eTrade Readiness Assessments of Land-Locked Developing Countries

22 Assessments finalized (2017-2019)	**5** In progress (2019-2020)	**13** Additional requests received

LLDCs

Americas
- Barbados
- Jamaica

Asia
- Afghanistan
- Bangladesh
- Bhutan
- Cambodia
- Lao PDR
- Nepal
- Myanmar
- Iraq
- Mongolia

Africa
- Burkina Faso
- Lesotho
- Liberia
- Madagascar
- Malawi
- Mali
- Senegal
- Togo
- Uganda
- Zambia
- Benin
- Côte d'Ivoire
- Niger
- Tanzania
- Burundi
- Cabo Verde
- Comores
- Djibouti
- DR Congo
- Guinea
- Sierra Leone
- Tunisia
- Zimbabwe

Oceania
- Kiribati
- Samoa
- Solomon Islands
- Tuvalu
- Vanuatu
- Niue

eTrade for all
Connecting the dots

UNITED NATIONS
UNCTAD

Preface

International trade, including transactions conducted through electronics means, can be an engine for inclusive economic growth and poverty reduction as recognized by the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda and the Vienna Programme of Action (VPoA). Despite clear benefits, the integration of landlocked developing countries (LLDCs) in the global trade has been uneven, and the 32 LLDCs account for less than one per cent of global merchandise trade.[1]

Electronic commerce is one of the main drivers of growth and innovation in the world today. It has significant potential for developing countries and for micro, small and medium-sized enterprises (MSMEs). If applied properly, e-commerce can make them more competitive and allow them to grow and thrive in the global market. Indeed, **the digitalization of economic activities could facilitate LLDC partici-pation in international trade**, especially by helping to overcome traditional trade barriers and to move more commerce online. To do so, governments need to adapt their policies and improve the coordination across ministries around the range of policies related to e-commerce and the digital economy. They also need to engage with the private sector, as well as civil society, to prepare the policy and legal frameworks needed, ensure the roll out of affordable ICT infrastruc-ture, and adapt the education system to develop the work force needed for the digital economy.

Ensuring that the potential benefits of e-commerce reach MSMEs in LLDCs requires a **strong prioritiza-tion from governments and a greater commitment from development partners** to enhance the digital readiness and to avoid the widening of inequalities.

The UNCTAD Programme on Rapid eTrade Readiness Assessments (also known as eT Readies) launched in 2017 has been designed to contribute to the evidence-to-policy approach. These assessments are conducted at the request from developing countries to help evaluate their e-commerce ecosystems and provide recommendations regarding policies that should be devised to enhance their ability to engage in and benefit from e-commerce. Out of the 22 least developed countries (LDCs) that have been assessed in the past two years, ten are also LLDCs: **Afghanistan, Bhutan, Burkina Faso, Lao PDR, Lesotho, Malawi,** **Mali, Nepal, Uganda and Zambia.** The eT Ready of **Niger** is underway and additional requests from LLDCs were received from **Burundi, Mongolia and Zimbabwe.**

This note looks at the **digital readiness of LLDCs and highlights key challenges and related policy recommendations.** It draws on the findings of eT Readies undertaken in LDCs, including LLDCs so far, the results of an eT Ready stock-taking survey carried out online during February-March 2019 and the outcome of the stocktaking workshop on the conduct and implementation of eT Readies held in Geneva in April 2019.[2] It also provides recommendations for the sustainable inclusion of these countries in international trade with regard to seven policy areas: e-commerce strategies, ICT infrastructure, payment solutions, legal framework, trade facilitation/logistics, skills and financing SMEs.

I would like to thank the **Governments of Germany, Sweden, Australia as well as the Enhanced Integrated Framework (EIF) and the Islamic Trade Finance Corporation (ITFC)** which are currently promoting the digital development of developing countries by supporting UNCTAD's eT Ready Programme. I also wish to acknowledge **eTrade for all partners** who contribute to enriching the content of the assessments and increasingly partnering with UNCTAD in support of the implementation of the eT Readies recommendations.

The UNCTAD eTrade Readiness Assessments highlight the opportunities that e-commerce can offer for economic development. Like many developing and least developed countries, the LLDCs have enormous potential to embrace the digital economy and make it work for them. To carry out the necessary fundamen-tal reforms, there is an urgent need for scaling up the support from the international community. Given the cross-cutting nature of e-commerce, **better synergies and cooperation between development partners and governments are required to help implement the recommendations** contained in our assessments. More attention should be paid to the digital dimension of development for the benefit of all.

Shamika N. Sirimanne
Director, Division on Technology and Logistics, UNCTAD

---

[1] http://unohrlls.org/custom-content/uploads/2019/01/LLDCs_Kazakhstan_Ministerial_Meeting_Report_010319_Digital.pdf
[2] The full results of the stock-taking survey are available in eTrade Readiness Assessments of LDCs: Policy Impact and Way Forward: https://unctad.org/en/PublicationsLibrary/dtlstict2019d7_en.pdf

Obstacles facing the LLDCs in their digital development

While the eTrade Readiness Assessments are country-specific, taking into account each country's development path, **several common key policy areas** deserve special consideration as per below. Being landlocked brings additional challenges and structural constraints that inhibit efforts to develop an e-commerce ecosystem.

The findings of the Rapid eTrade Readiness Assessments conducted in ten LLDCs highlight three particular bottlenecks in **infrastructure, e-commerce strategies and legal frameworks.**

Limited awareness of e-commerce relevance among policymakers and lawmakers, consumers and businesses.

Inappropriate education for the digital economy.

Limited Internet access in rural/remote areas and costly access to fixed and mobile-broadband Internet.

Lack of business development skills and adequate e-commerce skills for MSMEs.

Overreliance on cash-based transactions, plus low access to and limited experience with online payments and the use of credit cards.

Unsuitable financial mechanisms for start-up enterprises to engage in e-commerce.

Inadequate facilities for physical delivery of online purchases.

Persistent barriers for women and youth to engage in e-commerce, preventing the leveling of playing fields through increased inclusivity.

Weak legal and regulatory frameworks, including protection of consumers online.

Lack of statistical data on electronic commerce.

1. Infrastructure

ICT infrastructure

The need for investment in high-speed broadband Internet is mentioned frequently in the eTrade readiness assessments for LLDcs. Only 32 per cent of the population of LLDcs are using the Internet. The lack of affordable connectivity and access to relevant devices are the main impediments to any individual, firm or organization benefiting from the economic and social opportunities that can be derived from digitalization. Cross-border connections also result in higher Internet prices.

Fixed telephony is shunned by people in LLDCs and other developing countries where mobile telephony is increasingly substituting for voice and data traffic (Table I). Additional investments are needed in the ICT sector to facilitate the growth of services delivery in 3G/4G by mobile network operators in a competitive environment, as well as public-private partnerships (PPPs) to strengthen backbone infrastructure.

Table I. Fixed and mobile-broadband subscriptions and Internet users

	Fixed broadband subscriptions per 100 inhabitants, 2018	Active mobile-broadband subscriptions per 100 inhabitants, 2018	Internet users, 2017 (%)
World	15.6	73.2	56.9
Developed economies	34.4	101.3	83.0
Developing economies	7.8	62.8	45.9
LDCs	0.6	29.7	18.7
LLDCs	4.6	49.7	32.0
Afghanistan	0.0	18.8	13.5
Bhutan	2.3	101.6	48.1
Burkina Faso	0.1	29.9	16.0
Lao PDR	0.6	42.0	25.5
Lesotho	0.3	59.0	29.0
Malawi	0.1	27.2	13.8
Mali	0.6	30.3	13.0
Nepal	2.8	47.5	34.0
Uganda	0.0	33.6	23.7
Zambia	0.2	56.6	27.9

Source: ITU, World Telecommunication/ICT Indicators (WTI) Database 2019.

Physical infrastructure

Geographical constraints and dependencies on the efficiency of transport networks in neighbouring countries, as well as long-distances, toll fees and non-tariff barriers, make trade logistics expensive.

The LLDCs eT Readies stories presented in this note underscore the fact that e-commerce could represent a solution to overcome logistical and geographical barriers and tap into other markets. As in other

developing countries assessed, last-mile delivery continues to pose a challenge since postal services in remote areas have problematic delivery times and costs. Local entrepreneurs are developing innovative logistic solutions, such as the introduction of drones in some East African countries. Transport, logistics and regulatory bottlenecks also hamper e-commerce growth mainly due to red tape in customs clearance and prohibitive transport costs.

Key policy recommendations

- Increase access to **fast, affordable and reliable Internet**, as well as **last-mile connectivity** in rural and less-populated areas to reduce disparities in Internet access and open e-commerce opportunities for larger segments of the population.
- Support **public-private partnerships (PPPs)** to strengthen backbone infrastructure.
- Continue the **rehabilitation of physical infrastructure**, as well as the modernization of transport and supply-chain sectors.

---

2. E-commerce strategies

LLDCs need to put in place e-commerce strategies in order to take advantage of the digitalization. Apart from Nepal, none of the assessed LLDCs have adopted a dedicated e-commerce strategy. The Government of Nepal prepared its national e-commerce strategy based on the findings of the eTrade Readiness Assessment conducted in 2017. It was launched in June 2019.

Estimated values of e-commerce transactions in LLDCs are not available. The value of e-commerce in developing countries is assessed based on the UNCTAD Business-to-Consumer (B2C) Index and the exports of digitally deliverable services as share of total trade in services. UNCTAD's Index measures an economy's preparedness to support online shopping by looking at four indicators that are highly related to online shopping and for which there is wide country coverage: 1) the share of individuals using the Internet, 2) account ownership at a financial institution or with a mobile-money-service provider, 3) number of secure Internet servers per million inhabitants and 4) the Universal Postal Union (UPU) postal reliability score. It shows that, generally, LLDCs lag developing countries with an average index value of 35.6 (Table II), while still remaining somewhat ahead of LDCs. The extent to which people shop online in a country is highly correlated with the value of the Index.[3]

Table II. UNCTAD B2C E-commerce Index, 2018

|	Share of individuals using the Internet (%) (2017 or latest)	Share of individuals with an account (%) (15+, 2017 or latest)	Secure Internet servers (normalized) (2017)	UPU postal reliability score (2017 or latest)	Index value (2017 data)
Developed economies	83	92	88	80	85.9
World	54	60	56	49	54.9
Developing economies	41	48	42	33	41.3
LLDCs	32	41	37	33	35.6
LDCs	18	31	24	23	24.4

Source: UNCTAD B2C E-commerce Index, 2018.

[3] See UNCTAD's Business-to-Consumer (B2C) E-commerce Index, 2018.

Another aspect is the export of digitally deliverable services.[4] With telecommunications and computer services becoming more readily available and affordable, more services are increasingly tradable and possible to deliver remotely. This has given rise to an expansion of the outsourcing and offshoring of a range of business services (such as marketing and management consulting) and has lowered the barriers and entry costs for businesses in developing countries to produce and export such services.[5] Similarly to the B2C Index, the share of digitally deliverable services as share of total trade in services lags behind that of developing countries in general, resembling more the situation in LDCs (Figure I). From 2005 to 2018 this share actually decreased by 10 per cent for LLDCs, compared to an increase of over 30 per cent for developing countries in general.

[4] Digitally delivered or ICT-enabled services are defined as services delivered remotely over ICT networks.
[5] See UNCTAD's Digital Economy Report 2019.

Figure I. Exports of digitally deliverable services as share of total trade in services, 2005-2018

Source: https://unctadstat.unctad.org/.
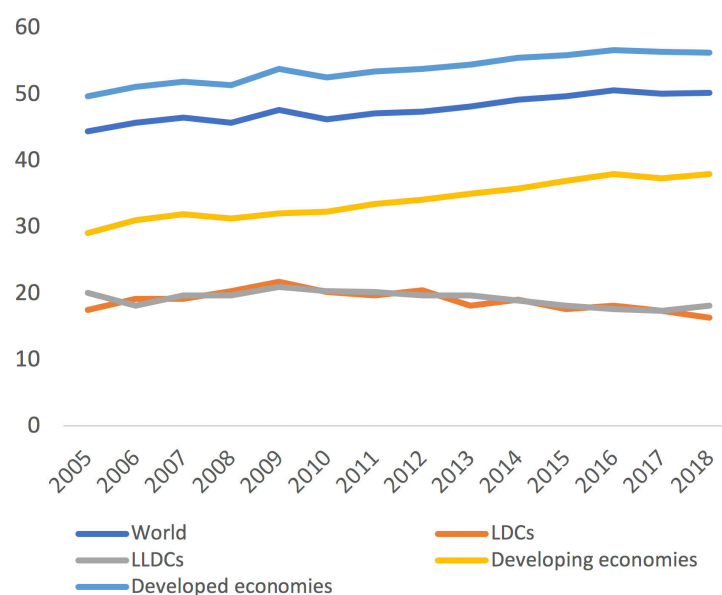
Box I

Gender e-divide: Key eT Readies recommendations

While e-commerce offers opportunities for women to engage into trade, the eT Readies carried out so far show that policies on gender have not yet been designed to support their participation in e-commerce activities.

The assessments show that, in general, women-owned businesses have been growing over the past decade and that expanding access to domestic and overseas markets for these female business owners, through e-commerce, would contribute to inclusive economic growth and trade.

The Assessments recommend that the following should be included as part of the e-commerce strategies:

■ **Develop gender policies** with a view to enhancing women's participation in e-commerce.

■ **Monitor e-commerce activities and volumes** of transactions and include gender disaggregated data, such as share of women entrepreneurs involved in digital economy activities.

■ **Prioritize the skills development of women and girls.** The ICT field is traditionally seen as a male domain, and digital literacy of women in the assessed countries remains low. Prioritizing e-commerce skills development for women and girls would help to bridge the gender divide, bring more working women into the formal sector and provide new opportunities for women entrepreneurs.

■ **Create dedicated women's trade associations.**

■ **Develop tailored lending standards and products.** Commercial banks should be encouraged to adopt broader terms for evaluating the creditworthiness of e-commerce entrepreneurs and MSMEs, particularly women-owned businesses.

■ **Build capacities of businesses and women-led associations** and **increase financial inclusion,** especially of women and youth. Banks should be encouraged and given incentives to provide innovative products for all segments of the population.

3. Legal frameworks

According to UNCTAD's Global Cyberlaw Tracker, the level of LLDC legislative adoption is close to the world average, except for the protection of consumers online. Only 25 per cent of LLDCs have such legislation, which is key to ensure consumers' trust.

The eT Readies conducted in LLDCs have shown non-existent or weak legal frameworks for the regulation of online transactions. **Regulations and enforcements are lagging behind across a majority of the LLDCs** assessed and capacity-building is needed to make implementation effective.

Table III. Percentage of countries with e-commerce legislation, 2019

	Electronic Transactions	Consumer Protection Online	Privacy and Data Protection	Cybercrime
World	79	51	57	72
LLDCs	72	25	59	69
LDCs	55	30	36	36

Source: UNCTAD Global Cyberlaw Tracker.

The lack of up-to-date legal frameworks for e-commerce affects the ability of LLDCs to engage with global business partners, attract investors, increase the domestic uptake of e-commerce, leading eventually to reduced impetus for e-commerce. In LLDCs, like in many other developing countries, policymakers/lawmakers and entrepreneurs are often not fully aware of the complex legal issues regarding e-commerce nor about latest global legal developments. Regulatory and institutional coordination remains a challenge too.

Key recommendations

■ Carry out legal and regulatory gap analysis for e-commerce to develop a holistic and updated approach in line with latest developments.
■ Adopt baseline e-commerce legislation or update relevant laws and regulations.
■ Build capacities of lawmakers and the judiciary to enforce and increase awareness of existing e-commerce laws.
■ Strengthen business and civil society engagement to foster an enabling environment for e-commerce.
■ Consider the establishment of quality labels to boost confidence and set up certification trust-mark schemes for trusted e-commerce operators.
■ Increase the awareness of commerce regulations – including server localization, data protection, cross-border data transfer and taxation.

eT Readies stories in LLDCs

Afghanistan

The eT Ready of **Afghanistan** pointed to the fact that the landlocked nature of the country could be harnessed as a comparative advantage. Strategically positioned in Central Asia, Afghanistan can serve as a conduit for linking Europe, Central Asia, the Middle East, South Asia and East Asia, in addition to spurring regional trade. Towards this end, Afghanistan's logistics providers have a wide market available if the country's ambition as a transit trade hub is attained. This could have spillover impacts on capacity development from an e-commerce perspective. Transit trade potential extends to e-commerce as well. Given the strategic positioning of Afghanistan, economic free zones, fulfillment centers and other logistical facilities could help develop its regional transit position vis-à-via e-commerce.

Key infrastructural constraints will however need to be overcome. Less than 13.5 per cent of the population uses the Internet. Regarding its trade logistics environment, more reforms are needed to develop an efficient trade facilitation regime even though Afghanistan undertook "important steps" in that direction by becoming a member of the WTO and ratifying the Trade Facilitation Agreement.

Bhutan

Being a latecomer to the ICT space, **Bhutan** is characterized by a unique environment for development of an ICT-based society by way of a stable and vibrant government, a small population, widespread knowledge of English, good telecommunications network in many of the urban areas and the Government's commitment to adopting ICT as a development tool. E-commerce could represent a solution to overcoming logistical and geographical barriers and could tap into other markets. Bhutan faces a series of challenges, including a relatively small market size, low broadband Internet penetration (especially in rural areas), payment issues and poor logistics networks, which remain stumbling blocks to e-commerce development. Some of the other key barriers to developing e-commerce include:

■ Confusion within and between relevant government agencies and public institutions over priorities and implementation processes.
■ Technical factors, including accessibility and affordability of broadband Internet infrastructure, the digital divide between cities and the countryside, limited access to financial services, and logistical challenges related to the delivery of goods.
■ Trust factors, i.e., moving from a cash to a cashless society, building consumer trust in online platforms and mobile payment solutions.
■ Unclear legal and regulatory framework.

Burkina Faso

The eT Ready of **Burkina Faso** highlights the need for far-reaching reforms of its infrastructure to benefit from e-commerce. The Assessment found that e-commerce expansion is taking place mainly in the informal economy, through private classifieds sites and social networks, while a small number of professional operators have developed platforms covering sectors such as agribusiness, clothing, IT and household appliances. Under the aegis of Burkina Faso's Plan National de Développement Économique et Social, the "Burkina Start-Ups" programme financially supports start-ups.

But their growth and structuring as companies often remain uncertain. Numerous major obstacles holdback growth of the ICT sector, particularly the low level of accessibility and penetration of the Internet across the country, and often unsatisfactory quality of service. Low levels of infrastructure development, prohibitively expensive routes to/from the international, logistics that are not sufficiently integrated by the active operators in the national and regional segments, a last mile delivery that is often impossible due to the faulty addressing system, are among the obstacles that the operators of the e-commerce in Burkina Faso must face. The National Trade Facilitation Committee recently established could help to design solutions for a reduction of the tax burden on international shipments and bring a greater transparency to the administration of customs clearance charges and fees.

A new regional dynamic driven by the Ministers of Commerce of the West African Economic and Monetary Union (WAEMU/UEOMA) in the Ministerial Declaration of 29 September 2017 to define a regional work plan for the development of electronic commercewill enable support for WAEMU countries' efforts in this area. A first step in preparation of this plan was initiated by the WAEMU Commission, in cooperation with UNCTAD, with the organization of a regional workshop on electronic commerce, organized in Ouagadougou from 9 to 11 October 2018. The impetus of regional institutions such as UEMOA (WAEMU – or use format above) and the Economic Community of West African States (ECOWAS) encourage member states to harmonize economic integration policies, including the applicable regulatory framework. UNCTAD has also started discussion with the ECOWAS Commission to assist in the elaboration of a regional e-commerce strategy.

Lesotho

The eTrade Readiness Assessment of **Lesotho** shows how the small, mountainous nation could unlock its digital market to diversify its economy. But there are a series of conditions for its success. The two main priorities are: a lack of affordable access to connectivity and inadequate legal and regulatory frameworks. Mobile service costs, in some instances, represent almost six per cent of the individual's monthly income. Currently Lesotho's e-commerce legislation and regulation are weak, and the country lacks most of the key laws and regulations necessary to ensure online trade.

Despite being landlocked, Lesotho's inherent connectivity challenges are mitigated by having to agree on border cooperation with only one country, South Africa. The country has benefited from support by international donors (including the World Bank and UNCTAD) to shorten the customs clearance time. Recent reforms also include the creation of a One-Stop Business Facilitation Centre and the rationalization of customs procedures. The country signed the WTO Trade Facilitation Agreement in January 2016. Lesotho performs better overall than its peers on different trade facilitation-related indicators, a reflection of the country's efforts to improve its trading environment. Challenges persist, such as the lack of home addressing, which creates a difficulty for delivery service providers, the appearance of roadblocks and poor transfer of information between South Africa and Lesotho, as well as the weak performance of the Lesotho Postal Service.

Lao PDR

Lao PDR finds itself at the crossroads of e-commerce adoption. It has invested massively in ICT infrastructure to guarantee reliable access to mobile telephony and updated its legal and regulatory framework to adhere to its regional and international commitments. The Government now needs to adopt ambitious policies regarding the acceleration of the use of ICT and e-commerce, as well as the creation of a supportive ecosystem for further social and economic development.

Interest in the digital economy is triggered by renewed focus on trade, and especially services. Technology will be an important driver. It is also essentially a mobile-only country, meaning that 96 per cent of the population who access Internet do so on their cell phones. However, the country is one of the most expensive in the world when it comes to using information and communications technology: it was ranked by International Telecommunication Union in 2018 as 144 out of 166 countries for the cost of using IT and telecoms services. Mobile money has not yet been taken off, because of regulatory concerns. Additional regulations are much-needed for a national payment system, to accelerate the adoption of digital financial services. The cautious approach that the Government has taken over the years has resulted in Lao PDR losing out on the benefits from the growth of this form of business, especially compared with its immediate neighbours, as well as on the opportunity to further diversify its economy and generate revenue from e-commerce.

The ability to leverage ICTs to boost innovation and online participation depends heavily on the availability of a reliable and cost-effective ICT infrastructure. Lao PDR MSMEs are unlikely to gain a competitive advantage when businesses and investors do not have ready access to global sources of knowledge and other resources and are relatively isolated from global markets.

The Government needs to play a vital role to incentivize entrepreneurship and boost a start-up culture in the country. Some measures have been taken lately to collaborate with foreign institutions to encourage start-ups initiatives in the country. However, unless the government continues to pay attention to providing incentives and funding to start-up activities, digital progress might remain a slow process in the country.

Malawi

Malawi enjoys a stable political environment and an economy driven by agricultural production and trade, primarily tobacco, tea and sugarcane. Through its Vision 2020 and the Malawi Growth and Development Strategy (MGDS), the country seeks to address macroeconomic imbalances, foster economic diversification, and improve infrastructural endowment and social development indicators. The MGDS however does not capture the growth potential that e-commerce and digital economy could bring to its developing economy. At present, less than 14 per cent of Malawians use the Internet. One major reason is the high cost of Internet access, which although it has been decreasing, remains high by African standards and inaccessible for most Malawians. Quality of Service and last mile connectivity also remain a critical concern and more than 70 per cent of the private sector responses to our survey point out "Lack of ICT infrastructure (Internet access, power supply)" is an important reason for not investing in e-commerce solutions. Recent improvements in the ICT infrastructure include the extension of fibre-optic backbone and cross-border interconnections, the launch of 4G, and the establishment of the Universal Service Fund. In terms of trade logistics and trade facilitation, the transport infrastructure suffers from low levels of investments, poor private sector involvement, and limited competition in some sub-sectors. Investments are hindered due to the lack of an addressing system and the small size of the market. Progress has been made with regards to paperless trade and e-payments as the country has prioritized trade facilitation reforms and implementation of the WTO Trade Facilitation Agreement.

Mali

The e-commerce ecosystem in **Mali** is still in its infancy. Despite the efforts of the public and private sectors to give it a real impetus, the commitments have not been constant or sustained enough over time. This is partly due to the security challenges and political instability that slow down the creation of the necessary conditions to better manage initiatives and develop e-commerce in different sectors of the economy (agriculture, crafts, education, financial services). Mali's digital isolation is aggravated by geographical isolation, which increases the difficulties faced by businesses in terms of transport infrastructure and logistics.

The eT Ready points to the need to accelerate the implementation of the projects and reforms included in the Mali Digital 2020 benchmark, to build a steering and coordination framework and to develop an e-commerce sector strategy with clear implementation commitments. On the one hand, there is a need for capacity-building within public administration to be better equipped and able to integrate electronic commerce in their support of the private sector. On the other hand, the private sector will have much to gain from a better organization around a regrouping of the sector actors, and a pooling of the services essential to the growth of the companies.

Mali has assets on which it must capitalize: a public administration that has understood the importance of a process of services digitization, important projects for the development of a broadband Internet infrastructure, as well as dynamic start-ups and successful experience in the field of e-health. These assets should enable the Government to define coherently, inclusively and transparently the actions to be undertaken in order to boost the e-commerce sector and the digital economy as a whole.

Nepal

According the eT Ready of **Nepal**, the rapid spread of Internet access in the landlocked central Himalayan country, especially in the Kathmandu Valley, is creating new growth opportunities for businesses such as retailers, mobile operators and payment service providers. New eTrade niches are opening up as domestic and foreign players vie to satisfy the demands of an increasingly e-commerce-ready population. This is creating healthy competition, especially among financial services. Over the past seven years, the portion of Nepali consumers online has grown from eight per cent to almost 60 per cent thanks to improved information communications technology infrastructure and services. Most shoppers in the country now access the Internet through 2G or 3G mobile data services. E-commerce uptake and online trust is however hampered by a slightly outdated legal and regulatory framework, especially regarding consumer protection and privacy, aas well as restrictions on foreign direct investment for retail (since e-commerce is not recognized as its own separate industry). Legal reforms are underway and the country adopted in June 2019 an e-commerce strategy. To help the government speed up the reform process and for e-commerce to really take off in Nepal the assessment report provides several recommendations in line with the three main bottlenecks identified: online payment, transportation, and distribution channels. Some recommendations are: the adoption of a single shared vision for national e-commerce development in Nepal, strengthening the logistics infrastructure by fostering the development of PPPs between private sector couriers and Nepal Postal Services, as well as supporting the MSMEs' entry into global e-commerce by ensuring the availability of a PSP, among others.

Uganda

As a landlocked country, **Uganda** faces inherent geographical constraints and depends on the efficiency of transport networks in neighbouring countries for its access to the major ports in East Africa. To lessen the impact of these constraints, increased focus has been placed on improving the postal network services within the country, reducing clearance time for expedited shipments and improving last-mile delivery for e-commerce parcels. In June 2018, Uganda ratified the WTO Trade Facilitation Agreement, which is aimed at simplifying, standardizing and harmonizing trade procedures and documentation related to import, export and transit. Private transport companies and logistics couriers also provide important e-commerce delivery services. Following from the eTrade Readiness Assessment, a National Committee led by the Ministry of Trade, Industry and Cooperatives, including private sector actors, has been put in place to facilitate communication across ministries and the private sector to coordinate all national e-commerce activities. The focal point has been using a free messaging app to connect with the different stakeholders identified through the Assessment to ensure proper institutional coordination, adequate mobilization, planning and budgeting.

Zambia

Zambia is centrally located and surrounded by eight countries, which gives the country high potential and opportunity to be the ICT hub in the region. By requesting the eTrade Readiness Assessment Zambia sent a strong signal: the country is interested in e-commerce and is ready to increase efforts to strengthen the enabling environment for e-commerce and the digital economy. To address this objective, the Government is investing significant time and resources in ICT infrastructure, updating legislation and regulations, and building public sector capacity to provide e-services. In parallel, Zambia has a growing start-up and broader e-commerce scene, creating fertile ground for unlocking the potential of e-commerce. For these efforts to succeed, some conditions are needed like the establishment of an inter-ministerial coordination body and a public-private coordination body on digital e-commerce that could support the engagement in a national e-commerce strategy. In addition, identifying ways to strengthen the voice of start-ups and other e-commerce vendors, often operating outside the traditional business associations and bodies, would further help support the contribution of e-commerce to the country's development. Embarking upon the development of a national e-commerce strategy would help to create a national vision, increase trust in e-commerce, improve the enabling business environment, as well as provide the impetus for public-private dialogue and coordination.

To discover all the available eT Ready assessments: **https://etradeforall.org/program/e-commerce-assessments/**

Policy impacts

Since 2017, UNCTAD has conducted 22 eT Readies that have affected national policies in various ways:

Critical inputs were generated in seven key policy areas to enable countries to better understand the interlinked issues related to the digital economy:

- E-commerce readiness assessment and strategy formulation
- ICT infrastructure and services
- Payment solutions
- Trade logistics and trade facilitation
- Legal and regulatory frameworks
- E-commerce skills development
- Access to financing

Growing awareness about the role of e-commerce for development at domestic and regional levels.

Enhanced knowledge base that has also benefited international organizations, development partners, NGOs and civil society.

Identification of focal points for e-commerce and the digital economy.

Strong engagement at the ministerial level.

Constructive multi-stakeholder interactions.

Increased synergies with development partners.

The Assessments have prompted governments to request additional technical assistance.

Countries are better equipped to formulate their needs to potential donors/partners.

Raised e-commerce profile among development partners.

4. Governments and development partners need to work together to achieve tangible results

The role of Governments is multi-fold: from improving coordination of digital economy and e-commerce, engaging the private sector in dialogue, formulating or updating e-commerce enabling laws and regulations, ensuring that mobile connectivity (and mobile broadband) is accessible and affordable for the majority of the population, to making sure that ICT skills and knowledge is infused in education, vocational training and professional training curricula. Similarly, development partners have a particularly critical role to play, considering the cross-cutting nature of e-commerce as exemplified by the seven different policy areas considered by UNCTAD in the eTrade Readiness Assessment Programme. The main message of the pilots' stories, as in the case of Myanmar, reveals what eTrade for all partners can achieve when working together—while preserving their core mandates—to carry out the strategies and programmes needed to generate lasting effects on digital development. It also shows how essential Government commitment is to develop the digital economy (Box II).

UNCTAD's eT Ready Monitoring Tool and Smart Partnerships approach

Following requests from developing countries and donors, UNCTAD in cooperation with pilot countries has prepared a monitoring tool that helps beneficiary countries and development partners provide evidence on progress in implementing effectively recommendations emerging from the eT Readies according to countries' priorities, as well as accountability among development partners.

Tracking progress: Beneficiary country ownership

The Monitoring Tool helps identified focal points to track progress in implementing the priority recommendations. The monitoring matrices will be updated every six months. This monitoring is led by the beneficiary country and will be shared with development partners, including eT4a Partners.

The results of the ongoing monitoring exercises in countries assessed from 2017 to 2018 will be showcased at the next eCommerce Week 2020, 27 April to 1 May, in Geneva, Switzerland.

Smart Partnerships: Accountability of development partners

Based on the experience of conducting eT Readies since 2017, UNCTAD has identified partners with expertise and mandate in the seven policy areas under review and has been coordinating with these agencies at different stages of preparation of the Assessments. Table IV presents a non-exhaustive list of contributing partners who could assist with implementation of specific recommendations. UNCTAD has also been able to associate eT4a partners with the donors' round tables organized when launching some Assessments at the country level with some concrete results, such as in the case of Myanmar (Box II). This approach could be replicated in pilot land-locked countries.

Box II
From recommendations to actions: The case of Myanmar

The Government of Myanmar (GoM) recently launched an ambitious project funded by the Enhanced Integrated Framework (EIF) to leverage e-commerce as a source of growth for its services sector and for transitioning to a more digital economy. The project aims inter alia to improve the performance of Myanmar's export-orientated services sectors in support of the diversification of the country's export basket and to generate much-needed quality employment.

Myanmar is one of the pilot countries within the UNCTAD eTrade Readiness Assessment Programme to quickly start the implementation of the recommendations contained in the eT Ready conducted in 2018. The e-commerce strategy was one of the key recommendations along with recommendations for enhancing the public-private dialogue on e-commerce, the development of key enabling regulations, resource mobilization with development partners and job creation in the digital economy and e-commerce sectors. The e-commerce strategy will be developed under the aegis of the Digital Economy Roadmap developed by the Digital Economy Development Committee, which granted a specific mandate to the Ministry of Commerce as the lead agency for e-commerce development.

UNCTAD has received funds to support the GoM in developing a comprehensive e-commerce strategy that will transform the vision and strategic goals at the core of Myanmar's Sustainable Development Plan 2018-2030 into a concrete roadmap proposing specific interventions for e-commerce development. The e-commerce strategy will aim to give special emphasis on the development of local e-commerce solutions and on economic opportunities for under-served groups such as youth and women.

Sound ownership from the Government and smart partnerships among eT4a partners and donors are essential to advancing faster the digital agenda. Since the launch of the eT Ready of Myanmar, the GoM has been able to mobilize additional development partners such as the:

■ ITC, through the EU-funded ARISE Plus project, to support MSMEs' embrace of digital technology for trade, e.g., through facilitation of partnership between leading e-commerce MSMEs and international selling platforms, the formalization of MSMEs through registration of businesses and raising awareness of opportunities created by e-commerce; and making MSMEs bankable and eligible for incubators, business accelerators and venture capitalists.

■ UNESCAP, through the EIF-funded, China-funded and RoK-funded actions to assess and improve Myanmar's technical and legal readiness for their participation in cross-border paperless trade.

■ UNCTAD/ERIA, through DFAT funding that aims to build the capacity of e-commerce negotiators 2020/2021.

Other initiatives include DFAT's E-commerce Aid for Trade Fund, which aims to build productive capacity, support effective trade policy and regulation, and develop economic infrastructure in the e-commerce sector.

In the enhanced version of the eT Readies —for non LDCs— partners are invited to join UNCTAD during the in-country missions depending on the priorities identified by the requesting government. This will help provide a deeper analysis of some eT4a policy areas and lead to the preparation of an actionable project document to be submitted to the beneficiary countries and donors.

Table IV. UNCTAD eT Readies Smart Partnerships

Policy Areas	Partners
E-commerce strategy	EIF, ITC, ITU, UNCTAD, UPU, WBG
ICT infrastructure	EIF, ITC, ITU, UNESCAP, WBG
Payment solutions	ITC, UNCDF, UNCITRAL, UNESCAP, UPU, WBG
Legal frameworks	ITU, UNCITRAL, UNCTAD, WIPO, WBG
Trade logistics and facilitation	ITC, UNESCAP, UNCTAD, UNECE, UPU, WBG, WCO, WTO
Skills development	ILO, ITC, ITU, ISOC, UNESCO, UNICEF, UN Women, WBG, WTO
Financing SMEs	ITC, UNCDF, WBG

Stocktaking workshop on the conduct and implementation of eT Readies held in Geneva in April 2019.

UNCTAD

66 The benefits of the report recommendations will not be felt unless they are effectively implemented. This will require integrating specific elements of the recommendations into national development plans, government and private sector initiatives, ICT policies and strategies, regulatory frameworks and development projects.

- Dr. Mukhisa Kituyi, Secretary-General of UNCTAD

Enhanced Integrated Framework (EIF)

66 E-commerce offers huge opportunities for more than 100,000 SMEs in Nepal, especially those owned by women and young entrepreneurs, to reach foreign markets and get their products known to global consumers. Putting in place enabling conditions for e-commerce, especially e-payment solutions, more reliable Internet connections and logistics services, should be initiated as soon as possible to unleash the full potential of the fast-growing digital economy.

- Mr. Ratnakar Adhikari, Executive Director, EIF Executive Secretariat

Germany

66 Many developing countries want to profit from the possibility of digitalization and engage in e-commerce, but often do not know where to start. eTrade Readiness Assessments are the perfect starting point. They help identify potentials and challenges in e-commerce, and enable countries to design appropriate strategies to further advance in digital trade. We want to encourage developing countries to take advantage of these tools.

- Ms. Daniela Zehentner-Capell, Head of Division, Trade Related Development Cooperation, Federal Ministry for Economic Cooperation and Development, Germany

Bhutan

66 We thank UNCTAD for the rapid eTrade assessment. It was a very good guide for Bhutan.

- H.E. Mr Lekey Dorji, Minister for Economic Affairs, Bhutan

Burkina Faso

66 Burkina Faso must capitalize on the strengths identified in the study: increasing the digitalization of public services, a competitive telecommunication sector, the development of broadband Internet infrastructure, a science park and dynamic start-ups. The proposed roadmap will enable us to accelerate the path towards the country's digitization.

- H.E. Harouna Kabore, Minister of Commerce, Industry and Handicrafts, Burkina Faso

Uganda

66 E-commerce is an impetus for entrepreneurship, innovation and business development that can benefit all the people in Uganda.

- H.E. Frederick Gume Ngobi, State Minister for Cooperatives, Uganda

Zambia

66 The assessment provides a roadmap for what needs to be done in different policy areas, but we need to coordinate our activities. A national e-commerce strategy for Zambia would help align different stakeholders towards a common vision.

- Ms. Kayula Siame, Permanent Secretary of Zambia's Commerce Ministry