

Aid for eTrade

Unlocking the potential of e-commerce in developing countries

Draft call for action

This draft call for action has been prepared by representatives of Governments, international organizations and private sector enterprises involved in e-commerce. It outlines a new global initiative called Aid for eTrade that aims to unlock the potential of e-commerce in developing countries. Written comments on the draft call for action are welcome and should be sent to ict4d@unctad.org by 10 April 2016. A public consultation meeting will be held in the Palais des Nations, in Geneva, Switzerland, on 21 April 2016 (see unctad.org/e-week2016).

What is at stake?

E-commerce (see box below) is increasingly influencing the way enterprises interact among themselves, and with consumers and Governments. It can be a driver of economic growth, inclusive trade and job creation, including in low-income countries. E-commerce can also be a catalyst for the transition of trade transactions involving micro, small and medium-sized enterprises (MSMEs) from the informal to the formal sector and from domestic to international markets. Improved information and communications technology (ICT) and transport connectivity, better legal and regulatory frameworks and new e-commerce and payment solutions are enabling more countries to exploit the opportunities offered by online commerce. However, significant divides still remain. Most people and MSMEs – especially in the developing world – have yet to start using the Internet, let alone leverage the potential that e-commerce has to offer.

What is e-commerce?

E-commerce in this context covers purchases and sales conducted over computer networks, such as the Internet, by using various devices. It involves goods and services, and domestic and cross-border sales. It mainly refers to commercial transactions among businesses (B2B), between businesses and consumers (B2C) and among consumers (C2C). Payment and delivery may be handled offline or online.

Governments in developing countries are becoming increasingly interested in advancing e-commerce in their economies and overcoming the significant divides that remain where individuals and MSMEs have yet to start using the Internet, let alone leverage the potential of e-commerce. The limited uptake of e-commerce with regard to trade in goods and services reflects critical constraints related to the following factors:

- Limited knowledge among Governments and regulators of e-commerce and its application;

- Concerns about possible adverse effects of e-commerce and how to mitigate them;
- Affordable ICT infrastructure (Internet and broadband coverage);
- Trade logistics and facilitation, including customs procedures and trade compliance;
- Lack of security (user mistrust);
- Inadequate online payment facilities;
- Lack of trade finance;
- Limited skills among enterprises to use ICTs strategically for buying and selling goods and services;
- Lack of statistical data on electronic commerce;
- Weak legal and regulatory frameworks, including contract and dispute-resolution mechanisms.

While numerous development partners, foundations and private sector actors are offering various types of support that may help unlock the potential of the Internet and e-commerce for development, these efforts are seldom holistic or systematically focused on facilitating e-commerce growth. Instead, existing projects and initiatives tend to address discrete sectoral areas that touch on e-commerce: broadband adoption, payment systems, logistics, trade facilitation, ICT skills development and regulatory improvements, for example.

This calls for a more concerted effort from the international community to ensure that the shift to online transactions does not leave any people, enterprises or countries behind but empowers everyone to realize their full economic potential for trade and development. The Aid for eTrade initiative is intended to be a demand-driven mechanism for leading development partners in partnership with the private sector to make their actions more coherent and to pool capabilities and resources so as to accelerate the uptake of and benefits from e-commerce.

Aid for eTrade would serve as a timely vehicle for supporting the implementation of the 2030 Agenda for Sustainable Development by helping to attain relevant trade and development goals, including the Sustainable Development Goals on decent work and economic growth, the advancement of innovation and infrastructure, the revitalization of the Global Partnership for Sustainable Development, as well as the attainment of the Goals related to gender equality, notably by furthering the empowerment of women using ICTs.

Purpose and scope of Aid for eTrade

Aid for eTrade will bring together interested parties – public and private – who can help achieve significant improvements in the ability of developing countries and countries with economies in transition to use and benefit from e-commerce. Its overall goals will be as follows:

- To raise awareness of countries' unique opportunities, challenges and constraints concerning e-commerce;
- To mobilize and rationalize available financial and human resources for the implementation of priority projects that would address those challenges and constraints;
- To strengthen coherence and synergies among partner activities to further the use and gains from e-commerce in developing countries.

Aid for eTrade will seek synergies with other international initiatives and mechanisms, such as Aid for Trade and the Enhanced Integrated Framework, as well as with projects implemented by individual partners. The Aid for eTrade initiative is expected to help developing countries navigate more easily the landscape of supply of technical and financial cooperation from the international community while at the same time giving donors a clear picture of technical assistance programmes to be funded and helping them evaluate the results they deliver. The overall effect would include greater transparency, aid efficiency and impact.

As a platform, Aid for eTrade will create opportunities for partners to accomplish more than they could on their own and avoid duplication of work by:

- Developing innovative development solutions to catalyse e-commerce through a systematic dialogue among all relevant stakeholders, and crowdsourcing, predictive analytics and artificial intelligence applications;
- Pooling cross-sectoral capabilities for crafting development solutions and interventions leveraging each partner's capabilities to reap synergies;
- Developing joint initiatives for technical and financial assistance on e-commerce that leverage complementary competencies to create a total that is greater than the sum of its parts;
- Preparing joint studies, surveys and knowledge products to raise awareness about e-commerce and to examine key related issues. Products may assess regularly the state of e-commerce in countries, regions and worldwide, drawing on existing and new data and indexes;
- Drawing on private sector inputs, ideas and solutions, as well as promoting dialogue on public-private partnerships and possible pilot initiatives involving the private sector;
- Sharing data on e-commerce-related interventions and development solutions;
- Co-developing project evaluation and monitoring methods to assess what works. This may draw on and go beyond the 2013 aid for trade management framework of the Organization for Economic Cooperation and Development (OECD) and its comprehensive set of indicators for project evaluations. Monitoring should include a

qualitative and quantitative analysis of the contribution to the growth of e-commerce

How would Aid for eTrade work?

The Aid for eTrade initiative is founded on the understanding of the following factors:

- Greater awareness of e-commerce and ways to harness it for development will create opportunities for MSMEs to grow, become more productive and participate in global value chains, taking into account the problems of supply capacity and infrastructure;
- Effective promotion of e-commerce requires holistic, cross-sectoral and cross-institutional approaches and teams. As no single donor or organization has best-in-class capabilities in all the areas needed to make e-commerce work, collaboration is essential. Corporate responsibility and private sector philanthropy add a further dimension to the need for collaboration, information and experience sharing;
- E-commerce development is conducive to public–private partnerships. The private sector is best-placed to advise as to which interventions are most critical to achieve long-term, commercially viable e-commerce development;
- All stakeholders stand to gain from pooling resources, tools and data and from sharing experiences.

Aid for eTrade will be based on the following principles:

- *Demand-driven and bottom-up.* Actions will be guided by the needs and interests of developing countries. Aid for eTrade will facilitate interaction between all stakeholders to identify such needs, gaps and constraints to e-commerce development, and to find appropriate solutions;
- *Emphasis on synergies.* Aid for eTrade will apply a pragmatic approach, involving assistance by a single development partner, through coordination among two or more development partners, or via public–private partnerships. All participants commit to seek synergies from collaboration with a view to enhancing efficiency and avoiding duplication of work;
- *Focused on building local knowledge and capacity.* Aid for eTrade will help developing countries build the necessary capacity to engage in and benefit from e-commerce;
- *Gender sensitive.* Women and men may be engaged in e-commerce in different ways and for different reasons, and may face different opportunities and obstacles. It is important that the voices and perspectives of women be included, and that projects and programmes be gender sensitive;

- *Data and facts-driven.* There is a need for more reliable and comparable data and statistics on e-commerce. Aid for eTrade will on request help galvanize resources and support to produce such data and to undertake assessments of the e-commerce market and e-commerce readiness of different countries;
- *Performance should be assessed through results-based management.* Aid for eTrade will seek to assess outcomes through rigorous, common monitoring and evaluation metrics, and learning from failures as well as good practices;
- *Long-term viable impact is the goal.* The successful implementation of Aid for eTrade will depend on the development and use of solutions and interventions that are cost-effective and sustainable, that is to say, that remain effective even after the end of an intervention.

Organizational structure

The Aid for eTrade initiative will be coordinated by a small secretariat hosted by UNCTAD that will be responsible for managing a dedicated online platform and carrying out the following tasks:

- Convening regular meetings among development partners, private sector actors and developing countries;
- Mapping the demand for support for e-commerce-related activities among developing countries;
- Mapping projects and programmes that can support e-commerce development;
- Facilitating collaborative projects and support involving more than one implementing partner where appropriate;
- Setting up a portal to help developing countries and donors navigate the landscape of supply of and demand for support to e-commerce development, to learn about best practices, and to raise visibility for the various partners' initiatives and resources;
- When appropriate, receiving and distributing country requests and directing them to the attention of the development partners and helping to build teams, where requested and on a voluntary basis, that can tackle them. This service will complement queries and demands made directly to the individual development partners;
- Fostering innovative thinking and idea generation on facilitating e-commerce;
- Furthering rigorous analysis and understanding of factors that are key for an enabling environment for e-commerce;
- Helping to set common goals for e-commerce development;

- Monitoring progress and reporting annually to donors and partners and ensuring that e-commerce-related interventions are included in the OECD creditor reporting system as well as visibility to United Nations Resident Coordinators through their decision-support systems.

The initiative will be governed by a board comprising relevant donors and international organizations, selected developing countries and representatives of the private sector appointed by a private sector advisory council (see below). The initiative is open to all stakeholders interested in the advancement of e-commerce in developing countries.

Development partners to Aid for eTrade will also meet annually with countries and private sector stakeholders to take stock of and assess their individual and joint work, share ideas on solutions and mechanisms to fuel e-commerce. The annual UNCTAD E-Commerce Week, the annual World Summit on the Information Society Forum (both held in Geneva) and the World Trade Organization (WTO) Global Review of Aid for Trade are possible platforms.

Private sector advisory council

To facilitate the public–private dialogue, a private sector advisory council to Aid for eTrade will be established. It will be composed of e-commerce platform companies, selected merchants, payment providers, logistics firms, information technology (IT) infrastructure companies of different sizes and private sector corporate philanthropy foundations from developing and developed economies. The advisory council will organize regular meetings to discuss gaps and challenges to e-commerce around the world, share ideas on new development solutions to bridge market gaps and unlock new e-commerce markets, and share their own research and thinking on good ways to advance e-commerce. Ideas from these meetings may be catalogued, reviewed and discussed with development partners. Private sector partners will also be polled annually on their views on the state of e-commerce. Conversely, countries and development partners engaged in Aid for eTrade will in the advisory council have a mechanism to engage the private sector when discussing observed problems to e-commerce and possible solutions.

Key policy areas of intervention for Aid for eTrade

Six policy areas are particularly relevant to the Aid for eTrade initiative. The following section explains why and how it would add value. For more information on key challenges and examples of ongoing activities in these areas, see annex. The initiative will draw on and complement existing efforts in relevant fields.

E-commerce readiness assessments and strategy formulation

Developing countries would benefit from an assessment of their e-commerce readiness on which to base the development of strategies for increasing e-commerce capacity. National e-commerce strategies can help accelerate, mobilize and strengthen the effectiveness of available resources and efforts among developing countries to harness the power of e-commerce for economic growth and socioeconomic development. They should be developed through a participatory consultation process that promotes public–private partnership. They should be coherent with national development and trade strategies, and aim to maximize the benefits of e-commerce accruing to all.

Aid for eTrade will offer assistance in conducting e-commerce readiness assessments and supporting strategy development; facilitate knowledge sharing of available resources to support the growth of e-commerce; provide evidence on the potential benefits and risks of different kinds of e-commerce, including case studies; make knowledge products available online; provide relevant rankings of country e-commerce readiness, using international statistics; raise awareness among Governments about formulating e-commerce strategies as well as among private sector on how companies can support the process; and promote the inclusion of the e-commerce dimension in WTO Trade Policy Reviews, Enhanced Integrated Framework diagnostic trade integration studies and other tools to assess the performance of countries.

Information and communications technology infrastructure and services

Affordable and reliable ICT infrastructure is of fundamental importance to e-commerce. Ideally, there should be universal coverage of high-speed broadband, with regular upgrading of infrastructure, and reduced or eliminated artificial regulatory barriers to service providers wishing to access the network or other services. In addition, the international regulatory environment for ICT infrastructure and related services should be open, competitive and transparent.

Aid for eTrade will engage to promote wider access to the Internet and a fuller range of Internet services (services providing access to the Internet, and other services, such as business services, which make use of the Internet). Aid for eTrade will promote analytical work on the impact on e-commerce of making access more universal, affordable and faster to existing customers. It will seek to identify policy approaches to enhancing network access in coordination with access to foundational services for e-commerce, such as trading platforms and payments solutions. Aid for eTrade will also consider which ICT network features most facilitate e-commerce for economic development, complementing discussions in other relevant forums.

Trade logistics and trade facilitation

An effective, competitive national and international trade logistics environment is vital for achieving e-commerce success. Notwithstanding the “e” in “eTrade”, goods still need to be delivered physically. National and international trade logistics as well as cross-border facilitation measures remain key for any international e-commerce transaction related to goods. Overall, most transport costs have declined, shipping connectivity has increased and trade facilitation indicators have improved. However, the connectivity gap between the best and worst connected countries is widening, and for some developing countries’ trade, transport costs are still prohibitively high. Most traders would like to have access to a single window, a global standardized de minimis regime, full tracking of all shipments, predictable delivery times, fully transparent procedures and duties via websites and enquiry points, warehouse consolidation for MSMEs in the export market and the possibility to make electronic payments to customs.

Aid for eTrade will highlight the importance of trade logistics for e-commerce issues and identify win-win situations where private and public sectors have common interests and where there is scope for mobilizing resources. It will serve to identify good practices and facilitate the sharing of information. Other aims may include the following:

- To identify areas of trade logistics and trade facilitation that are of particular interest to MSMEs and e-commerce;
- To promote the ratification and implementation of the WTO Agreement on Trade Facilitation;
- To promote comprehensive trade logistics solutions that go beyond cross-border trade, such as for last-mile connections to MSMEs, as well as understanding of the total cost of delivery among MSMEs, and pick-up delivery services for cases where the lack of physical addresses remain a challenge;
- To promote the use of trade portals as a tool to help publish and disseminate relevant information and to identify challenges and potential improvements of trade procedures;
- To promote investments in transport and IT infrastructure, which can be interdependent (these may require public financing and international cooperation);
- To provide a forum for stakeholders to ensure that national, regional and international programmes in trade logistics and trade facilitation are inclusive and practicable for MSMEs engaging in e-commerce. They must be forward-looking, so as to eliminate any bottlenecks hampering e-commerce at or beyond the border.

Programmes such as trusted trader and authorized economic operator programmes should be flexible and adapted to also accommodate MSMEs. Notably, several of the above areas lend themselves to public–private partnerships.

Payment solutions for e-commerce

For all forms of e-commerce, access to competitive payment solutions is a critical facilitator. Payment systems are rapidly evolving, expanding the possibilities for consumers as well as corporate buyers to pay for goods and services bought online. At the same time, in many developing countries, cash-on-delivery remains the preferred option for domestic B2C and C2C e-commerce. The realm of payments is linked to the broader financial services and banking context. E-commerce and its users would greatly benefit from an environment where payments can be made easily and confidently, using effective solutions involving both bank and non-bank players that are applicable to all regions and countries, and universal connectivity and interoperability. Important features of an ideal payments environment would include fair and non-trade-distorting interchange fees and consistent, flexible, tailored and proportional “know-your-customer” (KYC) requirements that recognize different socioeconomic contexts and relative levels of development. Deposit insurance programmes could be extended to compatible institutions. Meanwhile, stakeholders would be educated on the risk and security of transacting online, as well as on the benefits, such as greater scalability and business management capabilities. Consumer protection agencies and financial regulators should work closely in developing workable solutions.

Aid for eTrade will prioritize support for enhancing connectivity to both the Internet and the financial system. It will facilitate knowledge generation on the integration and interoperability of bank and non-bank entities, as well as effective means of identification. The initiative will identify good practice regulations that build trust and allow for flexible KYC requirements. It will also highlight the need for clear and interoperable consumer protection regulation, without disincentivizing bank and merchant participation. It will also bring out possible downsides from overly restrictive regulations, including localization requirements, for cross-border financial services and restrictions on domestic currency use in e-commerce. Aid for eTrade will identify and implement educational initiatives on security and trust building for policymakers, banks, merchants and consumers, for example.

Legal and regulatory frameworks

Security and trust are fundamental for creating an environment conducive to e-commerce. Ideally, this would involve, among other things, legal and regulatory frameworks that facilitate paperless trade in goods and services, consumer protection, data protection, measures countering cybercrime and market access. These must strike a balance between trade facilitation and compliance as well as consistency between relevant international, regional and domestic legal frameworks. Frameworks need to provide standard definitions of common keywords used in e-commerce, agreed-upon mechanisms of contract, finance and dispute resolution and should enable collaboration between different regulatory authorities.

Aid for eTrade will assist developing countries in developing, adopting and implementing legal frameworks for domestic and cross-border e-commerce in goods and services, build capacity and encourage the adoption of good practices. It will bring partners together to ensure the coherence of various efforts and to reduce duplication. The initiative will encourage discussion on emerging legal and regulatory issues affecting the potential of e-commerce, including with regard to the treatment of international data flows, taxation and customs. Where requested, Aid for eTrade could also facilitate national assessments of the availability of legal and regulatory frameworks and their compatibility with regional and international frameworks, including private international commercial law. It will seek to establish a repository of existing international and regional legal instruments and domestic legal and regulatory frameworks relating to e-commerce. Other activities will include impact analysis studies on good practices relating to e-commerce laws and the monitoring of the implementation of relevant legal frameworks.

E-commerce skills development

In many countries, there is a need to enhance the awareness and understanding of e-commerce and its implications. This applies to the general public as well as to enterprises, organizations and Governments. A lack of relevant skills hampers the uptake of e-commerce in many ways, from the development of smart legislative and regulatory systems down to helping microenterprises leverage digital services from the outset. Addressing existing gaps typically requires effective collaboration between public sector organizations and the private sector in order to take appropriate action to facilitate the development of relevant skills.

Aid for eTrade will facilitate better access to capacity-building for the public sector and guidance on future actions by developing a set of training and support manuals, and providing guidance on the establishment of appropriate national structures for the support and promotion of e-commerce, such as training, the organization of events and the collection of data. Aid for eTrade will also develop the blueprint for a programme that countries could implement to provide MSME training in relation to e-commerce and managing international operations, access to peer-to-peer coaching and mentoring for inspiration and exchanges of experiences, and manuals and handbooks for MSMEs. These services would be delivered at the national level by an alliance of development partners, public sector partners, and would be managed and scaled with private sector partners. This programme could be combined with a country's existing trade support programme and/or business start-up efforts.

Annex: Key challenges and non-exhaustive list of ongoing activities in relevant policy areas

E-commerce readiness assessments and strategy formulation

Challenges include a lack of understanding within Government of how to leverage e-commerce for economic growth, trade and development; limited interaction between Government and the private sector; and failure to involve all key stakeholders in e-commerce planning processes, from legislative and regulatory development to implementation. Other challenges are sector-specific tensions in the domestic e-commerce market, growing protectionism in the international market and concerns among some developing countries of possible adverse effects of e-commerce and how to mitigate them.

The following work is currently under way:

- UNCTAD ICT Policy Reviews, which provide national diagnostics, assessments and technical assistance for the development of national e-commerce strategies, for example in Egypt. The UNCTAD *Information Economy Report 2015* provides an enablement framework for assessing and fostering e-commerce, and includes the UNCTAD B2C e-commerce index;
- The Enhanced Integrated Framework, which carries out diagnostic trade integration studies for LDCs;
- WTO Trade Policy reviews, where e-commerce could be mainstreamed;
- The World Bank has and is developing a variety of tools that can help to assess e-commerce readiness;
- International Trade Centre National Export Strategies can give emphasis to e-commerce;
- OECD/WTO Aid for Trade at a Glance help track aid flows for sectors related to e-commerce;
- The WTO Work Programme on Electronic Commerce covers issues related to trade arising from global e-commerce.

Information and communications technology infrastructure and services

There are a number of challenges related to ICT infrastructure. In 2015, 57 percent of the world's population did not use the Internet regularly. Regulatory environments do not always

provide for co-development and co-investment in either broadband or mobile networks and may favour dominant suppliers. Building out the Internet backbone to rural areas and achieving last-mile access are significant challenges for attaining anything approaching universal access. Even if universal broadband access were achieved, many people would still not be able to participate in e-commerce owing to the lack of complementary resources, especially skills and training.

Nonetheless, significant progress has been made. The number of Internet users over the past decade surged from 1.0 billion in 2005 to 3.2 billion in 2015. Substantial funding is available to build additional Internet infrastructure, both from the private sector, the donor community and Governments in some middle-income countries. There is considerable competition among different backbone technologies – including undersea cable, satellite, copper wire, fibre optics, and mobile technologies – which can promote innovation and lower cost with smart regulation and implementation. The cost of telecommunications infrastructure has been reduced by substantial sector reforms around the world, as well as binding commitments on reform in the WTO negotiations on basic telecommunications. Many developing countries now enjoy effective competition among companies that provide access to Internet services for computers, further enhancing affordability. The cost of importing capital goods for investments in IT infrastructure has also been reduced in many countries by the adoption of the WTO Information Technology Agreements I and II, which make these imports duty-free. The Trade in Services Agreement, currently under negotiation, would seek to enhance the value of the Internet for commercial transactions in the countries that are party to the agreement.

Various programmes are offered by regional banks, the International Telecommunication Union (ITU) and the World Bank Group to build out ICT infrastructure in developing countries. There are also several private sector activities under way, such as Google’s broadband initiatives and the Internet Society’s continuing work in helping implement Internet exchange points to enhance peering arrangements.

Trade logistics and trade facilitation

B2B and B2C e-commerce faces challenges related to delivering goods physically to clients. Transport costs and delivery times – especially to overseas markets – are often prohibitively high. Further, in smaller markets transport prices are high due to lack of competition. A lack of interoperability among different providers (notably national post offices) increases costs and risks. Transiting and trans-shipping in third countries are often challenging. E-commerce return shipments are a particular concern, with issues such as customs and tax refunds as well as cost of delivery. Another concern is the need for compliance with privacy obligations when sharing data along the supply chain. The lack of addressing systems is yet another challenge in many developing countries. There is a lack of understanding among MSMEs of general rules and

requirements of cross-border trade, and there is often insufficient trust in providers (including but not limited to transport) to engage in long-distance (“e”) trade. Customs and other border-crossing procedures are often unclear, are not interoperable or not available online. Traders need to know what is needed to be compliant with relevant rules and regulations. Transparency and consistency of customs and related procedures are often inadequate. Current de minimis levels for low-value transactions are inconsistent across countries and need to be increased to facilitate easier handling of low-value imports. National customs and revenue agencies would benefit from the modernization of procedures having to deal with significant difficulties in efficient revenue collection.

Currently, national Governments and the international community are emphasizing the ratification and implementation of the WTO Agreement on Trade Facilitation. Private sector solutions are being provided by freight forwarders and integrators, covering consolidation and choice of modes and networks. Private delivery operators as well as national postal services through the Universal Postal Union¹ offer information, payment and logistics services to MSMEs. European Union regulations oblige e-commerce traders to provide consumers with full cost information prior to the purchase of an item, including transportation costs, duties and taxes. An increasing number of countries have implemented a single window to facilitate trade and most customs procedures are electronic.

Payment solutions for e-commerce

Challenges include vested interests in legacy business models and problems associated with rigid KYC requirements. Infrastructural challenges include a lack of connectivity, interoperability and electricity. Specific B2B infrastructure and logistical needs are rarely addressed. Broadband growth initiatives are seldom linked to payments facilitation. Lack of national electronic payment platforms is a perceived challenge in some developing countries. Other problems include different national norms and standards, risk of money laundering and fraud, and limited capacity of regulators. Capital requirements and localization initiatives can be detrimental. For B2B businesses, caps on transaction amounts present another obstacle. There is also a lack of regulation in certain areas, such as for prepaid cards. Finally, restrictions on the free convertibility of e-commerce payment currency in certain jurisdictions are a concern. Responsibility for educational initiatives also needs to be made clear.

Several initiatives today support the development of payments for e-commerce, including the work of the World Bank on digital connectivity, the development of mobile payment standards by ITU, the work of the Consultative Group to Assist the Poor, and others. UNCTAD and the World Bank have partnered to develop the electronic payments component of the national e-

¹ Universal Postal Union e-commerce programme, also known by its acronym, ECOMPRO, and “easy exports”.

commerce strategy for Egypt currently in progress. There are major private sector efforts to bring banks into the e-commerce space. At the national level, several regulatory initiatives can be noted, such as regulations catered to payment banks in India, Pago Digital in Colombia, the mobile money law in Kenya and the cryptocurrency law in New York, United States of America. Besides a limited amount of training activity, not much is happening with regard to education in this area.

Legal and regulatory frameworks

Current challenges to e-commerce legal and regulatory frameworks include protectionism by Governments and businesses; the lack of or outdated legislation and practices and their implementation, such as taxation and customs procedures; limited collaboration among regulatory authorities; differences in legal terms, legal principles and business culture; and non-compliance with legal and regulatory requirements. Other challenges include branding, a lack of technical capacity among regulatory and enforcement agencies, inadequate infrastructure, a lack of proper consultation between Government and the private sector during the development of legal and regulatory frameworks and the cost of developing legislation (Governments not strictly following the prescribed all-inclusive lawmaking process).

Technical assistance is offered by several organizations and countries to build the capacity of developing countries in relation to legal and regulatory frameworks of relevance to e-commerce. Examples include UNCTAD, ITU and the World Bank. Legal standards have been developed,² and cross-border dispute resolution mechanisms are available but still often inadequate, especially for MSMEs. Similarly, some private sector and civil society players provide support in the form of customer education programmes³ and lobbying to influence legal and regulatory frameworks, and efforts such as the Alliance for Affordable Internet to provide technical assistance.

E-commerce skills development

A major barrier is a lack of skills in government institutions, organizations, banks and other financial institutions, as well as among entrepreneurs and small and medium-sized enterprises (SMEs) that want to engage in e-commerce. There is an insufficient supply of educated, experienced staff and e-commerce experts who can provide training and fuel knowledge to relevant stakeholders in developing countries. There is a need for more knowledge on how to project implementation as well as monitoring and evaluation. In some developing countries, the

² For example, at the international level by OECD, the United Nations Commission on International Trade Law, the United Nations Office on Drugs and Crime, the World Customs Organization, the World Intellectual Property Organization and WTO; at the regional level by the African Union, the European Union, the Association of Southeast Asian Nations, Asia–Pacific Economic Cooperation and digital single markets.

³ For example, DHL, eBay and Alibaba.

Internet and international online services are only partially available to companies and citizens. Governments in some developing countries do not yet recognize the need to facilitate e-commerce growth. There is a need for Governments to assist local players in overcoming obstacles and to make entrepreneurs more interested in engaging with e-commerce – and vice versa. Raising awareness about existing projects, gains and opportunities of e-commerce is closely related to the creation of an entrepreneurial society.

There are some skills-development programmes that have been established by the private sector for the private sector. For example, the eBay Seller Centre provides detailed guidance and support for SMEs that want to grow their businesses through online selling, in particular internationally. Further, eBay is partnering with the United States Department of Commerce to raise awareness about technology-enabled exporting among small companies. The early 2000s saw the emergence of national programmes across the European Union to support SME trade. However, a European Union Commission report found in 2010 that the awareness of these types of programmes was low among microenterprises; at the same time, microenterprises considered that the lack of adequate information and of public support were two key barriers to the internationalization of their operations. Several international agencies run e-commerce support programmes for building skills. However, these have so far remained sporadic and intermittent. The International Trade Centre has launched a programme to help SMEs overcome the barriers to successfully trading online. Its e-solutions programme is based on a series of modules that combine technologies, training and advisory services and capabilities delivered through partners and shared platforms.