



E-COMMERCE AND THE DIGITAL ECONOMY

LEVERAGING E-COMMERCE AND THE DIGITAL ECONOMY FOR SUSTAINABLE DEVELOPMENT



GLOBAL CONTEXT

E-commerce – and more generally the rise of the digital economy – is rapidly transforming the way in which enterprises are interacting among each other, as well as with consumers and Governments. E-commerce is creating new opportunities for technological leaps, productivity gains across the economy, the rise of new sectors and boosting trade. At the same time, digital disruption is raising new challenges and costs for countries. Some of the greatest dynamism in e-commerce and information and communications technologies (ICTs) can be found in developing countries, but the potential is far from fully realized.

To reverse current trends towards widening inequalities and power imbalances wrought by the digital economy, policymakers need to adapt existing policies, laws and regulations and adopt new ones. The global nature of the digital economy also requires more dialogue, consensus-building and policymaking at the international level. Developing countries should establish legal, institutional and policy frameworks, as well as effective national strategies, to leverage the dynamism of e-commerce and digitalization for value creation and capture. It is important for policymakers to have better statistics and to receive evidence-based guidance on the design of sound policies and to learn from best practices in securing development gains from e-commerce and the digital economy. Seizing development gains from this evolving landscape requires a holistic, cross-sectoral and cross-institutional approach.



HOW DOES THE PROGRAMME WORK?

The E-commerce and the Digital Economy Programme of UNCTAD provides a unique platform for dialogue between developed and developing countries on harnessing the evolving digital economy for trade and sustainable development. Specifically, it encompasses several distinct technical assistance subprogrammes, as follows:

- The *E-commerce and Law Reform* Subprogramme helps to build the capacity of law and policymakers at the national and regional levels to understand the legal issues underpinning e-commerce. Concrete actions include the following:
 - Assistance in establishing domestic and regional legal regimes to enhance trust in online transactions.
 - National and regional capacity-building workshops for law and policymakers.
 - Mapping of e-commerce legislation, available at unctad.org/cyberlawtracker.
- UNCTAD work on *measuring the information economy* includes statistical data collection and the development of methodology, as well as linking statistics and policy through the Working Group on Measuring E-commerce and the Digital Economy. Figures are published in the biennial *Digital Economy Report* and the statistics portal UNCTADstat. Technical cooperation here aims to strengthen the capacity of national statistical systems to produce better, more reliable and internationally comparable statistics on the following issues: ICT use by enterprises, size and composition of the ICT sector, and e-commerce and international trade in ICT-enabled services.
- Work on *ICT policy reviews and national e-commerce strategies* involves technical assistance, advisory services, diagnostics and strategy development on e-commerce and national ICT planning at the request of Governments. Through an analysis of the infrastructural, policy, regulatory, institutional, operational and socioeconomic landscape, the reviews help Governments to overcome weaknesses and bureaucratic barriers, leverage strengths and opportunities and put in place relevant strategies.
- The *eTrade for all* initiative is a collaborative effort of 30 partners to scale up cooperation, transparency and aid efficiency towards more inclusive e-commerce. Its main tool is the online platform (etradeforall.org), a knowledge-sharing and information hub that facilitates access to a wide range of information and resources on e-commerce and the digital economy. It offers a unique gateway for matching the suppliers of technical assistance with those in need. Beneficiaries can connect with potential partners, learn about trends, best practices, up-to-date e-commerce indicators and upcoming events, all in one place.
- *eTrade Readiness Assessments (eT Readies)* assist the least developed countries (LDCs) and other developing countries in understanding their e-commerce readiness in key policy areas to better engage in and benefit from e-commerce. They provide recommendations for overcoming identified barriers and bottlenecks to growth and enjoying the benefits of digital trade.



- To foster ecosystems conducive to gender-inclusive digital entrepreneurship in developing countries, *eTrade for Women* builds and nurtures a selective community of successful women leaders in e-commerce who play a role as advocates of the initiative. With their active involvement, they contribute to inspiring and empowering the next generation of technology-based women entrepreneurs and to making their voices better heard in policy processes.

✓ RESULTS AND IMPACTS AT A GLANCE

- The E-commerce and Law Reform Subprogramme pioneered the introduction of the legal dimension of ICTs in more than 63 developing countries in Africa, Asia and Latin America and the Caribbean, 20 of which are LDCs. The East African Community became the first African region to adopt a harmonized framework for cyberlaws. The Global Cyberlaw Tracker is the first-ever global mapping of the state of e-commerce legislation in the field of e-transactions, consumer protection, data protection and privacy, and cybercrime adoption in the 194 member States of UNCTAD.
- UNCTAD has trained over 250 national statistical officers from 117 countries to produce official statistics on the information economy. Further, it has contributed to defining information economy indicators through the Partnership on Measuring ICT for Development (endorsed by the United Nations Statistical Commission), and developed a new methodology to measure international trade in ICT-enabled services.
- Egypt, Oman and Rwanda have received assistance in developing their first national e-commerce strategies. In the case of Egypt, collaboration between UNCTAD and the World Bank led to a comprehensive strategy on electronic payments for e-commerce.
- As at November 2019, the *eTrade for all* platform had on average 3,000 monthly visitors, 42 per cent of which were from developing countries. The platform offers 30 development solutions in English, French and Spanish, as well as 137 country profiles in English and French, presenting a quick overview of the e-commerce landscape. A monthly newsletter is issued to highlight the activities of key partners in e-commerce, as well as daily digests of news, events and publications.
- Since 2017, 20 *eT Readies* have been completed. Six are under way, and additional ones are being planned for 2020. In 2019, the subprogramme was extended to other developing countries, with Iraq being the first non-LDC to benefit from an assessment. *eT Readies* are considered a valuable tool for Governments and regional organizations to better understand countries' digital ecosystems and identify appropriate policy solutions so as to harness the benefits of the digital economy for development.
- The selection of the first eTrade for Women Advocates of UNCTAD – seven entrepreneurs from across the developing world – was announced on the margins of the seventy-fourth session of the General Assembly in New York in September 2019. Drawing on their ground-breaking work in e-commerce, the advocates were selected to inspire other digital women entrepreneurs and help ensure women a seat and a voice at the policymaking table for a more inclusive local, regional and global digital economy.

"eTrade for all is a highly relevant project, providing unique value added to e-commerce stakeholders."

Achim Engelhardt, Independent Evaluator of *eTrade for all*, 2019



PROGRAMME FACTS AND FIGURES

Scope: developing countries and countries with economies in transition

Start date: 1999 (new components added in 2007, 2009, 2016 and 2019)

Projects per year (since 2016): about 20

Partners: more than 30 (public sector and civil society); more than 30 (private sector)

Persons trained: more than 3,000

Website: unctad.org/ict4d; etradeforall.org

UNCTADstat database: unctadstat.unctad.org



Sustainable Development Goals addressed:

Directly: 8, 9, 17

Indirectly: 5



DONORS/FUNDING SOURCE (2014–2019)

Australia, Estonia, Finland, Germany, Netherlands, Republic of Korea, Oman, Sweden, United Kingdom, European Union, Enhanced Integrated Framework, International Islamic Trade Finance Corporation, MasterCard, United Nations Development Account