credit card, or comply with legal and fiscal requirements in the target market.

Panelists acknowledged the high costs of logistics for MSMEs and recommended the use of marketplaces, which offer shared warehousing and are able to partner with logistics firms for more flexibility and lower costs. Specific attention was given to the challenges that Latin America is facing in providing e-fulfilment and the factors needed to unlock the e-commerce potential in the region. The panel further highlighted the need for local solutions to local problems to ensure ownership and sustainability, the main barriers to e-commerce in Africa and the difference between regional and international e-commerce platforms and the requirements for companies to become a seller on these platforms. It also argued the importance of collaboration through public-private partnerships and the sharing of knowledge and good practices. From the perspective of a small company, collaborative business models and shared access to services to succeed in e-commerce may also be beneficial.

THURSDAY 4 APRIL

Round table on cyberlaw, cybercrime & cybersecurity

The session addressed both challenges and solutions of cybercrime and cybersecurity in e-commerce. Speakers pointed to the fact that there is quite some criminal activity taking place on online platforms. There is in fact a platform specialized in the illegal e-commerce activities, the Darknet. Cybercrime is often not visible or tangible and the lack of clear evidence of cybercrime makes it a difficult issue for the judiciary to address. Cybercrimes are often perceived as less unethical than crimes in the visible real world. E-commerce operators and investors on the other hand require a high level of cyber security, for instance for brand protection, which is sensitive to hacking and other cybercrimes. Cyber ethics will have to formulate which society we want and find a balance between online freedom and control. There is also a need for more cross-border and public-private cooperation in fighting cybercrime. The speed of technological developments is a challenge for policymakers. Both SMEs and developing countries are often left behind when it comes to cybersecurity protection.

During the session, participants discussed possible solutions grouped around three main themes: policies, public-private partnerships and perception change.

Policies:

- Better controls of e-commerce market place platforms,
- Training for SMEs,
- Capacity building for developing countries, including judicial capacity (e.g. the African Digital Strategy of the African Union is a promising effort in this regard),
- Security governance networks,
- United Nations crime prevention agency needs to expand its activities,
- More multilateral cooperation in cybercrime prevention and reduction,
- More political control of secret services in cyberspace,
- Digital identity trans-sectoral frame in order to eliminate multiple identities of one person,
- Introduce know-your-customer principle in all commercial activities, also in Darknet and cryptocurrencies.

Private-Public Partnerships (PPPs):

- Private sector needs incentives if increased controls or regulations,

- Technological infrastructure support needed,
- Include private sector in policy development,
- IT security s increasing business opportunity,
- Team Up, Technology, Trust-control (TTT) as strategy for PPPs.

Perception change:

- Trust is key, any solution requires building trust in communities,
- Change perception of cybersecurity challenges by information about reality of cybercrime,
- More and better education and training are needed,
- Provide clarity around the legal status of AI and robots,
- Current process of fragmentation of the Internet (e.g. in China, Russia) changes perception and decreases visibility and openness of the Internet.

Strengthening MSMEs and creating jobs through digital industrialization: What policies work?

The digitalized economy is shaping the landscape for development opportunities around the world. In order to achieve the Africa 2063 Agenda and the worldwide Sustainable Development Goals on expanding employment, decreasing inequality, and eradicating poverty, millions of new jobs must be created. In many economies, MSMEs play a critical role, providing 50 to 80 per cent of employment and at least 40 per cent of GDP. Empowering MSMEs in global trade should therefore boost job creation and promote more inclusive economic growth.

Panelists argued that data is at the center of the new digital economy and developing countries must be able to obtain economic value from the data that their citizens generate. Digital industrialization is focused on utilizing the same industrialization policies that developed countries used when they industrialized, with local control and equitable, pro-development shared benefits.

Africa, for instance, is experiencing premature de-industrialization because there is less tariff protection for manufacturing today. Policymakers should understand that fast-tracking e-commerce does not guarantee positive outcomes for employment. Instead, taking more policy space should ensure that priority is given to African-owned and run SMEs, to “Made in Africa” products and services, and local content requirements. It was argued that labour organizations in Africa must never be excluded from any interventions and deliberations about aspects that may affect working people.

The gains from trade, and thus e-commerce, can only be realized if a country produces. In this context, one of the speakers highlighted the position of the Africa Group in the WTO, which is opposed to negotiating binding rules on e-commerce in the WTO given concerns of revenue losses, cross-border transfers of data, MSME’s capacity constraints and infant industry protections. Countries must first protect the policy space for digital industrialization, and then within that space they must address challenges to resolve their capacity constraints such as the infrastructure gap, the digital divide, and regulatory and institutional frameworks.

Policies at the national level need to support MSMEs, keeping in mind that for instance better access to physical infrastructure will help improve MSME competitiveness, but that without data digital products are not competitive. Panelists argued for policies for data localization combined with a framework for data sharing among developing countries (e.g. India's draft policy on data for development envisages the need for a policy on data sharing).

The panel highlighted key elements of national data policies: building ICT and broadband infrastructures; building digital skills and competencies; harnessing digital start-ups through digital innovation hubs; building national e-commerce platforms; and regulating monopolistic digital platforms. Countries must then also combine the data infrastructure with five key national data regulatory policies, including: addressing ownership of data; localization of data; digital technology transfers; potentially taxing electronic transmissions; and promoting digital start-ups. To accomplish these digital industrialization policies, countries require policy space – while the proposals at the WTO would drastically limit policy space that is absolutely needed for digital industrialization. Reference was made to the regional cooperation agenda to support LDCs and smaller states, developed by UNCTAD's Globalization and Development Strategies Division (*South-South Digital Cooperation for Industrialization: A Regional Integration Agenda*). The agenda includes building a regional data economy, building regional cloud computing infrastructure, strengthening regional broadband infrastructure, promoting e-commerce in the region, promoting regional digital payments; progressing on single digital market in the region, sharing experiences on e-government, forging partnerships for building smart cities, promoting digital innovations and technologies, and building statistics for measuring digitization.

The conclusion of the panel was that digital industrialization holds the greatest promise for closing the digital divide, expanding manufacturing, increasing competitiveness, and fomenting structural transformation.

Blockchains in trade logistics: Implications for developing country integration in global supply chains

In this session speakers discussed the potential challenges and risks of blockchain technologies, a form of distributed ledger technology, in trade logistics. The panel recognized the timely nature of the discussion on blockchain, recognizing both their great potential and challenges. The technology opens room for new business opportunities and brings new tools for risk management, but it also presents broader scope of challenges, including potential disruptive effects, that will need collaboration to address. Blockchain is still at an early stage and it is too soon to ascertain the impact.

Regarding losers and winners of blockchain application to trade and logistics, potential gains will include reduction in cost and errors, acceleration of digitization of logistics, and building of trust. Winners will include transport and shipping companies, as they will see more integration and faster clearance, and consumers, as they would have access to cheaper and faster services and suppliers. People who will likely be negatively affected include the labour force in the industry, including white color jobs such as people in back office operations and any man-in-the-middle business.

Looking at blockchain from the development perspective, the panel pointed to the need to bring the developing world on board of new technologies and ensure that these also work for the benefit and prosperity of the poorest regions and people who still lack access to water, electricity and the Internet.

And similarly establish a link between technological advancement and global threats like climate change, for instance through tracking carbon footprints of goods crossing borders. In this context, it is important that government regulation catches up with technological advances. Technology literacy is also crucial across countries to ensure that it is put to good use. The 2030 Sustainable Development Goals (SDGs) provide a useful roadmap for technological advancement and that we should look at the SDGs through a technological lens.

Blockchain will be particularly useful for digitalization of assets, allowing for more efficient operations, while monopolistic behavior is mostly negative for innovation. Blockchain normally gives a single version of truth, but at least it gives a shared truth to begin with. Today there can be 200 actors in a single international trade transaction, which needs to be simplified. To do this while preventing monopolies, we will have to rely on standards and decentralization and not any single body to handle all data. Regulation will therefore be important in the sector.

The panel also pointed out that today we already have significant investments in blockchain technology and that if the Internet had such early and vast investments it would have succeeded even faster. However, while most blockchain communities are preaching decentralization, big companies are drawing the best developers to themselves, an early sign of potential centralization in the future and monopoly. It is also possible that with new technological developments and increasing interoperability, we will not have to make direct choices about which blockchain to use. In this case, underlying algorithms will be more important than the specific blockchain platform an application is built on to bring both transparency and trust among users of blockchain ecosystems.

To promote beneficial use of blockchains in trade logistics, the panel called for greater international collaboration. This is particularly important in the area of privacy and digital signatures, but also in support of more traditional concerns, such as physical infrastructure development, which would be essential for its use in developing countries. As the internet engineering task force helped make the internet become ubiquitous and generally available, such initiatives could be put in place once again for blockchain technologies. However, general agreement on standards and semantics is necessary for its interoperability, something for which the United Nations is well positioned to facilitate.

IP aspects of e-commerce

New economic reality and new business models demand a rethinking of the application of intellectual property rights in the digital environment. In this session, experts debated the linkages between intellectual property (IP) rights and development. There was general agreement that building domestic digital capacities requires developing countries to consider a wide range of issues where the application of IP rules potentially differs from the analogue context.

In the opening remarks, participants were encouraged to consider the promotion of domestic productive digital capacity, which requires investing in three areas: digital infrastructure; digital enterprises; and adaptation of information technology in non-digital sectors. In this context, a digital IP policy should address the nature of the local creativity and the balance between protection and access to digital content. UNCTAD intends to cooperate with developing countries on the design of IP policies that can be embedded within national digital development strategies.

A strong engagement by developing countries in the digital economy starts with understanding the issues and their consequences. One speaker stressed the need for balance between the expansion of rights and considerations of access, limitations and exceptions for the digital context.

The panel also discussed the unsatisfactory situation of artists under new digital business models. Governments can play an important role in providing greater transparency and ensuring a fair remuneration for artists and creators, without compromising the feasibility of new digital services. In this regard, one speaker proposed an un-waivable remuneration right for artists, subject to collective management. Furthermore, there is a need to take into account that users are often also rights holders, as they provide and create content and services.

While international treaties have set standards, they do not reflect the full balance between exclusive rights and exceptions, which calls for the application of fair use and a balanced approach to liability. The panel pointed to a perceived gap between legal texts and case law. This can be addressed through hybridization among IP domains themselves, between IP, unfair competition law and liability regimes in civil law, and between the common law and civil law traditions. Digital copyrights need to be balanced, standardized and enforceable and in that context the panel referred to online alternative dispute resolution and copyright licensing standards under fair, reasonable and non-discriminatory (FRAND) terms.

FRIDAY 5 APRIL

Trade logistics supportive of e-commerce for development

This session explored (i) logistical challenges that hinder growth of cross-border e-commerce of physical goods in developing countries and (ii) policy areas that could contribute to enhancing their capacity to harness e-commerce trade-related benefits.

Challenges

An e-commerce market size reaching 29 trillion USD in 2017 (a 11 per cent increase over 2016), with B2B leading sales volumes suggests that harnessing the potential of cross-border e-commerce has become increasingly important. This expansion resulted in an explosion of small parcels being shipped separately, which has led to redesigns of the choreography of information exchanges between supply chain partners and to cross-border compliance challenges (particularly for customs agencies). In this context, linking transport and trade operations, increasing the visibility of the supply chain and ensuring the security of data systems have become increasingly important.

UNCTAD e-commerce readiness assessments have identified priority challenges affecting cross-border e-commerce growth in LDCs. These include high shipping costs, unavailability of online payment methods, unclear information about taxes, inefficient coordination between trade support institutions, lack of electronic tracking of shipments, single windows and a national addressing system and issues related to application of minimis regimes.

Referring to the case of the Kyrgyz Republic, one speaker emphasized that landlocked countries are particularly disadvantaged for e-commerce logistics because of their geographic conditions and remoteness, which result in higher costs of trade and dependency on neighboring countries transport infrastructure. She referred to challenges such as: the digital divide among most connected areas and non-connected areas of the country, uneven automation of trade procedures and lack of reliable e-commerce statistics.

Inconsistent information exchanges and manual, time-consuming paper-based processes are sources of inefficiencies along the supply chain. A study undertaken by Maersk revealed that these

inefficiencies led to administrative costs that exceeded the cost of shipping goods. Therefore, connecting supply chain partners (including custom authorities) in one platform significantly reduces costs and improves efficiency to facilitate e-commerce.

De minimis regimes are customs valuation ceilings below which: (i) no duty or tax is charged and (ii) clearance procedures, including data requirements, are minimal. Raising the de minimis level is often considered as facilitating cross-border movement of parcels, and therefore trade (via e-commerce). It could also erode tax revenue in countries that are highly dependent on customs duties for revenue collection and lacking efficient systems for efficient revenue collection and create an uneven playing field between domestic producers and importers in terms of application of domestic taxes and lead to avoid taxes aimed at discouraging consumption of certain goods, in pursuit of health policy objectives. Letting go of duties through higher de minimis thresholds could also alter the balance of concessions negotiated under the “single undertaking” principle in the WTO.

Policies

Panelists and participants shared reflections on policies to enhance the capacity of developing countries to benefit from e-commerce:

- Emerging needs related to expanding cross-border e-commerce call for new policy (and business) approaches.
- UNCTAD E-trade readiness assessments reveal that a multipronged approach is required to develop logistic performance conducive to support e-commerce growth. This approach encompasses working on (i) improving the reliability of transport/logistic infrastructure; (ii) improving the efficiency of customs and border clearance procedures and (iii) ensuring access to competitively priced services, which entails developing service quality through enhanced competence of service providers available in the market.
- Sri Lanka has adopted a trade logistics strategy to support broader export promotion objectives (including via e-commerce). This strategy identified key priorities such as: (i) developing services crucial to ensure global and regional connectivity; (ii) an enabling environment for public private collaboration and (iii) development of clusters and processing zones, with a view to leverage innovation, mainstream technological solutions for logistics and to upgrade skills.
- Leveraging the potential of corridors and trade clusters to improve transit and connectivity with regional partners was found to be particularly relevant for landlocked countries, particularly those located in the geographical vicinity of the One Belt One Road Initiative.
- Technological solutions, to truly facilitate e-commerce logistics, need to (i) be industry-wide solutions and built on international standards; (ii) duly address data privacy concerns and encompass multi-modal and door-to-door services.
- UN/CEFACT work on electronic data exchange standards is a good proxy to understand emerging trends that need to be considered by policy-makers. For several years, this work has shown a clear trend towards replacing paper trade procedures with integrated electronic processing (via single windows) and revealed the need to ensure inter-operability of electronic data exchange solutions, through standards (based on semantics). Emerging challenges suggest the need to develop standards related to Internet of Things and to enhance electronic exchange information along the supply chain, including via reference data models for multi-modal transport.
- Raising de minimis thresholds to facilitate e-commerce should be considered as part of a national reflection: (i) encompassing an assessment of the cost of collection vs the amount of duties collected and (ii) about the broader policy agenda pertaining to modernization of border administration. This broader policy agenda includes the revenue collection model, the move towards paperless trade procedures and understanding countries’ real capabilities in terms of automation, data exchange, compliance and risk assessment. In view of the latter,

most panelists did not favor the harmonization of a de minimis threshold (in the WTO). Some guiding principles to apply de minimis included: avoiding discrimination between foreign and domestic producers and ensuring fair and transparent procedures. Panelists believed more awareness was needed in terms of understanding how TFA measures could benefit e-commerce promotion objectives.

Sustainable development goals in the age of AI and digital trade

This session focused on the sustainable development goals (SDGs) and its relationship with AI technologies and digital trade policy and discussed the broader impacts of those technologies across the different SDGs.

AI refers to non-human systems using data without being specifically programmed to do so, with different levels of autonomy, flexibility, learning abilities, non-sequential processing and with the ability to solve problems. In general, we discuss narrow applications as general AI has not arrived yet and it currently relies mostly on machine learning technologies. The panel emphasized that artificial intelligence is currently being hyped alongside many other issues and explained its basic characteristics, including the fact that it is not a single concept and has been developing for decades.

AI has the potential to help achieve the SDGs, in particular in the area of health and wellbeing, but we need to have a critical approach as it can be disruptive both for good and for bad. It represents several risks, which can be grouped in four main categories: bias and fairness, privacy, safety and explainability, and brings challenges in the areas of discrimination, data protection and consumer rights, and auditability of algorithms and data.

The panel looked at AI and impact of digital provisions in trade agreements. According to recent research, a growing number of preferential trade agreements (PTAs) include provisions related to digital trade, touching on issues relevant to AI, such as data flows, disclosure of source code and algorithms and data localization. These provisions can be found in well-known treaties, such as the CPTPP and USMCA, but it is interesting to see that developing countries are also increasingly adopting similar language in their own agreements, even those without a developed digital industry. This shows that the challenge of countries to better understand their own interests when negotiating these digital provisions.

Speakers also pointed to the importance of these digital provisions for human and consumer rights. For instance, free flow of data provisions may affect people's ability to exercise their rights in jurisdictions that lack strong data protection laws, while data localization schemes may also strengthen surveillance capabilities of countries that implement them without a strong human rights framework in place. This is why a policy framework solely based on trade issues is not adequate. Privacy is just as important as other human rights, especially where democracy and rule of law are being challenged, and digital trade provisions can affect activist and marginalized people.

Regarding consumer rights, provisions in recent PTAs, such as limiting source code and algorithmic disclosure, will affect product safety as all the code and software instructions will have an additional layer of protection (it already has copyright and trade secret protections), making it harder for authorities and oversight bodies to audit and inspect its content. Moreover, the use of AI technologies in decision making processes raise questions around discrimination and exclusion. Therefore a human and consumer rights approach is required when addressing digital trade concerns.

FEEDBACK FROM THE SURVEY - KEY HIGHLIGHTS



Thank you very much for having taken the time to answer our post [eCommerce Week survey](#). Your feedback is very precious to us to continue offering events that meet your interests and needs. Almost **300 respondents** have already shared their views with us. The survey will remain open until the end of May 2019, should you wish to make your voice heard.

Selected results from the survey

91%

found that the relevance of content and quality of discussions were **EXCELLENT AND GOOD**

90%

found it **VERY RELEVANT FOR THEIR WORK**

93%

felt that the overall discussions of the eCommerce Week contributed to **RAISING AWARENESS ON HOW E-COMMERCE AND THE DIGITAL ECONOMY COULD BE BETTER LEVERAGED TO ACHIEVE SUSTAINABLE DEVELOPMENTS**

Selected voices from our participants

“ The various sessions that were conducted through the week are actually eye openers to some real processes and systems that do exist out there and can help small countries to push forward their international trading initiative

“ Very good balance between high level discussions and concrete field actions

“ Excellent event. UNCTAD is the "go to place" for e-commerce and the digital economy.

“ From a developing world perspective, it is vital that we get to debate the issues outside our different countries, recognize both the similar and dissimilar issues and get our government aware of the challenges and opportunities

“ The coin phrase "leave no one behind" creates an awareness that everyone needs to take up to meet the challenge



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