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eTrade for all
Leadership Dialogue
Connecting the Dots for more Inclusive Development
Unlocking e-commerce in LDCs: Governments hold the key

E-commerce is here to stay. When the Enhanced Integrated Framework (EIF) first got involved in the UNCTAD eTrade Readiness Assessment for Samoa in 2017, we did not envisage that e-commerce would become so ubiquitous, so fast. Five years and a global pandemic later, economies are increasingly relying on digital commerce and the data economy. It is an incredible leap for innovation and connectivity. But with every great, fast leap forward, we need to look around to make sure we leave no one behind.

Working with least developed countries (LDCs), it is EIF’s job to make sure that they can benefit from the same opportunities e-commerce affords the rest of the world. Currently, the level of e-commerce in the LDCs is the lowest in the world. Our work with UNCTAD supporting nine eTrade Readiness Assessments and as an eTrade for all partner has contributed to helping LDCs harness e-commerce opportunities.

Transforming eTrade recommendations into action

Our contribution to this process has been to work directly with governments to support the formulation of national e-commerce strategies and policies. Studies have shown that such strategies encouraging digital payments or supporting skills development trainings for both enterprises and workers allowed countries to be better prepared to face economic shocks.

Our experiences in Senegal, Cambodia, Rwanda and Vanuatu have clearly confirmed that working with governments is a critical part of making e-commerce more accessible to citizens and allowing it to flow across borders. In Senegal, we worked with the government to develop their national e-commerce strategy. Published in October 2019, the strategy enabled the country to fast-track measures to ease access to essential goods and services during the pandemic.

Cambodia also provides an excellent example of how a comprehensive government strategy on e-commerce can help support the shift toward digital trade. Launched in July 2020, the Cambodia Go4eCam strategy set up a national e-commerce platform to help Cambodian businesses go online. Government support to help set up this initiative and support small businesses has been vital to its success.

Currently, we are working with the government of Rwanda on establishing their national e-commerce policy. The development of the policy has informed the inclusion of e-commerce related articles in the country’s intellectual property law. This work is also linked with the revision of their competition and consumer protection law. All these instruments are vital to ensure that e-commerce is supported by laws and regulations, and can flourish in Rwanda.

Finally, compliance to international legislative requirements like postal requirements is central to ensure that e-commerce can flow across borders. Our work in Vanuatu has led us to collaborate with UNCTAD and UPU on an innovative universal data communication and processing platform between customs and postal services. This will ensure Vanuatu can comply with new legislation brought in by the US, EU, China, and others that seeks to address the fast-growing volumes of cross-border e-commerce shipments.
LDC voices driving the process

What we have learned from these experiences is that the voices of beneficiaries, in our case, ministries of trade in LDCs, are essential for the successful adoption of policies and laws governing e-commerce. The EIF has been working with ministries of trade in LDCs for more than 10 years, showing us that supporting them in establishing their own policies and strategies is what provides the strongest and most sustainable impact.

The eTrade for all partnership has centred its work around seven policy areas that makes for a comprehensive roadmap for LDCs to adopt e-commerce. Our experience has demonstrated that the sustainability of interventions can only be ensured by LDC ownership and alignment with the countries' development needs and objectives.

This alignment can be achieved through strong relationships within LDC governments and working together with trade ministries to drive their own national e-commerce strategy and regulations. This way, they own the process, and, while receiving detailed recommendations on how to develop this sector, they can choose actionable, achievable steps, based on their capacity and context, that will form part of their national policy. In this case, our teams based in LDC ministries of trade have been key players in pushing forward the digital trade agenda at the national level.

Concerted efforts always win

The challenges that LDCs face to fully leverage e-commerce for their economic growth are multi-layered and so the approach to solve them must be multi-pronged. Our work in collaboration with eTrade for all partners like UNCTAD, the International Trade Centre, the International Telecommunication Union and the UN Economic and Social Commission for Asia and the Pacific on e-commerce has been extremely fruitful and demonstrated that we must use every partner’s strength to achieve results.

The EIF recognises that our contribution to creating a thriving e-commerce ecosystem in LDCs is part and parcel of a bigger effort bringing together the expertise and skills of many others. While some are working together with the private sector, including small businesses, others are working with governments. While some invest in building digital infrastructure, others impart knowledge to build digital skills and yet other provide support to prepare and implement e-commerce policies.

All these actions are part of a broader objective that is embodied in the spirit of the eCommerce Week. Creating lasting change can only be done through multi-sector partnerships and collaboration, with LDCs driving the process.