

eCommerce  
**Week**



25-29 April 2022

# 2022 Outcome Report

**Data and Digitalization  
for Development**

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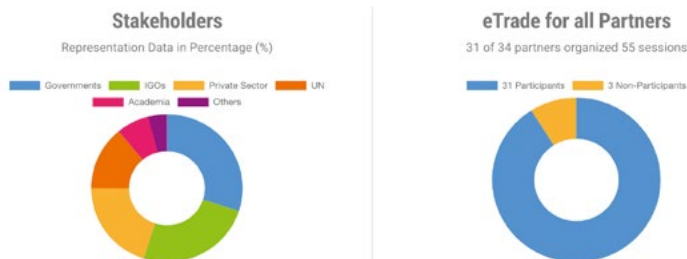
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# Key Highlights

# eCommerce Week 2022 in a Nutshell



## PARTICIPATION



What people have been talking about during the eCommerce Week 2022

#trade #inclusive #development  
 #data #UNCTADeWeek  
 #digital #governance  
 #digitalization #global #ecommerce  
 #experts

UNCTAD eCommerce Week is the leading forum for Ministers, senior government officials, CEOs and other business representatives, international organizations, development banks, academics and civil society to discuss the development opportunities and challenges associated with the digital economy.

Held simultaneously in Geneva and online from 25 to 29 April 2022 under the theme “Data and Digitalization for Development”, this edition looked at ways to strengthen the ability of developing countries, including least developed countries (LDCs), to continue engaging in and benefiting from e-commerce and the digital economy, to build more resilient and inclusive societies in a dramatically different post-COVID-19 environment.

The eCommerce Week looked in depth at key digital issues as they related to the overarching theme of this edition, with a special emphasis on data and cross-border data flows and the crucial role they play in economic and social development, as well as on the growing data divide, which reflects the wide differences that exist between and within countries to harness data. Overall, there was a strong consensus that data governance has become key in ensuring that digitalization is inclusive.

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# High-Level Sessions

\* eTrade for all Partner

# Selected Quotes



**Amina Mohammed**

*Deputy Secretary-General,  
Executive Office of the  
Secretary General  
UN*

“With a world that is constantly seeing new innovations, we need to ensure that digitalization and data remain inclusive and close gaps rather than creating new inequalities.”



**H.E. Amani  
Abou-Zeid**

*Commissioner for  
Infrastructure and Energy  
African Union*

“Digitalization is the cornerstone of our approach to social and economic and social development in Africa.”



**Xiaofei Yao**

*Founder and CEO  
Rogrand*

“People describe data as the new oil. But in the digital economy, its more than oil. Data is the engine and the currency in the digital economy.”



**H.E. Abdulla Shahid**

*President  
76th Session of the UN  
General Assembly*

“With almost 3bn people offline, too many benefits of digitalization remain “luxuries of a few”. I urge for a path of digital & data governance that “draws upon the viewpoints of the vulnerable populations furthest behind.”



**Maria-Francesca  
Spatolisano**

*Acting Envoy on Technology  
UN*

“Consumers are presented with new opportunities online, but not all are able to connect and participate in wealth creation.”



**Rebeca Grynspan**

*Secretary-General  
UNCTAD*

“The disruptions that come with digital technologies create opportunities & risks. Governance will determine the outcome of the digital transformation.”



**Isabelle Durant**

*Deputy Secretary-General  
UNCTAD*

“Going digital” has environmental costs we must seriously consider as we develop & use digital tools. Data centres aren't in the cloud. They're in huge buildings filled with energy-intensive computers.”



**H.E Johnny Plate**

*Minister of Communication  
and Informatics  
Indonesia*

“Indonesia is committed to contributing to discussions on data free flow with trust & cross-border data flow. Indonesia supports a multi-stakeholder approach to global data governance.”



**Andy Yen**

*CEO  
Proton AG*

“We need to change the status quo through a global approach towards regulations that aligns countries, private sector, and stakeholders around the world towards one cohesive vision of a regulatory framework that works for all.”

# Summaries & Take Aways

Monday, 25 April

## HIGH-LEVEL DIALOGUE

### Towards Digital and Data Governance for All

Organized by UNCTAD\*

This dialogue focused on 2 main issues: (i) what the value of data-driven digitalization is and what kind of governance is needed for such digitalization to work for all rather than the few and (ii) how voices and concerns of developing countries, new digital companies, or other marginalized agents can be reflected in the design and implementation of global governance of data and data flows.

Many values of digitalization and cross-border data flows were acknowledged by the panelists, like the development of international e-commerce and business, collaboration in science to tackle global challenges such as climate change and pandemic, data collection for policy making, business innovation, among others. However, the digital transformation comes with numerous risks and challenges. A fractured digital system may jeopardize the principles of social and economic development, exacerbate inequalities and widen the digital and data divides. There are also growing anxieties towards data ownership, data security, and privacy protection, and these concerns have made data sharing and data flowing difficult in some areas.

The discussion also highlighted the environmental impact of digitalization. Digital activities, especially data transfers via data centers, consume energy and thus cause carbon emission. The rapid growth of digital technologies such as 5G or AI, has generated an overwhelming amount of data, 90% of which is turning into “data dumps” that is never used or governed after being stalled. While the manufacturing of digital devices creates tons of CO<sub>2</sub>, the subsequent e-waste is rarely properly recycled.

To ensure digitalization leaves no one behind, panelists called for a data governance system based on multistakeholder dialogue, regulatory consideration, and increased collaboration to build a type of data sharing community. To address confidentiality concerns, the need for privacy preserving computing technologies/capacities was put forward.

The session also touched upon the progress of the international community on data and digital governance. Recently, the G20 digital economic working group, led by Indonesia, has not only promoted awareness of digital connectivity, and advocated for stronger cooperation in cross-border data governance, but also proposed the creation of a G-20 toolkit for measuring digital skills and literacy. The Africa Data Policy Framework, newly developed by the African Union, addresses common principles, strategic priorities, and key policy interventions in forging national digital regulation and capacity. The framework also promotes the establishment of a co-jurisdictional framework to enable better data flows within the continent.

With regards to including the voices of the marginalized, it was expressed that the UN has a key role to play to convince the Member States that this is an issue that needs to be tackled collectively, hand in hand with other relevant stakeholders such as academia, the private sector, and civil society. Capacity building was

identified as key to improve the participation of developing countries in this debate.

In terms of specific actions for fostering inclusive digital and data governance, global unification of privacy regulation, securing of adequate funding and active capital market, flexible policy making that allows technical innovation, and macro-economic consideration to ensure competitive market were raised.

The session concluded with broad discussions on the future of the digital world. In a positive scenario, internet can make things affordable and sustainable. We have already witnessed the facilitation of global e-commerce and a stronger coordination on responding to global challenges. On the other hand, in a negative scenario, the Internet could cause political and technical fragmentation. In the worst-case scenario, safety and security of the Internet may become uncontrollable due to malware, forcing people to stop using it. To avoid such negative outcomes, the global community needs to commit to collaborative and cooperative activities, as well as to work on enhancing accountability.

From a business perspective, reaching a global consensus for a collaborative path may be challenging, considering the current highly concentrated digital economy. However, it was emphasized that the digital market is not a zero-sum game. Enforcement of competition law does not weaken leading economic power, but rather has the potential of bringing innovation and consequently fostering economic development.

Lastly, from an environmental standpoint, the session called for designing digital devices that require less data and energy, and fostering human skills to better control data, rather than blindly relying on technology.

*If you missed this session, you can watch the recording for the High-Level Dialogue on our [eTrade for all YouTube channel](#).*

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## Keys to harnessing e-commerce strategies for inclusive development

**Organized by UNCTAD\***

This high-level event brought together panelists who shared their experience in rolling out e-commerce strategies and related initiatives to accelerate their digital transformations, especially with the COVID-19 pandemic outbreak. While digitalization is transformative and can offer tremendous opportunities, and while the pandemic has accelerated the digitalization of markets, the panelists emphasized the need to remove persistent digital gaps such as access to affordable connectivity, trade and logistics, digital payments options, legal and regulatory frameworks, and to create a digital entrepreneurship culture to ensure that digitalization leaves no one behind. E-commerce strategies can help create a shared vision for all stakeholders and foster a whole-of-government approach to building an ecosystem conducive to e-commerce. The representatives of Cambodia, Botswana and Rwanda acknowledged the usefulness of UNCTAD's assistance in the preparation of eTrade Readiness Assessments (eT Readies) and E-commerce Strategies and shared several initiatives that their governments have put in place or intend to, aimed at promoting e-commerce in support of UNCTAD's recommendations. They also highlighted the importance of devising strategies in support of national development plans and SDGs.

The need for partnerships to assist in leveraging the many challenges faced by developing countries were highlighted and examples from the Netherlands, one of UNCTAD's core donors, and the Enhanced Integrated Framework (EIF), one of the 34 eTrade for all partners, were shared to underline this point.



The session pointed out that a whole-of-government and multi-stakeholder coordination approach was crucial to designing and implementing inclusive e-commerce strategies. The session recognized the crucial role that digital technologies have played so far, especially in terms of gender equality, and highlighted the need for more equitable gains. The session offered some reflections on the national and regional solutions to be pursued to make market digitalization more inclusive to vulnerable and disadvantaged populations, including in the context of international trade rules.

## Main Policy Recommendations

- Strong political commitment and ownership at the highest levels of decision-making are essential to the development of comprehensive national and regional e-commerce strategies.
- Increased multi-stakeholders' consultations, including with vulnerable groups, e.g. women, youth, or persons with disabilities, is crucial for bigger issues like poverty alleviation, unequal access to skills and the Internet, and social norms to be taken into account when formulating e-commerce policies to avoid perpetuating certain forms of inequalities and unlocking the social and economic potential that digitalization can unlock.
- Connecting the dots among development partners and cooperating with the UNDCO/RCO and UN Country Teams to engage in a more robust conversation on digitalization for development.

*If you missed this session, you can watch the recording for the High-Level Dialogue on our [eTrade for all YouTube channel](#).*

Tuesday, 26 April

## eTrade for all Leadership Dialogue: Connecting the dots for more inclusive development

Organized by UNCTAD\*

This Leadership Dialogue offered the opportunity for eTrade for all leaders to reflect upon the lessons learned since the creation of the initiative in 2016, and how their collective efforts, in view of recent trends and developments, can be further strengthened to leave no one offline and no one behind. Better dialogue and collaboration are urgently needed to identify new pathways for the digital economy.

Rebeca Grynspan, Secretary-General of UNCTAD, opened the Leadership Dialogue by video address and welcomed the fellow leaders of agencies to the live discussion further hosted by Isabelle Durant, Deputy Secretary-General of UNCTAD. The holistic, cross-sectoral, and cross-institutional approach that UNCTAD can take, together with the eTrade for all partners, to address the multiple and multi-faceted challenges of today, notably in multilateralism and internal cooperation, were outlined. SG Grynspan also highlighted UNCTAD's pride in leading the eTrade for all initiative, which is an active and useful example of how collaboration can inspire digitalization for development.

At the Leadership Dialogue, a new strategic partnership was announced: the International Chamber of Commerce (ICC) will act as the main private-sector counterpart to the eTrade for all initiative. ICC represents several thousand small and medium businesses across the world- all affected by the fast pace of digitalization. ICC will work hand in hand with eTrade for all partners to better harness the positive impacts of the digital transformation. "We look forward to working as a trusted partner to UNCTAD, the eTrade for all initiative

and governments to tackle key bottlenecks to digital development, driven by our overarching commitment to enable trade as a driver of peace, prosperity and opportunity for all," said John W.H. Denton AO, Secretary General of the ICC.

Jovan Kurbalija, Executive Director of the DiploFoundation summarized the main challenges that developing countries are facing in digitalization in the current context. He recalled the need to preserve multilateralism and advocated for a strengthened understanding of data and e-commerce issues, including by developing relevant skillsets for negotiations. Ratnakar Adhikari, Executive Secretary for the Enhanced Integrated Framework (EIF), shared his views on how those challenges affect the abilities of least developed countries (LDCs) to embrace the digital transformation effectively and contribute to a more inclusive digital economy.

Andrew Sullivan, President and CEO of the Internet Society took the discussions further and added that it is vital to keep the Internet's way of networking in mind, while pursuing efforts to ensure that the open globally connected secure and trustworthy internet remains for everyone, in order to achieve data and digitalization for development.

It was highlighted once more that collaboration is essential. More than ever, we need to leave our silos and work together to leverage synergies, avoid duplication of efforts, and maximize the impact of limited resources in trade and development. Martha Newton, Deputy Director-General for Policy, International Labour Organization (ILO), called on eTrade for all partners to team up and jointly address key challenges that the micro, small, and medium businesses are facing when it comes to digitalization, productivity, trade, and decent work. Pamela Coke-Hamilton, Executive Director of the International Trade Centre (ITC), seconded this call made by the ILO representative and highlighted what digitalization means for the micro, small, and medium businesses, especially those in developing countries.

Speakers also discussed how the UN and eTrade for all partners are getting fit for purpose to help countries address the current challenges and mitigate the negative effects of the increased digitalization and making sure that no one is left behind. Rola Dashti, Executive Secretary, Economic and Social Commission for Western Asia (ESCWA), presented the various projects and collaboration that ESCWA is working on to support the digitalization in the Arab States. Marjan Oswald, Deputy Director-General of the Universal Postal Union (UPU) highlighted the growth of cross border e-commerce and the inclusiveness showed by the postal networks during the pandemic and stressed the increasing need of data exchange. Anna Joubin-Bret, Secretary of United Nations Commission on International Trade Law (UNCITRAL) stressed the importance of legal infrastructure, especially in the areas of data transactions and artificial intelligence.

Pradeep S Mehta, Secretary General of CUTS, and Helena Leurent, Director General, Consumers International, both underlined how consumers can help move the needle and advocate for fairer and more inclusive digital economies, and argued with vivid examples the importance of including the voice of consumers in building a sustainable and inclusive digital marketplace.

The discussions continued to address the resources gap regarding digital technologies for international trade and development. Eng. Hani Salem Sonbol, Chief Executive Officer, International Islamic Trade Finance Corporation (ITFC), summed up what is needed to narrow the trade finance and digital technological gaps in order to provide sufficient technical and financial support for developing countries and LDCs.

## Key Messages from the Session

- UN-wide efforts such as the “Roadmap on Digital Co-operation” and most recently UN Secretary-General Guterres’ “Our Common Agenda” call for cost-effective solutions that can be further scaled up in international efforts. The eTrade for all initiative has shown the potential for collaboration between national and international stakeholders to bring value for all, in particular to LDCs, and to ensure that digitalization leaves no one behind.
- Challenges ahead of us will require new development paradigms and bolder approaches, especially when related to data and digital governance. The UN is the natural player to help chart a new way, and eTrade for all partners have been making important contributions in the area of e-commerce and the digital economy.
- Consumers have a key role to play in advancing the call for more inclusive, fair, and transparent digital economies.
- UNCTAD welcomes the interesting discussions and ideas put forward by the different heads of agencies during the live discussions and will continue to lead the eTrade for all initiative in full cooperation and transparency for further impact.

*If you missed this session, you can watch the recording for the High-Level Dialogue on our [eTrade for all YouTube channel](#).*

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## Powering an inclusive digital economy: The critical role of development cooperation

### Organized by UNCTAD\* and OECD

The COVID-19 pandemic has highlighted existing digital divides and led to a widening of the gaps in digital and data readiness both between and within countries. While it is evident that digitalization has a key role to play in transforming economies for a more resilient, equitable and sustainable future, it is far from certain how successful the world will be in securing the outcomes we want. This high-level session gathered representatives from the international donor community, developing countries and relevant stakeholders, to discuss how to better harness development cooperation and financing for an inclusive digital economy.

Against the backdrop of insufficient resources, development cooperation has a critical role to play in meeting the growing needs of developing countries for support in the digital area. According to OECD’s Development Co-Operation Report 2021, while policy levers have the potential to unleash the transformative power of digital technology, the international community can focus its support on more joined up action in this field, including through a new framework for development co-operation, and on managing universal risks. More holistic strategies and partnerships are needed to avoid fragmentation, at the same time as ensuring the meaningful participation of developing countries, including at the regional level, and a stronger engagement of the private sector. The eTrade for all initiative led by UNCTAD is one example of such a partnership.

*If you missed this session, you can watch the recording for the High-Level Dialogue on our [eTrade for all YouTube channel](#).*

## Data and digitalization for the logistics of e-commerce

Organized by UNCTAD\*

This session discussed the importance of data and digitalization solutions to further improve logistics operations for e-commerce. With speakers from the public sector and the private sector, the focus was on data and digitalization for the logistics of e-commerce.

The moderator, Ms. Lori Ann LaRocco, Senior Editor of Guests at CNBC, initiated the discussion by introducing the panelists and contextualizing the importance of logistics for e-commerce. With severe lockdowns limiting the operations at major ports in China, major delays are expected to lead to difficult bottlenecks in other parts of the world, such as North America and Europe.

Mona Haddad, Global Director for Trade, Investment and Competitiveness at the World Bank Group, warned about the widening divide between the digitalization capacity of large and small firms. She stressed the necessity to increase investment in digitalization and to identify constraints. There is a need to enable a business environment fostering e-commerce with a good regulatory practice and engagement from the private and public sectors. Regarding data, she presented upcoming World Bank tools, including the updated version of the Logistics Performance Index and the new business enabling environment index.

Mr. Adrian P Swarres, Head Compliance and Customs Modernization at Zimbabwe Revenue Authority talked about the modernization, automation, and digitalization efforts that his organization has undergone in the past years as they embraced digital transformation. The UNCTAD Automated System for Customs Data (ASYCUDA), an integrated customs management system for international trade and transport operations, has been critical in this context, enabling for instance e-payments. Further digitalization reforms will ensure a faster and more predictable clearance of goods to the benefit of transport providers and clearing agents.

Mr. Nazry Yahya, Principal at the Johor Port Skills Centre (Malaysia) talked about how the port is involved in e-commerce and the importance of sea transport compared to air cargo for the e-commerce industry. Even though e-commerce may be associated with small parcels arriving at a consumer's door, the overall efficiency of the system, including the need to reduce environmental costs and congestions, requires functioning global maritime supply chains.

Mr. Steven Pope, Group Head of Trade Facilitation at Deutsche Post DHL pointed to the leapfrogging that digitalization has experienced during the Covid-19 pandemic. Digital solutions fostered by new technologies, such as blockchain and the Internet of things, have the potential to support export facilitation for SMEs in the most vulnerable countries: if you have a product to sell, you can find a customer anywhere in the world. He reminded participants of the opportunity presented by the provisions of the Revised Kyoto Convention and the WTO Trade Facilitation Agreement. Both multilateral agreements include trade facilitation measures that contribute to the facilitation of cross-border e-commerce.

Mr. Andre Simha, Chief Digital, and Information Officer at MSC and Chairman at the Digital Container Shipping Association (DCSA) indicated that "data sharing has never been more important." Actors in the supply chain not only need to start sharing data but the format of the shared data needs to be standardized to ensure integration among the supply chain. Thus, he underlined the importance of creating open-source digital standards that will facilitate the transition to a fully paperless trade environment. He highlighted the pivotal role of governments in this endeavour as they are the ones that could facilitate the acceptance and adoption of digital documentation.

During the discussion following the individual interventions, several panelists stressed that the ability of enterprises to join the digital revolution and reap its benefits will depend on the government capacities to create a policy and legal enabling environment for these firms and activities. In fact, one of the suggestions made was that trade agreements should systematically include clauses to encourage digitalization.

Panelists also mentioned the importance of data sharing and trust, including at the domestic level, as sometimes the lack of communication between national border agencies is the basis for primary delays at the country's entry points. Every port is a bubble, and we need to pop that bubble to make sure that the information -and the cargo- flows.

Ms. Shamika N. Sirimanne, Director of the Division on Technology and Logistics at UNCTAD, closed the meeting by highlighting the potential that cross-border e-commerce can have in a country's development. She highlighted the fact that despite the "e" in e-commerce, the goods still need to be physically moved to be delivered. Even if we picture e-commerce as a tsunami of small parcels, the goods are still transported in containers and by sea. She also gave examples on how UNCTAD is supporting countries in this endeavour, through its ASYCUDA program, as well as through the organization's work on transport, port performance and trade facilitation.

*If you missed this session, you can watch the recording for the High-Level Dialogue on our [eTrade for all YouTube channel](#).*

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## The domino effect: Boosting development through more inclusive digital entrepreneurship

**Organized by UNCTAD\* and eTrade for Women**

In this session, representatives from governments, international organizations and the private sector discussed how digital entrepreneurship can be a force for inclusive growth.

After opening remarks by Isabelle Durant, UNCTAD Deputy Secretary-General, and set-the-scene addresses by Dorothy Tembo, Deputy Executive Director of the International Trade Centre (ITC), and Alexa Roscoe, Disruptive Technology Lead at the International Finance Corporation (IFC), panelists engaged in a discussion moderated by Isabelle Kumar, journalist, and news anchor. The conversation focused on how to challenge the status quo and increase the success of digital entrepreneurs, including women, to ensure that everyone can reap the benefits from the digital economy.

Isabelle Durant highlighted that the existing disparities in the non-digital world, which predominantly affect women and rural communities, persist, and are even reinforced in the digital world. Yet, women or rural dwellers can greatly benefit from the digitalization, and successful examples should be given more visibility. Women have a strong potential to lead economic development and positively impact their communities.

Dorothy Tembo echoed these remarks by emphasizing that women digital entrepreneurship can be a force for inclusion. ITC's research showed that women are twice as likely to start an online business as the offline alternative, and the COVID pandemic has accelerated this shift. The future of market access for small businesses is via digital channels and platforms, even more so for women. Closing the gender gap could yield lots of benefits (50 billion dollars).

Focusing on the financial opportunity of closing the gender gap, Alexa Roscoe, presented IFC's research, showing that in Africa and Asia alone, closing the gender gap in e-commerce could bring up 300 billion USD between 2025 and 2030. Women are already active in the digital space, which changes the game for them: indeed, going digital helps women to start and grow businesses, enter male-dominated sectors with higher growth, access business support services and benefit from more flexibility.

Panel members then investigated different regional experiences and how to address the barriers facing women digital entrepreneurs.

Mr. Daniel Legarda, Vice-Minister of Foreign Trade of Ecuador explained that although Ecuador has very high levels of entrepreneurial activity, the e-commerce ecosystem still represents a small share of the GDP, in spite of the accelerated growth of e-commerce during the pandemic (which grew from 2% of GDP in 2019 - to 6% in 2021). Ecuador is enforcing a national e-trade strategy with the objective to improve connectivity, physical and transport infrastructure, e-payment, and to digitalize SMEs. He added that leveraging trade agreements is another way to generate economic opportunities for women, with the introduction of specific chapters on gender equality and on e-commerce.

Ulane Vilumet, Head of Business Development at e-Residency Estonia, shared the experience of Estonia, a small and yet highly digitalized country. Thanks to the e-Government, most public services are available online. Through its unique e-Residency program, Estonia shares its digital infrastructure with those who don't have it: the programme offers foreign entrepreneurs the possibility to create and register their business in Estonia to benefit from an open business environment, (including e-commerce platforms, e-payment solutions, etc.) and from an easier access to the European market.

Amena Ali, CEO of Airside, stressed that small businesses are the engine of the economy: globally 90% of businesses are small and employ about 50 percent of the population. Bringing a perspective from Africa, Titi Akinola, Director of Operations at the Tony Elumelu Foundation, echoed this point by stating that over 30% of the African population engages in entrepreneurship across Africa, with SMEs being a vital source of jobs. Akinola and Ali both shared the example of the financial sector, where African startups are becoming increasingly successful and addressing the needs of unbanked populations.

Further discussing about avenues for action, panelists insisted on the need to increase digital SMEs' access to capital. Financing is key and we need innovative ways to source the funds as small companies don't meet the requirements of traditional investors. Akinola referred to the importance of connectivity to encourage more SMEs to embrace the digital transformation. Tembo and Akinola both reminded that although access to data has improved considerably in the last 2 years, in most developing countries, data remains expensive, if available at all. Akinola welcomed the progress seen in countries such as Kenya, South Africa, Senegal, Morocco, Ghana, or Nigeria. Tembo also pointed at a lack of knowledge about how to take advantage of digital tools. Ali and Akinola emphasized the need to support and accelerate the digitalization of SMEs, by addressing the issue of trust: trusting the system, the technology, and being confident that nobody is going to default you. And measures such as reinforcing digital identity could be part of the solution. Ulane added that digital public services also reduce the chance of corruption. Durant pointed at the importance of regulations in this regard, stating that it is precisely because technology is regulated that it can lead entrepreneurs and users to trust it. On the policy side, Durant, Legarda, and Tembo referred to the need to involve the private sector, especially companies operating in the digital space, to reshape public policies and regulations. Referring to UNCTAD's eTrade for Women initiative and to ITC's SheTrades initiative, they highlighted the importance of technical assistance and coordinated efforts to support a more inclusive digitalization.

*If you missed this session, you can watch the recording for the High-Level Dialogue on our [eTrade for all YouTube channel](#).*



## Digital platforms, competition, and data protection

Organized by UNCTAD\*

This high-level session brought together distinguished panelists to discuss how to tackle data-driven market dominance of digital platforms while ensuring better data protection. The session noted the competition and data protection challenges emerging from the rapidly growing digital economy, including the concentration and dominance of digital platforms. Panelists discussed the intersection between competition and data protection issues and shared national experiences. Policymakers and enforcers strive to balance different policy goals and coordinate inter-agency responses. Meanwhile, the global nature of dominant digital platforms and fragmented global data governance regimes have both regulatory and business implications. The session concluded that harnessing the benefits from the data-driven digital economy required balanced and integrated data protection and competition regulations and enforcement as well as a strong international cooperation.

Competition and data protection are increasingly intersecting, and policymakers need to carefully balance multiple goals while considering the global context. Panelists stressed that trust was critical in the digital economy and that consumers were demanding stronger data protection. As a result, an increasing number of data protection laws were enacted in recent years, such as the General Data Protection Regulation in the European Union (EU). Some governments also enacted sectoral or national policies to promote digital transformation and innovations. For example, Colombia's experience in the ICT sector highlighted the importance of designing data infrastructure with data protection principles in mind and enacting clear rules for both private and public entities. In India, the information and bargaining power asymmetries between booming local technology start-ups and global big techs have raised antitrust concerns. Several panelists stressed the potential of data portability and interoperability to enhance competition while giving consumers control over their own data. India's "digital public good" and Brazil's open banking initiative served as examples of pro-competitive outcomes from data flows. As the use and collection of data is essential in the digital economy to bring about new business models and create values, policymakers need to consider the costs to comply with data protection regulations, especially for MSMEs. These issues call for balanced regulations and a multi-stakeholder approach. Industry and government should seek common grounds. Competition and data protection and regulations could complement each other.

Panelists shared national competition experiences and highlighted the importance of interagency collaboration and capacity building. Colombia has benefited from its institutional structure where competition and data protection authorities are housed under the same ministry, making coordination easier. Brazil also shared examples of collaboration, including joint enforcement on the WhatsApp case and the technical cooperation agreement between its competition and data protection authorities. Competition authorities also stressed the need to upgrade and expand their antitrust toolbox, such as conducting market studies to better understand the fast-evolving digital markets and to provide empirical evidence on the theory of harms. Competition authorities could also rethink consumer welfare standards and nature of remedies to better address challenges in the digital markets. Moreover, antitrust agencies should strengthen their capacity to use data science for antitrust enforcement.

Panelists acknowledged the need for a harmonized global approach to data governance. Fragmented rules affect companies as they conduct global business. From an industry perspective, companies expect

governments to enact interoperable regulations, and incompatible rules could deter cross-border data flows. Competition authorities and policymakers echoed the needs to harmonize regulations. With this consensus, panelists recognized the significant role that UNCTAD and other international organizations could and should play to engage the relevant stakeholders and establish a global mechanism. Global standards and certification may help address compliance issues. Knowledge exchange and international collaboration at the international level could contribute to convergence of regulations and soft laws.

## Main outcomes and policy recommendations

- Competition and data protection policies need to be integrated; competition authorities need to be more open and proactive and collaborate with data protection authorities.
- Safe cross-border data flows require a harmonized global approach for global data governance that bring together different stakeholders.
- UNCTAD should continue to play a role as a global platform for knowledge sharing between Member States and assist developing countries through technical cooperation.

*If you missed this session, you can watch the recording for the High-Level Dialogue on our [eTrade for all YouTube channel](#).*

Friday, 29 April

## Global and regional trade negotiations on e-commerce: What is at stake for development?

### Organized by UNCTAD\*

This high-level session addressed the issues at stake for development in trade negotiations on e-commerce. By bringing together global decision-makers, it placed the debate on e-commerce trade negotiations in a broader development context, as to examine how these negotiations could be leveraged to build the digital capacities of developing countries in a way to capture value from data and digital trade and to narrow the existing digital and data divides.

Rapid digitalization resulted in e-commerce becoming a salient feature of trade agreements and negotiations, including the Joint Statement Initiative (JSI) negotiations on e-commerce at the WTO and a new generation of regional trade agreements (RTAs) and digital economy partnership agreements (DEPAs) at the bilateral and regional levels, with the African Continental Free Trade Area (AfCFTA) being the notable case for South-South RTA embarking on digital trade rulemaking. Central to these negotiations is the question of cross-border data flows. Data emerged as a new source of wealth. Yet there is no common framework to regulate data flows, whereas trade in goods and services, facilitated by digital platforms, is covered by the existing multilateral rules.

Some speakers highlighted the case for global common rules on e-commerce to avoid regulatory fragmentation. According to this argument, this can benefit all countries in several ways: (a) improved global connectivity could facilitate countries to leverage their competitive advantages; (b) benefits to MSMEs and women entrepreneurs by reducing business costs; (c) facilitate the exchange of information across borders and ensure interoperability between platforms, thereby enabling the participation of local business in global value chains. From this perspective, developing countries might consider participating in digital rules-making sooner rather than later to avoid becoming “price takers.”



It was recognized that digital inclusion and bridging the digital divide remain a priority irrespective of whether developing countries participate in these negotiations or not. One speaker highlighted the importance of enhanced partnerships and collaboration between key stakeholders, establishing robust regulatory and institutional frameworks, and global open, inclusive, interoperable architecture involving multi-stakeholders. Another speaker stressed the four elements that are essential for pro-development common rules on e-commerce, namely (i) effective consumer protection; (ii) ensuing fair competition; (iii) providing policy space for developing countries, and (iv) providing for capacity building in developing countries and LDCs.

Several participants underlined the potential benefits that might arise from regulatory cooperation on e-commerce at the regional level, particularly in a South-South context. Reference was made to the ongoing efforts under AfCFTA to negotiate Digital Trade Protocol (DTP), including market access and data flows. DTP would benefit Africa by creating a level playing field for businesses and interoperability among systems, facilitating the governance of data flows, and access to and use of data across the continent. Such rule-making efforts would also need to focus on the development perspective of digital trade such as implementing digital industrial policies, narrowing the digital and technological divide, preservation of digital rights, and issues relating to infrastructure, connectivity, competition, and regulatory capacity.

As to the central issue of cross-border data flows, it was pointed out that data were both economic and non-economic in nature, with implications for privacy, human rights, and security. Trade policy alone cannot regulate data flows in its full dimension and complexities, and there is need for reframing and broadening the international policy debate on data flows and governance, moving away from the silo approach towards a more holistic and coordinated global approach. Trade negotiations need to be an integral part of global efforts towards such a framework to harness data and digitalization for sustainable development.

For global debate on data governance to be fully inclusive, it was suggested that the UN provides the appropriate international forum to discuss data-related policies for development. The UN Secretary General's Roadmap for Digital Cooperation urged for universal connectivity and provided recommendations to strengthen digital capacities, promote digital public goods, digital trust, and security, and provide a more effective overall architecture for digital cooperation. It was noted that preparations were underway for a Global Digital Compact.

Several speakers recognized the importance for developing countries in building the necessary capacity to manage data value chains, that is, from the collection and storage of raw data to its transformation into digital intelligence, which could then be monetized. For value creation and capture, both raw data and the capacity to process them into digital intelligence are needed. Referring to the capacity gap between countries in this area, there is a risk that global rules could force developing countries to remain providers of raw data and continue to pay for digital intelligence.

It is therefore crucial that emerging rules in this area incorporate international support, including by UNCTAD, for developing countries to build digital capacities in formulating regulatory frameworks for data governance and national strategies for data flows; and enabling their effective participation in global and regional rulemaking on e-commerce and data governance. Otherwise, digital divides might increase further, thereby putting at risk the achievement of SDGs.

## Key messages and Policy recommendations

- There is a need for reframing and broadening the international policy debate on data flows and governance, moving away from the silo approach towards a more holistic and coordinated global approach. Trade negotiations alone cannot fully address all aspects of data, both economic and non-economic in nature, and therefore need to be an integral part of global efforts to harness data and digitalization for sustainable development.
- The UN could and should play a central role in providing the appropriate international forum to enable an inclusive and holistic debate on data governance and data-related policies for development.
- Multilateral institutions, including UNCTAD, should contribute to (i) establishing synergistic linkages between e-commerce negotiations and global debate on data governance, (ii) building capacities in developing countries and LDCs to bridge the digital divide, enhance digital inclusion and effectively participate in rulemaking on e-commerce, and (iii) developing and implementing national strategies and a regulatory framework on digitalization and data for sustainable development.

*If you missed this session, you can watch the recording for the High-Level Dialogue on our [eTrade for all YouTube channel](#).*

# Special Sessions: In Conversation with...

This year's eCommerce Week featured 4 'In Conversation with' Sessions, an innovative format to learn more about the issues at stake and to get a glimpse about the "person beyond the role". Vint Cerf, Google's Vice President and Chief Internet Evangelist, Gerry McGovern, author of World Wide Waste and Consultant at Customer Carewords, Helianti Hilman, Founder and Chairperson of Javara and eTrade for Women Advocate, and Mona Ataya, Founder and CEO of MumzWorld, and eTrade for Women Advocate, were selected. The following are some of the highlights from the discussions.

**Vint Cerf**, Internet Pioneer, urged for a holistic governance system that considers the numerous dimensions of data and lowers the risk of future Internet fragmentation. However, if players tackle existing governance policy challenges, Cerf believes that technology will expedite and lead to more inclusive outcomes.

“We must move forward in a more coordinated manner,” he said, adding that doing so would result in a more productive future, reduced inequities, and aid humanity in addressing other critical issues such as climate change.

**“Political and technical fragmentation may be in our future if we don’t find a way to work together. We may find people rejecting the internet if they feel it’s not safe enough.”**



**Vint Cerf**  
*Vice President & Chief  
Internet Evangelist*  
Google

**Gerry McGovern**, advocated for a radical shift in digital behavior. While digitalization comes with many economic benefits, its effect on the environment is often overlooked.

McGovern cited the 120 trillion spam emails sent every year, creating 36 million tons of CO2 emissions. About 3.6 billion trees would need to be planted every year to offset the pollution. McGovern drew attention to digitalization’s enormous material impact on the earth and its living systems. McGovern said only 5% of data is managed while the rest is digital waste. “There’s a massive waste problem in digital. Most of the massive data created has no value,” he said.

He said, digital tools, when utilized appropriately, can help save the earth by making things more efficient and environmentally friendly while also raising living standards.

**“We are killing the planet through the use of technology. The rapidly growing digital ecosystem is exacting a heavy toll on the planet.”**



**Gerry McGovern**  
*Author of World Wide Waste  
& Consultant*  
Customer Carewords

**Helianti Hilman** Javara, an Indonesian food marketing corporation, since 2008. She began with a physical store in Jakarta, the country's capital, before moving her business online. Hilman took to social media to promote her products, which she described as inexpressive but effective.

Javara's e-commerce journey took off gradually. Through digital platforms, the company saw a 400% yearly growth. She was able to learn and to adapt, hence embracing the digital economy. "This is a rewarding journey," she said as she shared her experiences during this special session.

Hilman, a major believer in branding, used digital tools to address one of her suppliers' biggest issues: hundreds of thousands of Indonesian farmers that stayed unidentified and unrecognized for a long time. She used digital marketing to help bring farmers and consumers closer together. Nominated as an eTrade for Women Advocate, Hilman is sharing her experience with women digital entrepreneurs to help them thrive in a fast-changing digital landscape.

**“We had to go digital. We realized that we had to do it if we wanted to achieve more in terms of how we partner with farmers and serve our customers”**



**Helianti Hilman**  
*eTrade for Women Advocate,  
Founder & Chairperson  
Javara*

**Mona Ataya** runs the largest funded women-led e-commerce company in the Arab region. She has developed, from scratch, a business that nowadays reaches 2.5 million homes and employs over 350 people by creating an e-commerce ecosystem and assisting moms in the region with their needs. She was inspired to use e-commerce to empower mothers by providing them with access to the greatest products at the best prices, as well as with the support they required.

She is now on a mission to empower women entrepreneurs in the Middle East region through her position as an eTrade for Women Advocate. This new position with UNCTAD allows her to share her knowledge, talents, and accomplishments with more women in the region and beyond.

**“The digitalization of the global economy is key to the way the world is moving. Women remain very underserved, and we need to bring more of them on board.”**



**Mona Ataya**  
*eTrade for Women Advocate,  
Founder & CEO  
MumzWorld*

# Thematic Sessions

The following summaries are based on inputs received from each session's organizers. The views reflected in these summaries do not necessarily reflect UNCTAD's positions. Sessions for which no inputs were received are not included in this overview. For more information on all the eCommerce Week sessions, including the ones not summarized in this report, please visit our official website. Recordings for every session is available on our platform to registered/signed-in participants.

REPORTING BY 2 ETRADE FOR ALL PARTNERS IS ALSO AVAILABLE  
FOR SOME SELECTED SESSIONS HERE:

[CUTS International](#) & [DiploFoundation](#)

\* eTrade for all Partner

## Digitalization to facilitate inclusion of MSMEs in e-commerce trade

Organized by GATF and UPU\*

MSMEs form the economic backbone of LDCs, including the bulk of firms. However, most of them are virtually excluded from lucrative export markets. Cambodia is a prime example of this, with MSMEs accounting for over 90% of companies but only 10% of exports. However, the ongoing COVID-19 crisis has created an unprecedented opportunity to change this situation because of a rapid acceleration in global e-commerce, which provides MSMEs, many of them women-owned, an opportunity to take part in the benefits of international commerce.

During this session organized by the Global Alliance for Trade Facilitation (the Alliance) and the Universal Postal Union (UPU), panelists with a wide range of experience and expertise in delivery and container logistics sought to define appropriate policies and structures to help MSMEs harness the power of e-commerce.

To enable MSMEs take better advantage of the steady rise in e-commerce activity, the panelists agreed that the public and private sectors must do more to focus their efforts on helping them to send small packages internationally by post.

The Alliance detailed its support through public private partnership for a project in Cambodia to create an electronic link between Cambodia's General Department of Customs and Excise and Cambodia Post, digitalizing paper-based customs clearing processes for small packages. Following implementation, the project will allow local MSMEs easier access to global markets, including information to help them better navigate the complexity of global trade. UPU is also collaborating on the project.

Several factors are necessary to drive reforms, including strong postal value chains, interoperable digital systems between customs authorities and postal agencies, and efficient, transparent trading procedures. But while the automation and digitalization of trade-related processes have consistently shown great promise in helping MSMEs become more involved in e-commerce, significant challenges at borders remain.

"The black box of the border needs to be de-mystified, and digitalization can help do that," said Lars Karlsson, Global Head of Trade and Customs Consulting at A.P. Moller Maersk. "Now is the time to go digital - there are no excuses any longer."

# Creating a level playing field for digital trade

Organized by Centre for Global Development

## **The digital and data divides are key imbalances to address before having a level digital playing field.**

Despite rapid digitalization in recent years in low- and middle-income countries (LMICs), large gaps in digital readiness both in terms of infrastructure development and building capacity among people to engage in and benefit from the digital economy still remain.

There is also a data divide as the value of data is inequitably distributed across countries. When we look at the geographical distribution of the top global digital platforms by market capitalization (2021), the US and China comprise approximately 90% of market capitalization, with 68% of that value accruing to US companies, and 22% to Chinese companies. The rest of the world is left to split the remaining 10% of value.

Digital platforms are controlling more and more stages of the data value chain, leaving developing countries at risk of becoming only providers of raw data, rather than also having the capacity to derive actionable insights from this data. In essence, there is not a feedback loop between the data they provide, and the ultimate benefits of this data.

## **Data protection laws should meet local needs and priorities**

The EU's General Data Protection Regulation (GDPR) has played a dominant role in shaping global data privacy and protection norms. Since there is no global set of rules, the GDPR has become the de facto standard. Many LMIC countries are enacting data protection regimes that mirror the GDPR in hopes of attaining favorable adequacy decisions.

However, these laws are often not aligned with their local priorities, needs, and capacities. Even the EU struggles to implement this massive law, not to mention smaller countries with significantly fewer technical and financial resources. Sri Lanka, however, has recently become the first South Asian country to pass comprehensive privacy legislation adapted to its local context, needs, and capacities.

## **Data localization measures are hindrances to development objectives**

Data protection laws are weakly enforced in most LMICs due to a lack of resources and because the laws are not fit for purpose. When enforcement actions are taken, they are usually targeted at domestic firms, since most data protection authorities have limited ability to force Big Tech companies to comply with domestic laws.

This often creates tensions between smaller domestic firms and governments as they view the needs of Big Tech companies (and even larger domestic firms who have the capacity to comply with data protection legislation) as being prioritized over their needs. In response, many governments create data localization policies in an effort to strengthen their domestic economies because they are uncertain of alternative solutions. But localization measures create costs for local companies and are generally ineffective.

## **A Path Forward**

The absence of a more systematic approach to data governance may make it harder for LMICs to participate in the global digital economy and leaves them with limited leverage in negotiations with wealthier jurisdictions and the Big Tech companies that dominate global data flows.



The UN has a unique and important role in improving data governance and leveling the playing field for digital trade.

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## Building Online Dispute Resolution (ODR) for Southeast Asian consumers

Organized by UNCTAD\* and GIZ

The UN Guidelines for Consumer Protection call for government's efforts to ensure a level of protection that is not less than that afforded in other forms of commerce" and to warrant the "development of a fair, effective, transparent, and impartial mechanism to address consumer complaints through administrative, judicial, and alternative dispute resolution (ADR), including for cross-border cases." ADR, including online dispute resolution (ODR) is increasingly perceived as an effective mechanism that can supply consumers access to justice. Consumer ODR is becoming common in mature e-commerce ecosystems, but developing countries consumers often lack access to it.

The Southeast Asian region is one of the most dynamic regions with regards to digitalization with fast-evolving and expanding e-commerce landscapes, and consumer ODR has a key role to play in reaping the benefits offered by e-commerce, while protecting consumers.

Dr. Sothi Rachagan, Emeritus Professor from the Nilai University from Malaysia mentioned that the establishment of an ASEAN ODR Network is part of the ASEAN Strategic Action Plan on Consumer Protection 2016 – 2025. But the use of ICT in dispute resolution in ASEAN countries varies substantially. While procedural law- like ODR- cannot grant what substantive law has not conferred, national legislation must ensure that e-commerce law confers substantive rights to consumers.

### E-commerce development involves 3 aspects

- Enacting laws that facilitate e-commerce;
- Extending enacted consumer protection laws to cover e-commerce and;
- Enacting consumer protection law to address the specific features of e-commerce.

For this, there needs to be a focus on all online business practitioners, including intermediate service and marketplace providers. Recent laws in China, India and Indonesia regulate gatekeepers and suggested that ASEAN Member States move in the same direction.

Ms. Sita Zimpel, Principal Advisor, GIZ Indonesia/ASEAN stressed that 2020 is the digital decade for Asian e-commerce, and that there are opportunities to facilitate swift, inexpensive, and fair dispute resolution using online platforms and digital technology. Among all consumers in the region, 8 out of 10 are digital consumers. These trends and data come with new demands for consumer protection and regional cooperation. She presented two regional studies to facilitate the adoption of the ASEAN Strategic Action Plan for Consumer Protection. The Feasibility Study from 2019, maps international experiences and matches them with the ASEAN context. Also, the ASEAN guideline from 2022 outlines design criteria and presents immediate and long-term actions.

Some of the common concerns in ASEAN are: (i) ODR is government-led mechanisms for ADR for B2C transactions, and (ii) need of parallel efforts to "build the case" for ODR: raise awareness at policy level

to streamline internal coordination, educate consumers to strength complaints culture, and encourage business participation.

Ms. Ruth Castelo, Undersecretary, Consumer Protection Group, Department of Trade and Industry, Philippines mentioned that the Philippines acknowledged the necessity of providing consumers with user-friendly and practical mechanisms. To this end, it launched the Philippine Online Dispute Resolution System (PODRS), a web-based portal where clients may log complaints and seek relief for products or services they purchase online. The system is being developed and should be finished in 2025 when it will be linked with the ASEAN platform.

Challenges faced during the development process included the alignment of the legal framework, the need of connectivity for certain provinces and data privacy and protection issues.

Dr. Lijin Yan, Chairman, China Silk Road Group (CSRG) presented the UNCTAD DODR Project which aims to be the first step towards the implementation of consumer ODR in Indonesia and Thailand. It assesses beneficiaries' needs, benchmark international best practices, strengthen local capacities and use emerging technologies to overcome development challenges and deliver consumer dispute resolution. CSRG is a leader and pioneer of blockchain technology programming and offers its experience to the service of consumers.

Given that there is no gold-standard of ODR, international dialogue among relevant stakeholders is key (ICPEN, UNCTAD) to provide the basis for a fruitful cooperation, which will give access to all to best practices and thus help improve national ODRs

UNCTAD has a key role to play in this endeavour.

## **Key conclusions**

- ODR mechanisms can serve as a trust intermediary between businesses and consumers.
  - Importance of educating consumers to enhance ODR and consumer welfare in online markets.
  - Importance to encourage businesses to implement effective ODR in developing countries, as they are essential for consumer loyalty. Revised UNGCP added a chapter for businesses.
  - Importance to participate in global dialogues.
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# Leveraging advance electronic data to scale up customs performance and support safe, secure, and sustainable cross-border e-commerce

**Organized by UPU\* and WCO\***

The session focused on the benefits of advance electronic data (AED) to support safe, secure and sustainable cross-border e-commerce, i.e for small and low-value packages of physical goods ordered online , crossing one or multiple borders ,to be delivered to the consumer seamlessly.

This new mode of trade is characterized by an array of new business models and entails many challenges for customs, such as misdeclarations, undervaluation, and safety and security challenges, e.g. the use of the e-commerce channel for the transportation of drugs, weapons, undeclared money and counterfeit items, such as medicine, among others.

The e-commerce supply chain is rich in digital data due to its characteristics of online ordering, communication and payment. How to obtain good quality data from the source, how to organize the submission of AED by e-commerce stakeholders and how to use this data had been part of the questions addressed by the WCO through its work on cross-border e-commerce, like its Framework of Standards on Cross-Border E-Commerce and the associated package of tools to support the implementation of the Framework.

UPU has also developed some tools to support safe, secure and sustainable cross-border e-commerce, like the UPU Global Postal Model for AED standards and the Customs Declaration System.

Trends in e-commerce were outlined, such as the increased use of e-commerce platforms for cross-border transactions, the diversification of platforms, and improved e-payment mechanisms, among others. In Rwanda, the WCO and UPU standards and capacity building activities supported Rwanda Customs authorities to secure cross-border e-commerce.

Last year, GEA members (DHL, FedEx and UPS) collectively delivered 45 million parcels every day. Express carriers view AED as crucial to facilitate e-commerce while they work to ensure good quality data, but the issue, as seen by the express industry, is that information comes from just one source, namely the originator of the shipment. An important aspect for better cross-border e-commerce is the ability of the importing Member to receive AED- thus calling for capacity-building in that regard. For express carriers, it is key to obtain the right data, from the right source, at the right time. This could greatly enhance risk management, in particular with regard to the risk of undervaluation. Revenue collection could be automated and moved away from the border, thus enabling border authorities to focus on customs risks at the border and not on fiscal risks.

Good practices from the US and France were also discussed. Considering the growth of e-commerce between 2019 and 2021, and since the national legislation regulating de minimis shipments in the US required a limited set of data compared to commercial shipments, the US CBP decided to enhance the available means to segment risk associated with de minimis shipments.

Meanwhile, to comply with the new requirements, La Poste (France) has built a new IT system, as well as deployed new tools such as Optical Character Recognition (OCR) technology, Artificial Intelligence tools for recognition of the Harmonized System (HS) code, and an online payment solution. In this context, cooperation between post and customs authorities is key. Long-term solutions to be explored, such as technological, regulatory and market-oriented solutions. include the possible development of a unique

dataset determined by WCO in partnership with market players to manage security, tax and customs clearance procedures.

International cooperation in these matters is key, as proven by the cooperation between UNCTAD and the UPU, with the interface between UPU's Customs Declaration System and UNCTAD's ASYCUDA World aimed at deploying the WCO-UPU CUSITM-CUSRSP messages.

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## **Integrating the digital economy – Global, regional, and national initiatives**

**Organized by the Australian Government and the World Bank\***

In this session, panelists answered questions on the growth and integration of digital markets via different levels of government, how COVID affected that integration, how greater inclusiveness in participation through intergovernmental agreements can improve integration, and how intertwining global and financial institutions through targeted regulations can create better connections, therein enhancing digital trade. Regarding how COVID impacted digital trade, the panelists noted that the pandemic highlighted the importance of digital trade in services, particularly for small businesses, and that access to ICT is not enough to bolster the digital system; rather, governments should create mechanisms to instigate such growth. Next, the panel discussed how international agreements can help enforce the systems created for growth through dispute settlements, but they emphasized the importance of needing to account for various levels of bargaining power in such situations.

Furthermore, international agreements are structured so that banning actions works better than forcing actions, which can impact the use of such agreements. Finally, for intertwining financial institutions, incentivizing the private sector – especially small businesses – to transact across borders while regulating the public sector at different levels of government can increase efficiency in global value chains and improve vulnerable people's access in the markets to build greater digital trade outputs.

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## **How algorithmic decision making can facilitate trade for small business**

**Organized by EMTC**

The main points arising from the E-Merchant Trade Council (EMTC)'s presentation were as follows:

- Both government and the private sector can facilitate an increase in cross-border e-commerce shipments through the use of more sophisticated automation systems including through risk assessment methodologies
- This would include the use of "algorithmic decision making" using artificial intelligence and machine learning for cross-border transactions
- When applied in a customs context this could reduce costs, improve customs compliance and mitigate opportunities for corruption including traditional based money laundering
- A framework would be required (ideally in legislation) to allow for the acceptability of decision-

making systems and such frameworks have already been developed by the European Parliament Research Service in March 2019 and a draft by the US National Institute of Standards and Technology is currently undergoing public consultation.

- The frameworks would include safeguards such as ensuring the decision making is transparent with clear rationale, being applied in a fair and consistent manner taking into account privacy concerns.
- Capacity building issues and basic design considerations (for example global WCO based classification or with the inclusion of non-customs interventions in each country) will also need to be considered as part of the framework

## Importance of Automation

- E-commerce by nature involves the automation of sales/purchase orders and invoicing and has been the fastest growth segment for international trade. To confirm sales/purchase orders, credit checks may need to be carried out on customers which include verifying their identity, so automation of certain risks and controls is in place.
- However for goods based e-commerce there is still the issue of how to physically transport goods to the customer and ensure that all customs formalities are met. This entails looking at customs classification, export/dual use controls as well as health, safety and other controls
- In the context of the African Continental Free Trade Area (AfCFTA) there is already a focus on digitalization as well as a desire to increase intra-African trade. The automation of risks and controls could be an efficient means to achieve such an increase.

## Algorithmic Decision Making

- Algorithmic decision making is defined for our purposes as the processing of input data to produce a score or a choice that is used to support decisions such as prioritization, classification, association or filtering
- In some settings algorithmic decision making has been used to completely replace human decision but in most real-world scenarios a human operator is involved in the final decision who is influenced by the algorithm's suggestions
- We normally consider this in the context of AI and machine learning (ML) as a means of allowing the algorithm to "learn from data" (which is sometimes imperfect) to achieve the best or most rational outcome
- There are fundamental points to address for customs classification on who would determine the accuracy or correctness of training data used in the models, as well as making sure that all relevant "features" which may be relevant for determination are identified. This may be difficult where intuitive judgement is required to determine the factors and where this is not a logical, reasoned, prescriptive process. Overall it is important to consider a framework to allow transparency on the rationale behind the decision making system

## Frameworks

- The European Parliamentary Research Service has produced a study in March 2019 on "Understanding Algorithmic Decision Making: Opportunities and Challenges" as well as the US National Institute of Standards and Technology (NIST) initial draft paper in March 2022 on the "AI Risk Management Framework". The NIST document would be used by all other US departments

- The frameworks cover concepts such as transparency, decision making rationale, fairness, consistency, intended use as well as rulesets and methodology and the impact of data privacy.
- However further work on how such systems would be certified (or legislated) by need to be considered in particular on who would be accountable for the accuracy of the system given the ever changing legal environment

## Implementation Issues

- How small businesses would indirectly benefit from the introduction of such a framework, capacity building issues in Australia, Asia and Africa given the varying prevalence of e-commerce and concerns in having transparency as a key condition
- The environmental costs of data collection can be high, thus that efforts would need to be made to ensure data collection is targeted and relevant for its intended purpose

Tuesday, 26 April

## FROM A COUNTRY PERSPECTIVE

### REPUBLIC OF KOREA: Innovation of the public sectors for digital economy in the COVID-19 era

This session presented the best practices of the Republic of Korea's digital government innovation amid the COVID-19 challenge by introducing the Open Government Data Policies, which disclose information that belongs to the government to the public. Through these strategies, the government guarantees citizens the right to access government data, improve quality of life, and achieve economic development. Moreover, the Open Government Data Policies were useful to the public in overcoming the COVID-19 pandemic by releasing the data on face masks, number of confirmed cases, vaccine centers.

Korea's Electronic Customs Clearing System (Uni-Pass) is the world's first electronic customs clearance system and is used not only in Korea but in the customs administration of 15 other countries as well. Korea Customs Service pointed out the necessity of digital transformation and ways to promote trade facilitation and explained the main functions of the Uni-Pass from the perspective of using the data and new ICT technologies for customs administration. The Korea On-line e-Procurement System (KONEPS) was launched in 2002. KONEPS is a digital procurement system that handles the whole procurement process online. The bidding information of all public institutions is available, and KONEPS serves as a single window for public procurement. Anyone can participate in bidding for any institution with a single registration. The system also contributed to overcoming the COVID-19 pandemic by procuring quarantine products for public institutions and ensuring prompt payment to the suppliers of emergency products.

In this session, Korea presented participants with cases where the COVID-19 pandemic impacts were overcome through digital government policies and the innovative strategies of Korea's digital government. This was accomplished using the digital modern technologies of AI, cloud, big data, and blockchain. By sharing Korea's best practices and strategies, the session aimed to inspire the countries that want to expand their digital economy through the development of a digital government in a post COVID-19 era.

The Korean government plans to continue to provide technological support regarding the digital government sector through international cooperation with other countries (especially developing countries).

# Regional approaches to e-commerce in the Pacific Islands Countries

## Organized by the Pacific Islands Forum

The session looked at regional approaches to e-commerce in the Pacific context. Participants noted that geographical distance and small size of Forum Islands Countries triggered the selection of e-commerce as a regional priority under the [Pacific Aid-for-Trade Strategy 2020-2025](#) and the establishment of a [Pacific E-commerce Initiative](#) coordinated by the [Pacific Islands Forum Secretariat](#).

The [UNCTAD eTrade Readiness](#) methodology provided the template of the diagnostic and strategic phases of the Pacific E-commerce Initiative. These culminated in August 2021 with the approval of a [Pacific Regional E-commerce Strategy and Roadmap](#) setting the Pacific priorities for collective action. In turn, the Pacific E-commerce Initiative has established a coordination framework which allows the UNCTAD to productively engage with Pacific region in the e-commerce space, together with the other implementing partners.

Amongst those partners, the [Alliance for E-Trade Development](#) has recently engaged in the identification of [pilot projects](#) leveraging the capacity of multinational corporations to boost Pacific e-commerce. In selecting these projects, the Alliance has guided by the recommendations of the Pacific Regional E-commerce Strategy and Roadmap.

A number of like-minded donor partners are jointly supporting the Pacific E-commerce Initiative. [USAID](#) has recently increased its engagement with the Pacific region, including through the Alliance for E-Trade Development and the soon-to-commence Digital Connectivity and Cybersecurity Partnership (DCCP) Pacific.

Panelists committed to continue their cooperation and to report provide further updates on this regional partnership at the 2023 eCommerce Week.

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## Financing the new digital frontier

### Organized by UNCTAD\*

During this session, six financial technologies or “Fintech” entrepreneurs, investors, policy advisors, and tech pioneers came together to discuss the exponential growth of the fintech sector, how fintech can be used as a tool for development and challenges fintech startups need to overcome.

The use of new fintech has risen exponentially over the last two years, mainly due to the COVID-19 pandemic and related lockdowns which accelerated its adoption. The use of e-wallets has skyrocketed, as many more people started paying with smartphone applications. Today, managing personal financial resources has become as easy as connecting with people online.

Panelists explained that in the Philippines, two businesses have become Unicorns, both operating in the field of financial technology since the pandemic. As fintech becomes part of people’s daily lives, this sector has become the highest financed industry in the country. Similarly, it was mentioned that the growth of fintech in Brazil has been tremendous. Today, more than 1000 companies operate in the fintech field. For example, while Brazil only had one unicorn in 2018, with the onslaught of the pandemic almost 20 billion of venture capital investment flowed into fintech companies as part of the Government and other stakeholders’ efforts to equip more people with bank accounts leading to almost 22 today: half of which being fintech. In



addition, Brazil at present has the world's largest digital bank named Nubank.

The speakers highlighted that a thriving fintech ecosystem requires more collaboration efforts between banks, regulators and fintechs. They mentioned that, among many other added values, fintech startups have a better understanding of the needs of markets and consumer behavior.

In Angola, e-commerce businesses have started offering credit and other financial services to informal workers in an attempt to help them formalize and scaleup their businesses. However, competition between domestic players with limited access to resources and those who get funded by external investors is not equal as mentioned by one of the panelists. This, coupled with restrictive regulations is a common issue for many fintechs around the world. Still, successful partnerships between fintechs and banks can see the emergence of innovative structures like UBX Garage in the Philippines as a solution to some of these challenges. The role of this on-bank corporation is to avoid the restrictions of a regular bank but be able to innovate and work with fintechs.

Panelists explained that in several countries fintech startups have grown and cannot be overlooked anymore. This facilitates the collaboration with more traditional financial institutions which is to the benefit of consumers who see a wider range of financial services on the market. The panelists agreed that partnerships between the banking sector and fintechs can empower all players, however, how to do it without stifling innovation and agility of fintechs remains to be seen.

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## SPECIAL SESSION

### ECOWAS E-commerce Regional Assessment

**Organized by UNCTAD\* and ECOWAS**

This session discussed the main findings from the Regional eTrade Readiness Assessment (eT Ready) for ECOWAS completed in April 2022, building on the update of 8 eT Readies carried out by UNCTAD between 2018 – 2020 (Benin, Burkina Faso, Côte d'Ivoire, Liberia, Mali, Niger, Senegal, and Togo), and light assessments for 7 ECOWAS Member States that had not previously benefited from an eT Ready. The assessment is a diagnostic of the region's state of preparedness for e-commerce and serves as the basis for developing an ECOWAS E-commerce Strategy in line with the ECOWAS Treaty, ECOWAS Vision 2050, and the African Union Vision 2063.

Speakers representing UNCTAD, ECOWAS Commission, African Continental Free Trade Area (AfCFTA) Secretariat and the private sector via the Federation of West African Chamber of Commerce and Industry (FEWACCI) shared their views on the findings from the report and priorities for e-commerce development in the region.

Results from the assessment highlight progress by Member States in digitalization, emphasizing that for the development of e-commerce, the region needs to delineate e-commerce specific challenges from challenges relating to the digital economy and the wider national economy, define e-commerce as an industrial activity, and address the digital divide within and between Member States. Action areas, proposed for inclusion in the future e-commerce strategy are structured around 4 proposed axes: (i) strengthening and coordinating actions of trade directorates of the Member States to make e-commerce a tool for industrialization; (ii) enhancing trust and adhesion of e-commerce actors through the harmonization and update of the legal framework; (iii) monitoring the e-commerce sector; and (iv) adapting the strategic framework to clear priorities, objectives, and targeted actors.



## Main policy recommendations:

- Coordinated regional efforts from Trade ministries and departments, supported by the ECOWAS Commission, are needed to define e-commerce and its place alongside other industrial policies.
- Existing frameworks at continental level, and particularly the AfCFTA, can be leveraged to reduce the double digital divide among and within ECOWAS member States and strengthen actions by Trade ministries and directorates around e-commerce.
- Capacity building activities that target gaps in digital and business skills for private sector actors and relevant public actors is essential.

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## Understanding the development impact of digital services trade

Organized by GIZ, BMZ and the World Bank\*

This session, jointly organized by Germany and the World Bank, looked into the impact of digital services trade on growth and development. As one of the fastest-growing areas of trade in recent years, currently being the fourth biggest services sector globally, trade in digital services comes with great potential for opening new markets, establishing productivity gains, and job creation. Against this background, the discussion addressed ways on how developing countries can best grasp these opportunities while shedding light on potential regulatory and policymaking approaches conducive to digital services trade. The session also presented the key findings of a recent study funded by German development cooperation that assesses trends, competitiveness, and policy options of digital services trade.

The study found that from 2005 to 2019, global digital services trade as a share of total services increased by 48%. This breathtaking growth has predominantly been driven by the East Asian and Pacific region. Despite all regions more or less benefitting from the digital services globalization, only East and South Asia and MENA were able to increase their trade competitiveness by reaping effective trade growth, thereby capturing a greater share in global demand for digital services. The inability of Latin America and Sub-Saharan Africa to develop trade competitiveness, for instance, can be traced back to so-called trade policy cost factors. Among others, these entail data localization and data storage requirements which are proven in the study to be particularly detrimental to the development of digital services trade. Yet the study also showed that restrictions as part of conditional flow regimes have a more ambiguous impact – and even positive in some circumstances.

In this context, the panelists identified three distinct cross-border data models, namely the (i) open, (ii) conditional, and (iii) limited model. These models differ in their data localization and processing requirements and the regulations governing the private sector, respectively. Reviewing which of the three different regulatory approaches works best for digital trade in services, the discussants concluded that the adoption of a moderate conditional model, with flexible cross-border data flow rules combined with strong domestic safeguards for individual privacy, seemed to be the optimal regulatory approach for developing countries.

Panelists stressed that, in addition to the choice of regulatory framework, enabling factors such as sound data governance, strong institutions, and the expansion of digital infrastructure play a key role in building a conducive ecosystem for trade in digital services. Likewise, human capital development is instrumental. A

lack of digital skills and know-how in developing countries is a major hindering factor for the effective use, spread, and competitiveness of digital services trade. The panelists also pointed to the prevalent gender digital divide and the opportunities and risks for women associated with digital services trade. Specifically, female digital entrepreneurs face systematic and cultural barriers such as the lack of capital flows which impede their effective participation in the digital services economy. In this regard, support networks for women were named a helpful tool to circumvent these barriers.

### **Summary and key recommendations from the session:**

- Need for developing countries to revise their approach to devise a favorable regulatory governance system for digital services trade to participate in and fully benefit from digital services trade. In addition
- The urgency of strengthening the participation of women and other marginalized groups in the (digital) services economy. While World Bank research and the study funded by Germany indicate that the choice of regulatory model matters, well-designed inclusive policies and quality institutions are also pivotal for developing countries to secure their place in digital services value chains.
- Development cooperation can play a vital role in helping the process of building a favorable digital services trade ecosystem that fosters inclusive sustainable development.

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## **Innovative data governance mechanism for development 4.0: Challenges and opportunities**

### **Organized by DAI**

An inclusive digital economy requires accessible and searchable good-quality data, technologies, and digital infrastructure. Data access and sharing are crucial to accelerating the uptake of emerging technologies, such as AI, IoT, and blockchain. To support the deployment of big data for development 4.0, developing countries might consider supporting:

- Solutions aimed at making open public sector (governmental) data cross-border searchable, based on metadata.
- Regional, multi-stakeholder initiatives that aim to open and share public sector data sets to MSMEs.
- Data marketplaces through innovative data-sharing mechanisms – such as data trusts, data philanthropy, data partnerships, etc.
- Mapping of the critical digital and data infrastructure such as cloud computing centers and data centers.

The outcome of digital technologies deployment, and especially the deployment of AI and other types of data-intensive technologies, depends on the quality of data. Data should not be biased, data ownership should be clearly defined, and algorithms should be transparent enough to identify stakeholders' liability. Proper data governance frameworks would ensure these properties for data and for the use and deployment of digital technologies.

One of the key impediments to the effective deployment of digital technologies, and AI is access to FAIR

(findable, accessible, interoperable, and reusable) data. For instance, access to large data is essential to ongoing AI development. Yet obtaining high-quality, large-scale datasets, particularly containing individual or personal data, is a challenge. This problem is exacerbated in the Global South because data is not always digitized and not easily accessible due to private sector capture. Data quality-related issues can exacerbate existing bias and deepen digital divides.

Public policymakers and regulators around the globe need to ensure that the data used in digital systems adhere to the FAIR principles and are collected ethically before certifying the digital technology model as fit for the market. There are many ways in which this could be done. For instance, governments can take a risk-based approach to data governance and digital technologies. This could be further supplemented by organizational quality assessment in pre-market checkpoints. These conditions can signal to the industry that data integrity and ethical collection are of paramount importance to be eligible for the market and lead to positive structural changes in how digital enterprises function. Another approach would be to rely on data intermediaries, which act as cooperatives where data from multiple sources are pooled together. The intermediary would be responsible for managing access (through licensing arrangements) to that data in a manner that reflects the priorities and value of the data subjects.

Another key challenge in the effective deployment of data governance for development 4.0 is the exclusion of “data invisible groups”. For this we need data justice. The other side of invasive data collection systems is that those without digital access (that is, those with no connectivity or devices) or who lack digital skills will not be included in assessments of the population and their needs. “Data invisibility” is a result of the digital divide across many countries of the Global South and is likely to affect traditionally marginalized communities such as women, tribal communities, castes, religious and linguistic minorities, and migrant workers. In an increasingly digital world, data invisibility also means limited voice and reinforces restrictions on effective participation in social, economic, and political spheres. An overreliance on “automatic” data collection methods can exclude highly vulnerable groups and further undermine trust in digital tools. Such exclusions may exacerbate biases that limit the effectiveness and validity of AI algorithms trained on easily accessible data. This reinforces the need for greater transparency in data usage.

## **Summary and recommendation from the session:**

- Public-private partnerships, localization, and cross-disciplinary collaboration among key stakeholders are critical for data governance systems. Governments should foster safe, secure, and responsible use of data. Governments must further invest in local research in data science through cross-disciplinary collaborations.
- Key governance stakeholders need to resist the commercial capture of public commons through AI. For this reason, they should additionally adopt a strategic approach, coordinating digital transformation policies, research and investment, and management and exploitation of personal data. Seeking a healthy balance between individual, private, and public interests will protect public commons in the Global South.
- International, open ecosystems are more suitable for ensuring successful implementation of national AI and data strategies because they involve international, multidisciplinary expertise and capabilities, within academia and industry. It is imperative that nations develop a plan to draw on international collaboration. Collaborative efforts should not be limited to technology development but extend to regulation and governance.
- Data for good governance frameworks should be based on multi-stakeholder accountability, independent oversight, and adequate evaluation of socioeconomic and human rights impacts.
- For instance, data governance stakeholders need to ensure that there is always a “human in the loop,” i.e., AI never fully replaces humans so that adequately trained professionals validate AI

decisions. AI is only as good as the data, human capital, and expertise of the interdisciplinary team involved in the development of the AI solution.

- An adequate AI and big data governance framework should define the respective liabilities of all stakeholders. It should put in place the necessary conditions and guarantees to protect human rights while working towards the collective interest.

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## Cross-border e-payments as a facilitator of digital trade in Africa

**Organized by GIZ, BMZ and the Ecommerce Forum of South Africa**

This panel addressed the issues of cross-border payments in Africa. It was noted that the COVID pandemic has unleashed a new spirit of connectivity and has boosted digital trade. Regional economic communities, such as the East African Community, with international support, for example GIZ's ongoing e-commerce programme for Africa, aimed to achieve digital transformation, however, it costs more to send money across borders in Africa than elsewhere in the world. Solutions therefore are urgently needed. The Smart Africa Alliance has recently published its Blueprint for e-Payments for the Facilitation of Digital Trade across Africa which summarizes the issues and pointed to solutions at both continental and regional levels.

The COVID pandemic has resulted in two years of unprecedented growth in mobile commerce and mobile money which aligned with the objectives of the AfCFTA. Africa had 800 million young people who could enter online markets. "Social Commerce" offered entrepreneurs immediate entry to marketplaces – all that was needed was access to social media platforms, a product, a payment service and means to deliver to sell. However, challenges existed when online trade was cross-border. The launch of the AfCFTA had shone a spotlight on this issue. The African Export and Import Bank (Afreximbank) with the secretariat of the AfCFTA had therefore created the Pan-African Payments and Settlement System (PAPSS) as a solution.

PAPSS was being piloted in six West African countries, which were representative as far as they each had a national currency and half used English: half French. PAPSS had engaged with the 5 Central Banks, 25 commercial banks and 3 switches as partners. The pilot would be rolled out as more central banks and commercial banks signed up. The aim was to include the whole payment infrastructure, including mobile money. PAPSS was now discussing an agreement with MFSAfrica to benefit from its cross-border aggregation process. Another advantage was that at present cross-border payments within Africa often required that remittances passed through Europe or the USA. This created additional costs and delays. PAPSS provided an instant intermediation solution for payments, removing the middleman and reducing costs.

The panel recognized that an essential element to ensure financial inclusion was the development of electronic identification systems. The World Bank and the Economic Commission for Africa (ECA) in 2017 had estimated that 500 million people lacked any formal form of identification. This reduced their ability to enter commerce. Smart Africa had published a Blueprint on Digital IDs in 2019, in which it recognized three different means of identification – a national ID: a transactional, and a mobile phone identification. Work was now progressing to ensure the seamless recognition of digital IDs, with a pilot run between Benin and Senegal. The next step was to ensure the same approach for companies' registration to meet the objectives of the AfCFTA.

The panel next turned to the problem of national currency volatility. Cross border payments could be subject to wide swings in currency exchange rates: a single currency would provide a solution, based on a basket of national currencies or a stable commodity, such as gold. It was noted that Afreximbank was studying the alignment of currencies. The European adoption of a single currency provided a model, but at present intra-African trade represented only 15% of total trade on the continent, compared to 75% in the EU. As intra-Africa trade grew, the need for a single currency solution would become more pressing.

The panel noted that a core objective of the AfCFTA was to incentivize manufacturing and marketing platforms on the continent. An AfCFTA digital trade protocol was to be drafted soon. This would consider issues such as the flow of data, and consumers' rights under privacy laws. To trade across frontiers, for example, consumer consent management, the right to be forgotten, consumer protection and other regulatory requirements were necessary to ensure that the consumer was protected.

Finally, the panel considered the disruption of global supply chains due to COVID. It was stressed that Africa today is particularly vulnerable to international trade disruption. Pivoting African trade inwards was a long-term solution to the global supply chain challenges.

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## The role of standards in digital transformation and digital trade

Organized by **BSI\***

This session focused on the key role that international standards play to digitally transform sectors by building trust in innovative applications of new technology, ensuring its speed of adoption and opening-up global value chains. It explored how international standards, alongside regulation and legislation, are an additional tool available to policy makers and the private sector to tackle prevailing concerns about cyber security, interoperability and privacy, and help to build an inclusive and resilient digital society.

- COVID 19 has swept across the globe and remains a threat. As a result, we have seen the rapid deployment of digital technologies, an increase in digital services, and the exponential growth of data. An unwanted consequence has been the huge increase in cyber crime, exploiting vulnerabilities in technology and its use. Cyber crime is estimated to have cost society \$6 trillion in 2021 – the world's third largest economy after the USA and China - and is expected to increase to over \$10 trillion by 2025.
- Inevitably, the risks of online fraud and ransomware attacks lead to a lack of trust and confidence in digital systems and to concerns about e-trade itself, thereby creating an invisible barrier to digital transformation and economic growth.
- The WEF's 2022 Global Risks Report highlights that businesses view cyber security as one of the top ten major risks over the next 5 years.
- Legislation and regulation have to underpin the digital economy but, alone, they are not enough to stem the tide of crime. We believe it is the combination of international standards, together with regulation and legislation that is required to address this digital pandemic.
- However, as noted in [BSI's recent Policy Whitepaper](#), standards and National Standards Bodies (NSBs) are heavily underutilized in the developing world, and we need to bridge this gap in awareness and capability, if the developing world is to enjoy the benefits of digitalization and play its full role in world trade.

- To address this gap, BSI has partnered with UNCTAD, AfDB and the UK Government:
  - UNCTAD:
    - BSI joined the eTrade for all initiative in 2021 and has brought the standards dimension to the initiative as well as to the eTrade Readiness Assessment tool. This version of the eTrade Readiness assessment process has been applied in Kenya, and BSI has been an active partner in this exercise..
    - The results indicate that both public and private sector stakeholders in Kenya recognize the importance of standards to build trust in the digital economy, but the findings also highlight that they require assistance on using standards to complement the legal and regulatory framework, skills development and capacity building.
  - AfDB:
    - BSI and AfDB have been exploring how standards can help mitigate the risks in the rapidly growing the data economy in Africa. AI and Blockchain provide opportunities but threats, such as cyber security remain due to the low awareness.
    - Standards will support institutions to gain efficiency, provide a process to mitigate risk in procurement and large-scale investment programmes.
    - Resource and national institutional capacity building initiatives will be required to ensure the effective participation of developing countries in the standards setting arena, and the new AfDB Digital Trust Fund could support this.
  - UK Government:
    - The UK was one of the first sponsors of the eTrade for all initiative and it is focused on supporting developing countries in digital skill development and in strengthening cyber security (e.g. programmes in Kenya to expand connectivity);
    - It also recognizes the important role that international standards play in promoting economic growth and creating a safe and sustainable digital economy.
    - The UK Government has partnered with BSI on 1) Commonwealth Standards Network and 2) UK Digital Access Programme to apply the BSI standards-based digitalization toolkit.
- During this session, BSI launched its new Standards Based Digitalization Toolkit, to raise awareness and capacity in developing countries on standards and, hence, bridge the gap in the policy tools portfolio. It was developed in consultation with a high-level panel, comprising international and regional institutions working actively in developing countries, including the FCDO, UNCTAD, AfDB, and The Commonwealth Secretariat and, from the standards community, ISO, ARSO, SABS, and KEBS.
- The aim of the toolkit is to provide NSBs, government departments, regulators and development banks/organizations with a much better understanding of the role of standards and National Standards Bodies in building trust and providing confidence in the digital transformation process. It consists of:
  - a Policy Guide to form the basis of a Roundtable discussion, aimed at senior stakeholders within the digital ecosystem, to highlight the importance of standards and the Quality
  - Infrastructure (including regulators, the NSB, standards and independently certified conformance organizations) as key elements in national strategies and frameworks
  - a 4-day training programme aimed to create a common understanding within, and



between the institutions, operating in digital ecosystem, on the role of standards to build national digital resilience, covering:

- Information and cyber security
  - Protection of privacy
  - Digital ID
  - Cloud and interoperability
- BSI and the UK Government have partnered together to apply the toolkit in Kenya, building on the UNCTAD eTrade Readiness Assessment, and in Indonesia in 2022.

**Additional resources:** To learn more about the new UNCTAD – AfDB – BSI partnership aimed at leveraging the value of standards to help developing countries in their digital transformation process, listen to [The Standards Show Podcast](#).

Wednesday, 27 April

## From eTrade Readiness Assessments to implemented recommendations

Organized by UNCTAD\*

This session highlighted the main findings and recommendations of the second implementation review [“Fast-tracking implementation of eTrade Readiness Assessments – Second edition”](#) and benefitted from the participation of representatives from the public and private sector representatives of eTrade Readiness Assessments (eT Ready) beneficiary countries and development partners. This review details good practices, policy impacts and lessons learned that can inspire countries and pave the way for further support. It has also confirmed Cambodia as the top-performer country with an implementation rate of 92%, followed by Bhutan, Senegal, and Togo all standing at 81%.

The session opened with key remarks from UNCTAD on the relevance of eTrade Readiness Assessments to accelerate policy actions. Since 2020, UNCTAD supports countries’ efforts to fast-track policy reforms and investments for e-commerce development through the [eT Ready Implementation Support Mechanism \(ISM\)](#).

Panelists from eT Ready beneficiary countries highlighted successful initiatives for e-commerce development. The representative from the Government of Bhutan stressed the key role of political commitment and whole-of-government approach to conduct reforms as well as the need to consider global and regional developments when formulating e-commerce policies and strategies. The strategic role of a multi-sector task force comprising of members from relevant government agencies and private sector was emphasized. The private sector representative from Senegal pointed at how a dynamic collaboration between public and private sectors led to a successful interlinkage among providers of ICT, logistics and digital payments’ services, all of which are key e-commerce enablers. Both panelists recalled how the COVID-19 pandemic has served as an accelerator for business and consumers to go online.

A senior representative from ITC, an eTrade for all partner, emphasized that effective collaboration among all stakeholders is essential to address barriers faced by the private sector, and open opportunities to MSMEs in the digital economy, particularly youth and women entrepreneurs. The panelist stressed that

solutions should incorporate actions taken at the policy, institutional and enterprise level, backed up by effective partnerships. Several initiatives were shared on empowering MSMEs in LDCs by connecting them to marketplaces, national and international payments gateways and logistics platforms, to enable entrepreneurs to promote their products beyond domestic markets.

The representative from the UN Resident Coordinator Office (RCO) in Lao PDR highlighted the added value of pooling expertise of the wider UN development system in the area of e-commerce and digital economy. The importance of collective action among UN agencies to better support governments' priorities was reaffirmed in the context of the new generation of UN Cooperation Frameworks and COVID-19 recovery response.

## **Main outcomes/recommendations**

- Implement recommendations contained in the eT Readies is even more relevant in view of addressing the challenges that have emerged during the COVID-19 pandemic.
- Strengthen national implementation arrangements, streamline policy coordination mechanisms by improving inter-ministerial coordination and public-private sector cooperation.
- Scale up synergies with development partners to accelerate e-commerce enabling reforms and investments to help foster economic recovery from the pandemic and increase the resilience to cope with new shocks and accelerate digital transformation in developing countries, particularly LDCs, in line with the 2030 Agenda for Sustainable Development.

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## **FROM A COUNTRY PERSPECTIVE**

### **JAPAN: Best practices for supply chain resilience**

Building supply chain resilience through digital technologies is key to addressing the disruptions that we face in today's new reality. In this session, the Ministry of Economy, Trade, and Industry of Japan highlighted several best practices, through which the Government of Japan has contributed to enhancing supply chain resilience in the world.

#### **3 major changes and trends affecting supply chains were detailed:**

- Firstly, the intensification of supply chain risks by the COVID-19 pandemic has increased and diversified factors for supply chain disruptions. The growing importance of social issues, such as carbon neutrality, environmental impacts, and human rights is affecting both supply chains as well as business activities.
- Secondly, products are becoming more high-tech and have increasingly shorter life cycles. Diversification of customer needs due to individualization and personalization has intensified thanks to the usage of digital technology.
- Thirdly, changing policies and situations, such as regulations and laws for trade and customs, have been taking place globally, causing fluctuations to the status quo of supply chains.

#### **3 measures have been suggested to address the risks of supply chain disruptions and achieve supply chain resilience:**

- **Visualization of supply chains**  
Visualizing flows and information to enable accurate decision making toward optimization and detecting vulnerabilities that allow preemptive actions for risk mitigation. This enables a quick



return to operations with minimal impact when an emergency occurs.

- **Diversification of supply chains**

Diversifying the location of production is important to secure redundancy to mitigate various risks. Even in times of crisis, operations can be continued or quickly restored.

- **Facilitation of supply chains**

International collaboration is needed to facilitate the smooth operation of supply chains and improve business environments around the world.

### **3 best practices that have been carried out as part of the Supply Chain Resilience Initiative (SCRI) launched by Australia, India, and Japan as practical examples that materialize these 3 measures were presented:**

- Asia Digital Transformation (ADX) Project, conducted by the Ministry of Economy, Trade and Industry Japan (METI) through The Japan External Trade Organization (JETRO), has been providing support to pilot projects contributing to solving local social challenges by utilizing digital technology through the collaboration between Japanese companies and ASEAN or Indian companies. JETRO has adopted 69 projects including those for supply chain resilience with digital technology.
- METI has started a financial support program for companies led by Japan to conduct visualization, upgrading and diversification of supply chains through utilizing digitalization and data in the Indo-Pacific region, especially Australia and India. The mechanism that promotes both supply chain resilience and industrial competitiveness can encourage the private sector to work on supply chain resilience.
- JETRO has launched a new business platform, Japan Innovation Bridge (J-Bridge), with the aim of facilitating collaboration or alliances between Japanese companies and overseas startups/businesses, through cross-border open innovation towards digital transformation, which contributes to creating new business solutions in digital-related sectors. JETRO provides support to overseas startups/businesses for business development, such as initial support for entering the Japanese market or arranging one-on-one business meetings. A platform that facilitates international business collaboration can be effective for the enhancement of global/domestic supply chain resilience by generating synergy among companies.

The future plans for the SCRI include facilitating Australia-India-Japan joint projects and formulating a supply chain resilience principle. India is highly interested in the SCRI, and the SCRI will continue to discover the needs of emerging economies and contribute to both supply chain resilience and improvement of industrial competitiveness through digital technology.

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## **Whether data localization and national champion approach would lead to an inclusive digital economy?**

**Organized by CUTS\*, DIPLO FOUNDATION\* and UNIDO\***

Along with the digital economy, COVID-19 has accelerated the inequality within and across countries. Those who control the digital ecosystem, corner most gains. The US and China together control 90% of market capitalization value of the world's largest digital platforms. The emerging response against this domination has been the data localization mandates, grounded in the idea of data sovereignty.

The session discussed the situation where on the one hand, the liberal regulatory approach seems to be failing in delivering just economic outcomes, while on the other, the protectionist approach could be damaging the cross-border e-trade, innovation, and competitiveness.

The panelists unpacked the data localization mandates which are being increasingly adopted across the globe in the name of protection of security, privacy and boosting national economic champions in the digital businesses. However, during the session concerns were raised that the 'one size fit for all' approach might not be the most suitable regulatory mechanism, particularly for developing and undeveloped countries.

Policy makers need to look at the specificities at sectoral levels as well as at the regional levels.

The panelists raised concerns related to data localization on trade, economy, and sustainable development as it might have a negative impact on competitiveness, innovation, and e-trade. Data localization mandates might make smaller firms to operate cross-border difficult as it will increase the cost of data storage, compliance burden and differentiation of personal data and non-personal data. Along with this, storage of data within national boundaries might not be beneficial, particularly for the developing countries, as it requires technology that can be instrumental in extracting the values from the data.

The objective of the policies such as data localization need to be critically evaluated, as to how much of it is aligned with the stated aims of enhancing security, privacy and boosting domestic digital economy. It is important to support and enable domestic digital players but what can be the alternative means of supporting them with minimum unforeseen consequence. Further, policy makers need to pay attention to create regional champions with specialties that big tech firms might not have as it will help in investing resources where the maximum potential lies.

The growing dominance of China in the digital ecosystem has resurfaced the debate of creating a national champion. However, China has a very different socio-political and economic model that is difficult to replicate in other parts of the world. One must note that China is now aggressively dealing with its tech giants due to domestic competition concerns. The US model has also not delivered an inclusive digital economy. In this context, governments need to be careful while approaching the issues related to data governance. A scrutiny should be given to undertake the cost benefit analysis. A regional approach on data governance may be more useful in enhancing trade and commerce within the region.

It would be useful to explore other means to enhance privacy and security such as privacy enhancing technology, strengthening the encryption and data fiduciary rather than investing all the energy in data ownership models. The implication of the data is not limited to legal debate around rights and protection, but it has a wider spectrum involving socio-economic implication as it also generates jobs and promotes the ease of living.

### **Summary and key takeaways:**

- Do a proper cost-benefit analysis before adopting data localization policy
- Instead of focusing on creating national champions, it may be better to promote nationally strong sector(s) for the purpose of digitalization
- It may be beneficial to adopt regional approach over national approach as far as gaining more from digitalizing economy
- There are several fallbacks that need to be kept in mind before adhering to national champion approach with data localization policy

# Enhancing market connection for women in the agriculture sector through digital traceability systems

Organized by EIF\* and ITC\*

Digital transparency has significant potential to provide considerable market advantages to small growers and processors in the coffee sector and can ensure fairer distribution of profits along the supply chain. This can be of particular importance for women in coffee. In this regard the digitization of records and improvement of digital skills is key and can also be a way to encourage youth to work in the agri sector. The challenge in future will be to standardize the systems or ensure inter-operability and in the near-term to share results and impact so that more resources are directed to helping small firms prepare for the digital transformation and not be excluded from large, formalized trading.

Phil Schluter discussed the activity with OLAM and Tropic Coffee. The OLAM AtSource captures data on how coffee is grown, harvested, and processed at all stages and looks at key social and climate metrics. He demonstrated the number of records that need to be captured for one farmer at all stages of the processing before export, which is a lot of data (and currently paperwork). He highlighted the importance of developing relationships as well as content and backstory from the businesses, but that this takes time to establish and grow and the results usually take time. He also mentioned at the end the importance in future of addressing the issue compatibility of different traceability systems.

Kristian Doolan explained how the Farmer Connect technology works and how it looks to empower the farmer with the data. Each actor in the supply chain is in control of their data and how much is shared along the supply chain. He highlighted that it took time to find the right SME but once they understood the potential of the platform there was a lot of commitment on their part to engage with the process. The pilot activity was a great learning experience as usually they digitalize the supply chain from the buyer to the farmer and here we started with the farmer/processor and an incomplete supply chain.

Minicom shared the perspective from Rwanda in terms of what was being done to support digital transformation in Rwanda and improve gender inclusivity and youth employment in agriculture, while EIF highlighted some of the other activities taking place in other commodities such as tea in Nepal and the value of traceability and transparency to ensure inclusive supply chains.

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## Trust in cross-border e-commerce: The case for consumer product safety

Organized by UNCTAD\* and Consumers International\*

The UN Guidelines for Consumer Protection state that consumers should have the right of access to non-hazardous products. As business-to-consumer e-commerce continues to bloom, with 27% of the world's population aged 15 years and older shopping online, so do the risks to consumers' health and safety caused by unsafe products being sold online. This happens in the context of rising concerns on the availability of information and data regarding products and services sold cross-border. UNCTAD Member States recognize that proper policies that promote trade in safe consumer products can improve consumer confidence and provide more favourable conditions for sustainable economic development. At the same time, those policies should not create unnecessary obstacles to trade or be more trade restrictive than necessary.

To this end, international cooperation becomes instrumental in maximizing consumer welfare while reducing barriers to trade. In 2020, UNCTAD adopted its first recommendation on product safety entitled "[Recommendation on preventing cross-border distribution of known unsafe consumer products](#)", which calls for more exchange of data and information on national policies among governments and for awareness-raising initiatives among businesses and consumers on the risks to consumers' physical safety posed by unsafe products, especially when engaging in cross-border online transactions.

In 2021, Consumers International launched its [Guidelines for Online Product Safety](#) presenting global recommendations for action from governments and businesses to ensure the rights and needs of consumers are built into the design of e-commerce regulations and practices.

Mr. Richard O'Brien, Director, Office of International Programs, Consumer Product Safety Commission, USA presented ways in which governments can prevent the cross-border distribution of known unsafe consumer products. First, governments must identify unsafe products in markets through market surveillance activities, company reports (voluntary or statutory), public reporting mechanisms or communications from foreign counterparts. For governments to be able to prevent the cross-border distribution of unsafe consumers products it may be necessary to have pieces of legislation in place to allow for notification to market actors and to allow executive action to impede reexport of such unsafe goods. Whereas the US does have such pieces of legislation, it is still uncommon in most countries. Mr. O'Brien proposed to interpret the existing export control mechanisms, usually based on grounds of national interest, to include the consideration of unsafe products. The reasoning would be that protecting the reputation of a country as a source of safe products could justify export control of unsafe products. This would be a way of implementing the 2020 UNCTAD recommendation on the matter.

Ms. Saroja Surandam, Director of Consumer Protection at the Citizen consumer and civic Action Group in India, presented her views on how consumer trust in markets can be enhanced. She called for greater responsibility of market placers to ensure products are safe. Business should also provide clear and complete information about products offered and about the business themselves. Businesses should also address queries and requests for information from consumers. Recall mechanisms should be in place to withdraw unsafe products that were already distributed. Effective redress mechanisms should also be implemented. Although India has enacted several pieces of legislation and a central consumer protection authority is mandated to enforce them, the Indian Government could implement mandatory standards and stronger regulation and enforcement to enhance consumer trust in national online markets.

Mr. Antonino Serra Cambaceres, Advocacy Manager at Consumers International, presented their Guidelines for Online Product Safety. He highlighted the fact that in 40% of countries there is no product safety agreement between national authorities and online marketplaces. Less than 10% of countries have statutory or voluntary agreements to ensure online platforms will remove unsafe products if notified. Figures are higher for high income countries. Only 12% of online platforms have provided a dedicated contact point for authorities to report unsafe products. Only 8% have standardized forms for sharing information about unsafe products. Online marketplaces are best placed to ensure that goods and services offered in them are safe.

With regards to the role of international cooperation and cross-border enforcement. Mr. O'Brien highlighted the usefulness of the OECD Global Recalls Portal which allows tracking products that have been recalled and encouraged Governments to engage in multilateral initiatives, such as UNCTAD's informal [Working Group on Consumer Product Safety](#). Cooperation among consumer product safety and customs authorities is the greatest untapped potential for improving product safety in national and international markets.

Ms. Surandam identified the exchange of good practices as the basis for improving public policies and contributing to the convergence of product safety standards. Mr. Serra celebrated the level of commitment of government authorities at UNCTAD's informal Working Group on Consumer Product Safety and presented the 2020 UNCTAD Recommendation on preventing cross-border distribution of known unsafe consumer products as a concrete output of international cooperation with great potential impact.

### **The following are the key takeaways from the session:**

- Ensuring that products are safe for consumers is a pre-requisite for public health and for well-functioning markets. It has thus become a priority for governments, businesses, and consumer groups.
- Governments should pursue policies, consistent with WTO rules, aimed at enhancing consumer product safety in online markets and at preventing the cross-border distribution of consumer products known in their own jurisdictions to be unsafe.
- Governments, businesses, and consumer groups should raise awareness among consumers on the risks to their physical safety posed by unsafe products, especially when engaging in cross-border online transactions.
- Governments should regularly exchange information on national policies and measures on product safety recalls and safety requirements. Governments and consumer groups should participate in international dialogues to share experiences and information on product safety, as well as to exchange ideas on how to enhance product safety in online markets.

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## **SPECIAL SESSION**

### **Launch of the eTrade Readiness Assessment of Tunisia**

**Organized by UNCTAD\***

This session presented the main findings and recommendations of the [eTrade Readiness \(eT Ready\) Assessment of Tunisia](#), conducted in 2021 in cooperation with the Ministry of Commerce and Export Development of Tunisia (MCDE) and with the support of GIZ. The assessment provides the country with an in-depth analysis of its digital ecosystem, timely supporting the government in its digital transformation efforts as reflected through several strategic plans, including Tunisie Numérique 2020. Representatives from the government, development partners and the private sector shared their perspectives on the findings of the report and the actions needed to accelerate the development of e-commerce in the country.

Findings from the report highlighted the significant opportunities that e-commerce represents for Tunisia due to its strategic location. The potential for e-commerce is supported by progress made in recent decades, accelerated since 2020 by the COVID-19 pandemic, in terms of connectivity with high Internet penetration and a strong mobile network, and increase in the number of online transactions and of marketplaces in Tunisia over the past two years.

However, the report identifies a series of obstacles that prevent the country from fully benefiting from the advantages of e-commerce. Tunisia faces challenges in the trade logistics sector and the express parcel delivery sector. Foreign exchange regulations also deprive Tunisia of a huge potential in terms of cross-border e-commerce and access to finance. Speakers highlighted the importance of removing barriers for cross-border digital trade. This will also allow local markets to expand and increase their competitiveness

in a regional and global context.

The session also highlighted the eT Ready Action Plan, an operational tool under development for the implementation of priority recommendations emanating from the eT Ready. UNCTAD, through the eTrade for all initiative, and in collaboration with the United Nations Resident Coordinator Office (UNRCO) in Tunis, has already mobilized several partners, who have confirmed their interest to support the implementation of some of the actions included in the Plan.

## **Main policy recommendations**

- Build strategic partnerships and PPP to promote joint investments and strengthen digital skills, especially for start-ups and SMEs to create more competitive businesses, new jobs and connecting new markets and cross-border trade;
- Increase national coordinated efforts to provide a solid governance to e-commerce and ensure policy coherence for the effective implementation of the eT Ready Action Plan;
- Build a body of certified experts to develop digital skills for e-commerce players and integrate the consumers' perspective in the e-commerce policy development.

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# **Digitizing global trade documentation: Making legislative frameworks inclusive, transparent, and efficient**

**Organized by the United Kingdom Government and ITC\***

## **Summary of discussion**

The session considered the benefits of compatible legal frameworks for digital trade in goods and services from different perspectives, including developing countries, MSMEs, female entrepreneurs, and international organizations.

### **Women entrepreneurs and MSMEs perspective**

Digital trade brings major opportunities to entrepreneurs, especially women – who may have been excluded from traditional modes of trade. It is important for MSMEs to be able to benefit from digital trade tools such as electronic documents, electronic authentication, and electronic signatures. These tools increase trust and confidence in digital trade, make trade processes faster, more efficient, and offer individuals increased freedom to buy more from businesses.

The issue of compatible electronic transaction frameworks is wrapped into a wider issue that many groups face: how to reap the benefits of digitalisation. Individuals and businesses in developing countries can often struggle with the adoption of technology and connectivity to the internet. There is a clear need to invest in services that support and educate people to overcome these challenges.

Democratizing access to digital trade must include opportunities for women and underserved groups to vocalise their thoughts on how to increase digital access. They need to have a say in policies so as to make them effective. Therefore, governments should work with industry to support initiatives that invest in and support the adoption and affordability of digital trade, and involve women-led businesses in the decision-making process, including the development of training and upskilling they need to harness the opportunities of digital trade.

## **International organizations perspective**

Through its 2017 Model Law on Electronic Transferable Records (MLETR), UNCITRAL put forward an international framework for the use of electronic transferable records (e.g., bills of lading and bills of exchange). The key challenge with this initiative was overcoming issues inherent in the virtual space, for example how to translate physical possession of a document into the online context. This was achieved by automation and utilisation of technology. Today, all relevant information related to a commercial transaction can be put into a single electronic transferable record and be selectively shared with each business partner (e.g., customers, carriers, banks). Data is up-to-date, accurate, and authentic.

Developing countries are usually in a good position to implement MLETR due to expeditious lawmaking and no prior laws in this space that need to be repealed or changed. However, developing countries can have infrastructure and business process issues that prevent them from fully benefiting from the Model Law.

Dots need to be connected between digital trade, digitalization, transformation, and data society to bring a positive economic and social impact on developing countries. Governments should closely coordinate the promotion of digital trade and the work of donors traditionally active in developing countries. Efforts need to be made to explain why digital transformation is so critical to social and economic change, especially in developing countries.

## **ITC perspective**

COVID-19 seems to have led a number of countries to digitalise in order to maintain competitiveness. This has been beneficial for digital trade. Going forward, attempts towards regionalization such as through the African Continental Free Trade Area (AfCFTA) will require national legislation of trading partners to be harmonised. The UNCITRAL MLETR is being adopted by a number of countries, and the ITC has provided assistance to support that adoption. Unlike other issues in the digital trade space, digital trade facilitation issues are usually uncontroversial. This is why national implementation of existing instruments for digitising global trade documentation should be the first step towards making legislative frameworks inclusive, transparent, and efficient.

## **Recommendations**

To make electronic transaction frameworks inclusive, transparent, and efficient, policymakers are recommended to:

- Work with industry to support initiatives that invest in and support the adoption and affordability of digital trade, and involve women-led businesses in the decision-making process, including the development of training and upskilling they need to harness the opportunities of digital trade.
- Closely coordinate the promotion of digital trade and the work of donors traditionally active in developing countries and increase efforts to explain why digital transformation is so critical to social and economic change, especially in developing countries. This should be at the centre of development policies.



# Implementing Digital Transport and Trade: Enabling the e-commerce driven economy in COVID-19 times and beyond

Organized by: ICAO \*, UN ECE\* and UN ESCAP\*

How can international organizations support Member States in seizing the opportunities digitalization offers while helping them address its challenges- in particular as it relates to digital transport and trade?

Panellists identified 8 key drivers for digitalization, including:

- The WTO Trade Facilitation Agreement;
- The need to reduce air/seaport congestion;
- COVID-19 and the “new normal”; and
- Increased focus by regulators on aviation safety and security and how advanced data exchange is a key tool in this regard.

They also highlighted some of the key challenges facing digitalization including lack of coherent standards, legal uncertainty, and rules hindering cross platform document exchange.

Several initiatives and existing frameworks were debated as key to reaping the benefits from digitalization, among which:

- Instituting a modern digital transport and trade ecosystem by reforming laws to digitalize trade documentation and align legal frameworks to the UNCITRAL Model Law on Electronic Transferrable Records (MLETR).
- The framework provided by the Single Window Domain of UN/CEFACT under its Recommendation 33, which guides implementation of digital trade infrastructure.
- The ICC Digital Standards Initiative (DSI), which aims to establish a globally harmonized, digitalized trade environment while also addressing the negative impacts of COVID-19.

UNECE and UN/CEFACT share the same objectives—simple, transparent and effective processes for global business, as well as efficient and automated exchange of information—through developing recommendations and standards. UNECE is taking a holistic, multimodal approach versus the sectoral views of many. The UN ECE representative enumerated the various benefits of the UN/CEFACT reference data models (RDMs) under the umbrella of the ‘Buy-Ship-Pay’ RDM. He also highlighted the new data exchange standards developed with ICAO and FIATA for key transport documents and encouraged pilot implementations so supply chain stakeholders might realize their benefits.

The Indian panelist highlighted the outcomes her country seeks vis-à-vis digital transport and trade, as well as the contributions of ICAO’s Council Aviation Recovery Task Force, which recognizes global supply chains as essential connectivity and called for broad digitalization of information exchange.

The CEO of Spherity homed in on the growing importance of identity and provenance chains and presented the value proposition of decentralized identity for verification, tracking and tracing. He then highlighted the work of the U.S. Department of Homeland Security in developing with W3C new digital identity standards for royalty-free public use that benefit e-commerce and the broader supply chain, among various other sectors (e.g., driver licenses). These standards allow full visibility and greatly improve an authority’s or

regulator's analytics, cross-referencing abilities, and timely visibility into e-commerce supply chain data to combat abuses such as counterfeiting, illicit goods, duty evasion, as well as safety and security risks, while improving delivery times. Further, he shared critical success factors for moving these standards to productive systems.

Recognizing this global trend, he provided an EU high-level legislative overview on Digital Product Pass for a variety of use cases including circular economy and customs, while also mentioning the e-commerce vision from China Standards 2035.

## Outcomes and closing remarks

ICAO's efforts to develop a trust framework for aviation are in line with the work undertaken in many countries like the U.S. The importance of cyber security was pointed out, as were ICAO's deep discussions with U.S. DHS, ICC and other stakeholders on the application of these new standards. The need for implementation of Zero Trust Architecture mechanisms to prevent injection of fabricated data was recognized.

This panel was also deemed as a good basis to mature the ICAO-ICC collaboration that started with the 2021 joint statement and which could yield the global community significant safety, security and economic benefits.

Finally, it was agreed that there is a need for UN agencies and the broader stakeholder community to facilitate the adoption of improved processes through internationally agreed upon provisions for electronic exchange that are built upon interoperability and multimodality.

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## Measuring international data flows

Organized by UNCTAD\* and ITU\*

Cross-border data flows play an increasingly important role in the world economy, with major implications for the SDGs. Meaningful measures of these flows are critical to better understanding these new global dynamics and for evidence-based policymaking. However, measurement remains challenging.

The session highlighted key characteristics of data, including its non-rivalrous nature in use, the fact that data flows are often not required by countervailing monetary payments (unlike transactions involving goods and services), and that practically all individuals and organizations are "producers" of data (often unknowingly). Furthermore, data is multidimensional by nature – economic dimensions of private and social value cannot be divorced from other dimensions such as those related to privacy, security, and other human rights. These characteristics make international data flows different from international goods and services trade flows in important ways. Cross-border data flows are a new kind of international economic flow, which lead to a new form of global interdependence. Those in developing countries, especially LDCs, face a "data divide" which compounds existing "digital divides" and leaves them at risk of primarily becoming producers of "raw data" flows while being unable to benefit from digital intelligence derived from data about their own citizens and firms. A global approach is therefore needed toward to governance of these flows to ensure data flow for the benefit of all while rights (including human rights) are safeguarded. Furthermore, the unique role and nature of data calls for a new and tailored institutional setup to meet the global data governance challenge. UNCTAD's Digital Economy Report 2021 provides more detail.

This session also examined evidence from UNCTAD and ITU on the scale of cross-border data flows, finding

that international data flows have been increasing exponentially and are concentrated along connections between North America and Europe and North America and Eastern Asia. Furthermore, the economic value data flows support appears to be concentrated toward a relatively small number of global tech firms, mainly based in the U.S. and China. New research by Dr Wendy Li of the Moon Economics Institute built upon these measures of international data flows in “bits and bytes” by using the link between “big tech” firms’ data holdings and their organizational capital (for which there is established measurement practice) to derive estimates of the economic value of inter-regional data flows. The global value of data flows was estimated at US\$ 3 trillion in 2020. These estimates mark an important advance, and the approach can be applied in different situations including at the level of individual countries; the limiting factor is the availability of information on data flows at the country level.

Overall, the session concluded that valuable advances had been made but further effort is needed to measure the volume of data flows, to gain more insights into their content (which has implications for the associated economic value), and to produce estimates at the national level.

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## The importance of greater international collaboration on data governance

### Organized by CIGI

Data is a key driver of the innovation process of new digital technologies where high-cost sunk investments and near-zero marginal costs give first movers a tremendous advantage to exploit economies of scale and scope, network externalities and information asymmetries. These characteristics have placed developing countries at a severe disadvantage in their ability to harness their data for development for several reasons:

- First, many lack the skills and the capital necessary to make these investments.
- Second, the range of policy and governance issues that must be dealt with to successfully harness data for development are broad and interrelated, including laws and regulations related to data and artificial intelligence, privacy, cyber security, intellectual property, innovation, and competition.
- Third, developing countries must also navigate and negotiate within a complex web of regulations (or lack thereof) related to the vested interests of firms and jurisdictions, including the extraterritoriality of regulations and policies, governance gaps and an international framework that is not suited for the digital economy nor inclusive. It is thus essential that developing countries have skilled negotiators. Finally, surprisingly, it is also difficult to assess the state of play in these governance arrangements which is surely a critical step to understand the state of play and to ensure that they meet the needs of all countries.

### The key issues raised in the session include:

- Data can be classified in many ways including as a good or service, public or private, import or export and can be transformed among these many dimensions. Nevertheless, few countries consider this multidimensional nature or how data can be used as a public good, and typically treat data as a commercial good. This is reinforced via trade agreements though new digital economy style agreements are a promising way forward.
- Many countries have in place frameworks for data management and open data, and many have protections in place for personal data, but they sometimes lack force of law, may be limited

to sectors, and sometimes do not include an assessment of risks associated with data use, while few countries have global frameworks for data sharing. Countries also import regulation – either by choice or because they have no choice and need to comply – and that may not be suitable for a particular country.

- Developing countries face other challenges in building data governance. For example, how can African governments exercise agency given the asymmetric power nature of relationships with different countries, with China used as an example. China dominates all layers of ICT investment and infrastructure in Africa e.g. satellites, smart cities, cables, data centres, application devices, urban security systems and platforms for consumers. This dominance gives China influence over how digital policies and strategies are shaped.

## Recommendations and way forward:

- The [Digital Trade and Data Governance Hub](#) and the [Global Data Barometer \(GDB\)](#) each document the state of play in data governance from different methodologies and perspectives and covering different numbers of countries though there is some overlap. These initiatives provide essential information to allow an assessment of the state of data governance from a wide variety of perspectives. This work will be on-going and thus will also provide how governance is changing over time.
- The [Datasphere Initiative](#), which was launched in April, takes a different approach, and has created the world's first global network of stakeholders building agile frameworks to responsibly unlock the value of data for all. The datasphere dashboard maps 160 organizations doing work on data and presents a wide range of information on the nature of the organization (e.g. private, public, international organization, NGO etc.), activities, geographic scope, sectors, and so on. The work is “living” and will be updated with new members also able to join.
- Sandboxes – inspired from the software sector – that focus both on regulatory processes (like done in the financial sector) and on operational aspects of data governance such as different ways of accessing and sharing data and testing out solutions for cross border data are a promising way forward to improve data governance.
- How to assess the impact of power asymmetries is not binary and needs context. One way to do this is to interview those involved in negotiations or the development of regulations to assess how digital rights are affected, how cyber governance norms affect democratic countries and so on. This is the ambition in the [Africa-China negotiation workshop series](#).

In summary, despite efforts by many countries to put in place rules and regulations related to data governance, there remain many gaps to fill. Indeed, there are many dimensions to data governance that go well beyond rules and regulations; they also pertain to the ability of countries to have agency over their own data “futures,” and this is an area that also needs to be explored.

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## Data regulation: Implications for the digitization of the economy and development

Organized by South Centre\*

Digital data is of essence for e-commerce and development. How data is normatively characterized and governed is key to define e-commerce and broader digitization policies. The determination of whether data is owned under new or existing rights (such as intellectual property), subject to sovereign rights, or a

public good may have key implications for data governance and the digitization of the economy. The session discussed these issues from the perspective of developing countries, including how to develop frameworks that promote equity and support development.

### **The main takeaways of the session are:**

- The need to ensure the continuation of the ample policy space under international law for countries of the global South to craft their policies on data;
- The need for the global South to craft new regulatory models which may depart from the ones adopted by the US and other developed countries, and which may contribute to counter contemporary structures of power;
- The need to unleash the potential of utilizing data infrastructures set up by the public sector (and how to avoid reliance on infrastructures of the private sector);
- The need for coalitions between countries to overcome the unequal capacity for negotiations at, inter alia, the WTO and free trade agreements.

### **Below is a short summary of the main points of each speaker.**

Carlos Correa, Executive Director of the South Centre, highlighted the importance of a taxonomy and of legally characterizing data in the light of diverse options (including ownership, sovereign rights, sui generis rights, global public goods, and contractual rights). He exemplified how this complex issue may lead to restricted access such as by attributing copyright on certain categories of data. He concluded by noting the pivotal importance of maintaining policy space for developing countries while clarifying legal issues, determining development goals, and addressing asymmetries such as those which arise from the market dominance of certain companies.

Renata Ávila, CEO of Open Knowledge Foundation, recalled the often-disregarded role of public services and their relation to data – which are held and controlled by private companies. She noted the need to think about infrastructures of data (and not only datasets and how to control them, but how to effectively use such infrastructures for the public good). The COVID-19 pandemic exacerbated existing gaps and inequalities; those concerning digitization are not isolated from others. She concluded with a call to exploring and prototyping different data architectures and to changing the current dominant mindset towards a real global public good mindset.

Beatriz Kira, Senior Research Associate at the Blavatnik School of Government, University of Oxford, stressed that data is key for development, which requires trustworthy data collection and data protection frameworks. However, most developing countries are not yet digitally ready, and often lack capacity, funding, and technical assistance for technology governance. Countries need to establish policies and regulations to support interoperability and data portability to maximize the social and economic value of data, she said. Referring to the Oxford University research, she analyzed the domestic regulations and policies of four sample countries – South Africa, Nigeria, Kenya and Senegal – comparing their regulatory approaches across several policy issues, including cross border data flows, data localization, and personal data protection. These discussions will be part of AfCFTA Phase 2, which further highlights the importance of international cooperation and multilateral organizations.

## SPECIAL SESSION

# eTrade Readiness Assessment of Kenya

Organized by UNCTAD\*

This thematic session presented the main conclusions of eTrade Readiness Assessment (eT Ready) of Kenya conducted by UNCTAD in 2022 under the leadership of Kenya's Ministry of ICT, Innovation and Youth Affairs (MoICT) and the Ministry of Industrialization, Trade and Enterprise Development (MoITED) with the support from the Government of Germany. The eT Ready provides a diagnostic of the e-commerce ecosystem and is the basis of the national E-commerce Strategy currently underway. The session featured panelists from UNCTAD, MoICT, MoITED, and the Government of Germany and inABLE, an organization which focuses on ensuring people living with disabilities have access to assistive information and communications technology. The eT Ready benefitted from contributions from the BSI (eTrade for all partner).

### Issues discussed

The Kenya eT Ready highlights the unprecedented growth of Kenya's digital economy over the last two decades, driven amongst others by investments in ICT and digital infrastructure and devices, a vibrant start-up ecosystem, a conducive regulatory environment and mobile money innovation. Kenya is recognized as an early adopter of e-commerce, referenced in several of the country's national development plans and sectoral policies. COVID-19 containment measures have further increased the uptake of digital services. Kenya also benefits from a relatively well-developed transport and logistics infrastructure.

Notwithstanding these notable achievements, a number of challenges require the attention of policymakers and stakeholders alike: the access to Internet in rural areas and to affordable digital devices, as well as the cost of digital payment transactions particularly burdensome for informal actors; regulatory challenges need to be addressed to promote trust and reliability of e-commerce; and, a mismatch between digital skills and labour market needs. The last part of the session focused on suggestions for a more inclusive e-commerce development for people with disabilities, as well as the elderly. Access to e-commerce is hampered by the skills development needs, cost of digital devices, and products and services that often remain inaccessible for people with disabilities. The meeting heard about Kenya's experience in developing ICT accessibility standards, which will be launched on 25 May 2022 during the Inclusive Africa Conference in Nairobi.

### Main policy recommendations

- Kenya should capitalize on existing strengths and address challenges as per the eT Ready recommendations. The forthcoming E-commerce Strategy will be instrumental in facilitating this process.
- Kenya, and the other front-runners in e-commerce in Africa, may wish to consider how their experiences can inform and help to guide the development of various policy frameworks and trade arrangements currently being put in place on the continent.

Other developing countries, including in Africa, should consider adopting ICT accessibility standards in view of the importance of ensuring that no one is left behind in the digital transformation.



# Advancing cross-border paperless trade: Nurturing a digital trade environment

Organized by EIF\*, UN ESCAP\*, UNCITRAL\*, UNCTAD\* and WTO\*

This session shed light on the tools for advancing cross-border paperless trade and readiness assessments for cross-border paperless trade. During the session, panelists from Azerbaijan, the Philippines, and Bangladesh shared their experiences conducting the national readiness assessment studies, including key findings and benefits deriving from these studies.

Ms. Soo Hyun Kim, Economic Affairs Officer, ESCAP briefed on developments in the Asia-Pacific region for trade digitalization, especially those supported by ESCAP. She also highlighted the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific, a UN Treaty dedicated to advancing cross-border paperless trade by providing a dedicated intergovernmental framework to develop legal and technical solutions. She also introduced the Readiness Assessment Guide for Cross-border Paperless Trade, an online platform developed in collaboration with UNCITRAL and EIF to facilitate self-assessment.

The legal aspects of the guide were introduced by Mr. Luca Castellani, Legal Officer, UNCITRAL. The readiness assessment is a diagnostic tool whose primary purpose is to provide an accurate picture of the status of paperless trade. The legal checklist is a starting point, and the action plan deriving from the readiness assessment can be used to draft a to-do list for legal reform. Still, a much broader framework should accompany countries in implementing reforms. UNCITRAL would assist countries in adopting and implementing the texts. Legal checklist and guide support broadly shared principles that promote interoperability and mutual legal recognition.

## National experiences with readiness assessment report for cross-border paperless trade

Mr. Babayev Igbal (Deputy Chairman, State Customs Committee, Azerbaijan) shared Azerbaijan's current status and developments based on the results of the national readiness assessment report and the benefits of conducting the readiness assessments. Conducting a readiness assessment supports Azerbaijan in advancing further in cross-border paperless trade, building upon its significant progress. The readiness assessment could assist in planning the digitalization strategy, developing national capacity and systematic and centralized approach, design the reform of the legislative framework and pilot projects.

Mr. Allan Geronimo (Deputy Commissioner, Management Information Systems and Technology Group (MISTG), Bureau of Customs, the Philippines) shared the Philippines' experience conducting the readiness assessment for cross-border paperless trade. He shared the key findings from the study and some challenges related to data harmonization, monitoring of progress, and international cooperation

and highlighted the benefits of conducting a readiness assessment that could support the continuous development and enhancement of trade-related electronic systems and other trade IT projects. The readiness assessment could promote interoperability, enhance trade facilitation efficiency, and open opportunities for the electronic exchange of cross-border documents.

Mr. Hafizur Rahman (Director General, WTO Cell, Ministry of Commerce, Bangladesh) presented national experiences on readiness assessment and Bangladesh's general cross-border paperless trade issues. He shared critical technical areas for further improvements, including enabling relevant regulatory agencies to use paperless trade systems, enhancing strategic and holistic plans for ICT systems, and continuously



engaging in regional, subregional, and bilateral initiatives on cross-border paperless trade. He also shared key legal areas of reforms, including efforts to modernize its statutes and regulations related to electronic transactions and national laws to establish the nature, functions, and features of the NSW, incorporating relevant international legal standards/regulations/guidelines into its legal frameworks.

E-commerce and trade facilitation were selected as priorities of the Pacific Aid-for-Trade Strategy 2020-2025, stated Mr. Andrea Giacomelli (Aid-for-Trade and Trade Policy Advisor, PIFS). He identified the unique challenges of Pacific countries due to the 'tyranny of distance' and the low implementation level of trade facilitation, as seen in the UN Global Survey on Digital and Sustainable Trade Facilitation. He introduced the Pacific E-commerce Initiative, with the Pacific Regional E-commerce Strategy and Roadmap endorsed in 2021 and currently focusing on implementation. Accession to the Framework Agreement and adoption of UNCITRAL model laws on electronic transactions are identified in the regional roadmap to enable the electronic exchange of trade-related data and documents by ensuring interoperability.

The forthcoming Cross-Border Paperless Trade Toolkit was introduced by Ms. Emmanuelle Ganne (Senior Analyst, WTO). The toolkit aims at supporting the adoption of cross-border paperless trade at the global level, especially to help developing countries and LDCs implement cross-border paperless systems. The toolkit is expected to be used as an entry point document providing an overview of actions required to implement cross-border paperless trade systems, while the readiness assessment guide and checklists will provide more in-depth guidance.

### **Key take away from the discussion:**

Cross-border paperless trade has great potential to grow trade competitiveness and support nurturing enabling environments for e-commerce and digital trade, especially for SMEs. There is a need for a holistic assessment of countries' ecosystem and technical and legal readiness for paperless trade to support evidence-based policymaking and action plans. Moreover, regional/global efforts and partnerships toward harmonization and digitalization of trade procedures is key.

The Cross-border Paperless Trade toolkit will be instrumental in this regard. Further partnership and capacity building to support countries strengthening inter-agencies coordination, improving infrastructure, and leveraging advanced technologies moving forward is necessary.

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## **The AfCFTA and data governance frameworks in Africa**

**Organized by ITC\*, UNCTAD\*, UN ECA\* and UNDP**

This session aimed to discuss how data could be treated in the AfCFTA Digital Trade Protocol, currently under negotiation, and governed coherently across other relevant AfCFTA Protocols. Amid global consultations among stakeholders from diverse fields (public and private sector, the academia and civil society) on the governance of international data flows, where individual country policies may pose great challenges, a Continental Policy Framework is emerging as an important instrument to unlocking cross-border trade.

Consensus emerged among all the panelists on the crucial role of data in cross-border trade and the potential it bears on the development of Africa if adequately regulated. Recent developments in relation to the on-going negotiations of the AfCFTA Protocol include the extension of the mandate of the Protocol from e-commerce to digital trade and the creation of a Committee on Digital Trade established by the Council of Ministers of Trade within the AfCFTA, despite the challenges emanating from COVID-19 restrictions.

Preparatory work for the negotiations, covers issues such as data governance, data protection and data localization amongst others.

On the governance of data specifically, several issues were raised during the session, including the question of the right priorities for Africa are, the challenges resulting from standards imposed on countries which do not yet have data rules, resulting in slow implementation or compliance. It was also noted that the underlying cause of low levels of policy readiness manifest in four main areas: content, process, infrastructure and a market of informed actors. The fragmented approach to data policies across African countries was considered to demand data regulation harmonization. However, the existence of different definitions of data governance and/or data justice may require further consultations before a sustainable approach can be identified for Africa. Similarly, the discussion put forward the loopholes created by the application of general laws to the digital space, which combined with a low level of maturity of polices, may erode people's trust in governments and digital trade.

Another critical aspect addressed during the session was the importance of avoiding a silo approach, as countries focus first on national rather than regional interests. However, it is notable that recently introduced taxes on digital transactions in Ghana, Uganda and Nigeria affect cross-border digital trade. A key question raised by discussants is how a regional approach can be forged, which respects national interests, particularly when implementation frameworks are often resource-constrained and when the infrastructure does not yet support digital readiness.

Finally, the imbalance between private innovation and government priorities was also addressed. Governments' efforts to control and tax developments in the digital space pose the risk of driving innovation away from Africa. In this context, it is particularly important for governments to coalesce with the private sector on the acceptance of industry standards and for the negotiations to draw from the current negotiations for the Protocols on Competition, on Investment and on Women and Youth to ensure that SMEs will fairly participate in the digital economy.

## **The way forward**

Reflecting on the points made during the session, discussants reiterated the importance of:

- Promoting multistakeholder consultations, involving inter alia innovators and regulators to build a model of data governance in Africa and a clear sequence for the negotiations to harmonize public/private concerns and interests and promote a balanced outcome.
- Agreeing on key concepts for assessing the readiness of countries to adopt existing and possible future data governance frameworks.
- Looking beyond policies and rules to integrate Africa's broad development objectives and realities.
- Equipping, at the national level, institutions that regulate data enterprises with the adequate models and resources to promote data sharing.
- Promoting, at the regional level, collaboration among professional networks or associations to establish sector-specific open data platforms that encourage knowledge-sharing, networking, and collaboration in support of innovations which will benefit the entire continent.

## Reducing costs, building trust through electronic SPS certification

Organized by GATF, STDF and WTO\*

This session focused on how electronic sanitary and phytosanitary certification (SPS eCerts) have a key role to play in trade reform and considered how expansion of certification beyond ePhytos would drive trade reform, benefitting MSMEs in particular.

The critical need to move goods across borders as efficiently as possible to alleviate the strain on global supply chains has intensified focus on the benefits of switching from paper to SPS eCerts. SPS eCerts allow the secure electronic transmission of mandatory sanitary and phytosanitary certification data for plants, animals, and food products from an exporting authority to a relevant counterpart in the importing country, transforming the traditional paper-based process. This brings greater security, certainty and transparency while lowering costs and eliminating unnecessary delays.

Saholy Nomenjanahary Ramiliarijaona, Head of Plant Protection, Madagascar, told participants that by joining the ePhyto Solution for certification of plant and plant products her country would increase sales, reduce trade costs, and boost the competitiveness of the vital agri-food sector, which is responsible for 41% of total export sales. Madagascar is currently trialing the system, with full implementation expected later this year, with positive early feedback. Financial constraints and lack of technical expertise have been the biggest challenges faced by Madagascar in adopting the ePhyto Solution and suggested that other developing countries and LDCs would likely face similar challenges. She also referenced the need for advocacy to drive any necessary legislative obstacles to adoption and an awareness campaign to persuade traders to use the system.

Amgad Shehata, UPS Senior Vice President Global PA & Strategy, said that goods moved faster when processes were standardised, and the adoption of electronic documentation was an important prerequisite.

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## Impact of data governance & cross-border data flows on digital industrialization, agriculture, and indigenous data sovereignty

Organized by TWN

Digital industrialization needs data. Many countries allow data to freely flow out of their countries so those who can collect the data become its owners, process it, and resell it back to the countries which provided the data. Hence, it gives them first mover advantage and monopolistic type power like dominant digital platforms. Advanced countries have a lot of unicorns (big tech platforms); to make sure they have free flow of data, they are pushing for CBDF in many digital trade negotiations like in the JSI on e-commerce in the WTO.

But advanced countries also use data localization themselves, e.g. the EU's GDPR because it is only allowed to go out to a few countries who meet the EU's personal data privacy standards.

Data centres are the factories of the digital economy. Without these data centres, countries become dependent on imports of digital products. Countries with data localization (DL) have attracted FDI e.g. data centres from Singapore to Indonesia which can lead to technology and skill spill overs and capacity to

process data can be learnt by domestic firms.

The Digital Economy Report of 2021 and UN High Level Panel Report on Digital Cooperation both talk about how data flows are very different from trade flows and so should be out of trade negotiations. A lot of data has nothing to do with trade and is multidimensional so the UN which is multidimensional, multistakeholder and multilateral should provide the global data governance and flow framework.

Kartini Samon provided examples of the digitalization of the agriculture sector and its impact on small farmers.

Digitalization of agriculture is very much prone to data abuse and monopolization as power is concentrated in a few multinational companies with data centres.

Professor Emeritus Kelsey shed a light on the impact of CBDF on indigenous rights. The UN Special Rapporteur on the Right to Privacy in the report of the big data open data taskforce in 2018 emphasized the UN Declaration on the Rights of Indigenous Peoples provision regarding self-determination & governance over resources and culture which included the need for governments and companies to recognize the inherent sovereignty of indigenous peoples on data collected from them and which pertains to indigenous knowledge, customs, or territories. This is one of the current discussions on rights regarding indigenous data sovereignty (IDS) and protocols regarding indigenous data governance that gives life to IDS.

But digital trade rules encode the western model and disallow the prerequisite for effective IDS and governance, including that data is held and governed in the source country and this creates constitutional conflicts in countries with obligations to indigenous peoples because the trade rules constrain the ability to adopt the digital sovereignty regimes and effectively protect indigenous rights. But donors are pressing them to adopt western digital trade rules without recognizing the implications for control over their own data and cultural sovereignty. In other developing countries indigenous peoples are a significant part of the nation, often recognized and protected in constitutions and they also face pressure to join the un-mandated JSI e-commerce or adopt e-commerce chapters in free trade agreements (FTAs). Even in developed countries there are historical treaties and legal rights which require recognition and protection.

Other countries with indigenous peoples, or states that are negotiating with such countries, need to recognize and address this challenge as a matter of urgency. Developing countries should be emboldened by the UN rapporteur and the New Zealand experience to challenge culturally inappropriate digital trade or e-commerce rules and similar proposals for domestic regulatory regimes that cut across their fundamental culture, values, and identity, and seize the opportunity to work together with indigenous peoples to develop an alternative framework that truly protects and advances indigenous data sovereignty and governance.

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## Assessing the role of digital platforms in data governance and ethics

### Organized by WBA

This session discussed how the world's most influential digital platforms are performing on data governance and ethics as well as policy and regulatory frameworks needed to drive corporate responsibility on these issues.

WBA presented insights from the 2021 Digital Inclusion Benchmark (DIB) report on the performance of digital platforms on data protection and cyber security

It emerged from the presentation that e-commerce companies are lagging in digital inclusion compared to other tech companies and their performance particularly poor in area of data governance and ethics. None of the e-commerce in the benchmark published the principles it follows for ethical AI and neither do they have formal committee with AI oversight responsibility Stakeholders were invited to encourage companies to follow best practice for data governance and ethics.

Digital platforms/e-commerce companies were encouraged to learn best practices on data protection and ensuring cyber security from each other through workshops, seminars, and other engagement forum to ensure trust in their technologies.

In its efforts to encourage improved performance by the technology companies including e-commerce platforms, WBA organizes peer learning sessions for companies assessed by the benchmark every year on different topics. The companies share their experiences, learnings, and current trends and approaches to various issues on digital inclusion.

This session emphasized multi-stakeholder collaboration to ensure the private sector's accountability on issues around data protection, cyber security, and responsible and ethical AI, which echoes the true spirit of SDG17: Partnerships for the Goals. Interventions included calls for collective engagements to address some of the issues presented at the webinar. Stakeholders in the digital sector were invited to join WBA's Collective Impact Coalition for Digital Inclusion, a multi-stakeholder engagement initiative to act on the key issues in the digital sector highlighted in our research findings - the first action being on ethical Artificial Intelligence. The choice of ethical AI as a CIC topic was informed by one of our key findings of the 2021 report, which showed that only 20 out of the 150 assessed companies had commitments to ethical AI principles. We will be asking the 130 tech companies to commit publicly to ethical AI principles (designed by them or regulatory bodies).

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## Designing innovative data governance solutions for the global south

### Organized by the Datasphere Initiative

The session brought together speakers from Smart Africa, the Government of Japan's Ministry of Economy, Trade, and Industry, the Latin American Initiative for Open Data, and the Datasphere Initiative to exchange on the opportunities and challenges data is bringing to the global south and how these can be addressed through the design of new and agile data governance solutions.

For many economies, data lies at the core of digital transformation and further discussion is needed on non-personal data and how to harness the benefits of use and sharing across borders. The fragmented landscape of data governance frameworks across regions such as Africa was pointed to as one of the factors slowing down business investment and digital transformation.

Debate on data needs to relate to the public interest by using evidence-based analysis and analogies in a more subtle and less definitive fashion. Data is not only about assets but also about rights, inclusivity, and how governments, businesses, and societies act on data. For example, open data (in a legal and technical sense) could provide solutions to several development challenges and can be applied widely in the public sector. However, experience has shown that streamlined and coherent policies are important to fully realize the potential of open data initiatives.

While more than 80 countries in the world do have open data policies, in the last few years there has been a general push against openness. Personal data scandals have led to questions about how to regulate and structure the incentives for data to serve the right economic and societal outputs. On tools to track policy developments taking place around the world, the Global Data Barometer was provided as an example of an initiative that creates a baseline for this debate by looking at regulation, capacity, and impact of data use in the public interest.

Other initiatives seeking to contribute to reframing how we think about data governance were shared during the session such as the Data Values Project by Global Partnership for Sustainable Development Data. Based on consultation with 250+ individuals, and 150 organizations from 55+ countries the campaign sought to develop norms and discuss rights implications for data governance.

Speakers also drew on more formal data governance concepts such as Data Free Flow with Trust as introduced at the Osaka Japan G20 presidency. One of the challenges in finding data governance solutions is that many countries and jurisdictions have different ideas of how privacy and national security should be protected including what is the scope, making it difficult to find convergence. Evidence-based examples and multistakeholder exchange on policymaking are important to understanding the barriers to data flows.

The Datasphere Initiative is designing new and agile data governance solutions looking at the data ecosystem as not only the datasets but also the relations humans and norms are immersed in with data. The Datasphere Initiative recently produced a Datasphere Governance Atlas report mapping organizations working in data governance and is examining the model of sandboxes for data (both regulatory and operational), what they stand for, and how they could offer workable solutions for cross-border data flows.

### **Key takeaways from the session include:**

- Data is not the new oil but a backbone of economies and societies
  - Multistakeholder cooperation and evidence-based analysis are necessary to build trust which is subjective and unique to different cultures and contexts.
  - New and more agile models of data governance are providing innovative solutions.
  - Common goals and coherent policies are needed so data can serve economic and societal objectives.
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# Faster customs, faster trade – Digitizing cross-border trade procedures: Learning from success stories

Organized by ITC\*

The session discussed the complementarities between trade facilitation and digital technologies and the benefits of digitally enabled solutions adopted to facilitate compliance with border procedures and expedite the movement of goods, especially to cope with the restrictions imposed during the COVID-19 pandemic. In doing so, the session explored the critical success factors of effectively using digital technologies to facilitate trade.

The use of digital technologies is not new: automated customs systems have existed for long and initiated the transition towards a fully automated border environment. What has changed then?

Technology has changed, and at a very fast pace. Technology allows us to do much more today and has redesigned the way in which border officials can carry out their mandate and duties.

Trade has changed. With the rise of e-commerce, the volume of trade has increased exponentially, and border officials face enormous pressure to ensure fast and efficient border compliance when consumers expect just-in-time delivery.

Our world has changed, especially in the past two years: while COVID-19 has exposed many trade vulnerabilities, it has also underscored the need for fast, simple, and unimpeded trade to ensure that critical goods reach rapidly those who need it the most. It also underscored the need to accelerate the implementation of digital solutions to make trade more accessible for all economic players.

- *The interoperability and interpretation of national legal instruments is crucial to share trade-related data effectively and safely across borders.*

To ensure successful compliance with procedures and efficient transmission of information among border officials and supply chain operators in different countries, the interconnection of systems and interpretation of languages is a fundamental aspect. A best practice discussed was the use (and ensuing benefits) of sophisticated digital tools that allow for the translation, interpretation and compatibility of national port rules and legal instruments among countries within transnational digital trusted trade channels that enable exchange of information in a secure and agile manner.

- *Digital procedures can help reduce barriers to intra-regional trade and advance the regional integration agenda if regional coordination is ensured*

In the West African Economic and Monetary Union (WAEMU/ UEMOA) the exchange of paper-based certificates of origin oftentimes raised issues of originality and authenticity of information, preventing traders in the region to benefit from the preferential trade arrangements within UEMOA. To respond to this challenge, the UEMOA Commission has initiated a project to dematerialize and digitize the UEMOA certificate of origin. To succeed, this ambitious project rests on high degrees of regional coordination and strong political will.

- *Digital trade facilitation solutions provide a level playing field for micro, small and medium enterprises (MSMEs).*

During the COVID-19 pandemic, the Government of Sri Lanka engineered new solutions to keep international trade going despite the restrictions. To cope with physical restrictive measures during the immediate crisis, Sri Lanka has begun to develop an automated system to process and issue certificates of origin, with an



integrated e-payment solution. Large companies were already benefitting from digital payment solutions, which were however not user-friendly and conducive for small businesses. The new e-payment solution caters specifically for the MSMEs and provides MSME-friendly digital payment options.

- *We do not need to reinvent the wheel – the private sector can provide innovative digital solutions to facilitate cross-border trade*

Border officials and economic operators navigating border procedures on a regular basis do not sit at the opposite side of the spectrum. They share common challenges, needs and priorities for faster trade. While they benefit from using digital services, the private sector can also supply innovative digital solutions to governmental and border officials to facilitate and make more efficient their daily duties, minimize delays at the border and ensure a rapid clearance and release of the goods.

- *An incremental approach to a transformational change is critical to determine its success*

Transitioning from an automated customs system to a full-fledged single window environment is not an easy task. The Government of Pakistan has embarked upon an ambitious initiative to facilitate cross-border trade in the country by establishing the Pakistan Single Window (PSW), which connects all the main border agencies, banks, and supply chain operators. A lesson learnt from this experience is to adopt an incremental, gradual approach to reduce costs and ensure effective change management where no stakeholder is left out of the process.

### **Summary and key takeaways:**

Need is the mother of inventions: COVID-19 has highlighted many of the needs for digital trade procedures – however, we should not wait for the next pandemic or external shock to hasten the transition to digital, efficient, and safe trade environments.

It is critical to consult and bring in the private sector, and MSMEs, at the table – not only as users of digital services but also and especially as providers of innovative digital solutions that help to make cross-border trade procedures more business-friendly.

Among the success factors of conducive border environments, there is certainly the strong ambition and political will to think outside the box and change the way in which border procedures are designed and implemented.

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## **FROM A COUNTRY PERSPECTIVE**

### **EUROPEAN COMMISSION: The open internet for inclusive and human-centred digital partnerships**

The session was organized by the European Commission's Directorate General for Communications Networks, Content and Technology (DG CNECT) with the participation of representatives from EU-AU Chamber of Commerce and ISOC Africa and focused on the EU-Africa cooperation to facilitate an open and human-centred internet that empowers communities, citizens, and entrepreneurs.

Lars Forsberg, Deputy Head of Unit 'Policy Outreach & International Affairs' at DG CNECT, opened the session with a brief layout of the EU Global Gateway initiative; a strategy launched in 2021, which seeks to mobilize large investments into a globally connected digital system by 2027. Forsberg unveiled that the EU, the US, Japan, and other international partners on the very same day had launched a declaration

on the Future of the Internet. This initiative aims to set out the vision and principles of a trusted, open, global, and interoperable Internet for the future and to ensure human rights protection online and across the digital world.

In the subsequent presentations, the panelists warned against the dangers, and the potential costs of a fragmented 'Splinternet'. Here, it was highlighted that the Internet serves as a critical lifeline for information, for which reason it must not be politicized in day-to-day governance, e.g. through sanctions. It is key to safeguard open architecture with a common protocol and decentralized management, and there should be global identifiers to guarantee universal access.

The discussion also highlighted the importance of decentralized and interoperable network infrastructure, coupled with expertise-based protocols, in order to enable locally tailored connectivity and opportunities. Also pointed out in this context, as part of the presentation on 'Promotion and Development the Open Internet in Africa' - a EU-Africa partnership project that is part of EU's Global Gateway strategy - was the importance of understanding African stakeholders' concerns and perspectives in standard making and Internet governance. Opportunities for African voices to be included in Internet governance discussions should be created, to ensure inclusivity. Concurrently with this, to drive socio-economic growth, capacity-building as well as technical and financial support should be prioritized and a bigger focus on cyber security awareness, e-literacy and training of local engineers for the maintenance of infrastructure is critical. Overall, policies should strive to create a more enabling environment for an Open Internet for all.

Panelists furthermore shed light on opportunities and challenges revolving Open Internet in Africa. Africa overall is seen to grow increasingly dependent on the Internet, with access and number of applications online increasing. Furthermore, the continent is projected to witness a rapid increase in its Internet economy towards 2050 (moving from \$2,554 GDP (billions) in 2020 to \$8,342 GDP in 2050). In addition to this, and to the improving equal access and treatment of data, an Open Internet would benefit various other sectors, including health, industry, finance, and agriculture. Still, the region is faced with the challenge of access to energy and electricity, which are prerequisites to actual internet access: in some cases, resetting of priorities this access is necessary. The region is also concerned about importing recent problems from abroad, especially cyber threats connected to the Internet that can affect users, their relatives, and more generally vulnerable groups. A presentation of the Competence Centre for Digitalization in Côte d'Ivoire, currently under preparation, was made. Here, it was emphasized that the engagement of entrepreneurs and private sector in capacity building, together with public-private project financing, is proving increasingly important.

As for social impact, data showed that both Africa and Europe were experiencing how the Internet is changing social dynamics. In Europe, access to the Internet has increased cyber bullying and furthermore made infrastructures vulnerable to cyber attacks. Meanwhile, in Africa, emerging technologies, and the Internet more broadly, has had an impact on family dynamics and the fundamental trust between generations. To counter these impacts, and to make the Open Internet human-centric, it was proposed that programmes to address cyber threats, education, capacity-building and open discussions on policy making on Internet usage be launched.

Overall, human-centred standards and protocols need to be at the core when creating an Open Internet architecture and shaping the Internet of the Future. Multistakeholder engagement and empowerment of local communities, entrepreneurs and underrepresented groups in standard development processes and policy discussions is crucial for the development of an equal, reliable, and inclusive digital system across the world.

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## FROM A COUNTRY PERSPECTIVE

### SAUDI ARABIA: Innovation of the public sectors for digital economy in the COVID-19 era

The acceleration and adoption of digital transformation since the start of COVID-19 with collaborations between the government and public sectors, resulted in having digital applications and forms to be the lifeline for maintaining the health and safety of the society, and the main nerve for supporting the economy and business continuity. The digital economy served as a lifeline, especially for SMEs, as Saudi Arabia witnessed a qualitative growth in e-commerce and business models for services provided digitally by Saudi entrepreneurs, gains in the development of digital infrastructure, capability development and building, the development of a supportive legislative environment for innovation, and the growth of the digital economy.

#### **Saudi Arabia is the most advanced country in digital competitiveness among the G20 countries**

Saudi Arabia has the first center in the Middle East and North Africa for cloud computing stimulating digital entrepreneurship; it has received the International Prize for Empowering Women in Technology from ITU and shown progress in the UN indicators of e-government development 2020 to become the 43rd globally. It has obtained the first place in the rate of mobile speeds for the fifth-generation service.

The launch of a unified National Platform is an ambitious journey to build an integrated system that provides all government services with high quality and efficiency, through a unified experience through multiple channels.

Saudi Arabia received the Government Leadership Award from the International Federation of Mobile Communications in adopting the best policies and regulations that support the digital economy, stimulate investment and creativity, and contribute to sustainable development goals.

#### **Saudi Arabia advanced in the health sector since the COVID-19 pandemic through the Active e-health**

In the health sector, the initiatives have enabled the Ministry of Health to improve health care, by improving the quality and efficiency of health services, facilitating access to them, and enhancing prevention against health risks. The products of these initiatives were applications, platforms, and centers at the service of the citizen and the resident, whether regarding the COVID-19 pandemic or other health services, and electronic drug tracking to track pharmaceutical products at all stages from production to consumption by adopting and using the latest technical means to combat drug fraud, achieve drug security, and drug availability.

Sehaty Health aims to provide innovative and sustainable solutions, keep pace with digital transformation and employ AI in the provision of medical services, to enable individuals to receive health and preventive care from their homes, through medical consultations by text, audio and video conversations, provided by specialized doctors accredited by the Ministry of Health. Mawad is an appointment system aimed to facilitate the procedures for booking and managing medical appointments. Wasfaty is an advanced electronic service that aims to raise the level of health services and ensure the availability of medicines by linking hospitals and primary health care centers with community pharmacies, so that the patient can receive medication from the nearest pharmacy for free.

# How can women digital entrepreneurs boost inclusion?

## Peer learning dialogue across regions

Organized by UNCTAD\* and ERIA\*

The digital transformation has created many opportunities for SMEs in developing countries to grow, giving them access to global markets. Yet, some categories such as women do not benefit fully from the positive impact of the surge of the digital economy. Women still suffer from inequalities which prevent them from accessing the same opportunities as their male counterparts; and the COVID-19 pandemic has aggravated the situation by widening the pre-existing gender divide.

Women have a key role to play in reducing inequalities, but they need enough support to thrive as leaders in the digital economy. As part of a series of events highlighting the positive impact of more inclusive digital economies, this session was dedicated to present concrete actions taken by women across the globe to contribute to sustainable development.

The session meant to compare experiences and promote peer-learning amongst entrepreneurs across Africa, Asia and Latin America.

Even though progress has been made, we need to identify opportunities that could further increase the participation of women in the digital economy and reduce gender inequalities. It is important to change perceptions about women digital entrepreneurship; women need to be given a better access to funding as 90% of the VC-funded startups are men-owned.

The panelists agreed on the fact that many women are not involved in the digital sector because of lack of technical skills; indeed often women wrongly believe that they cannot build a digital business without technical skills. But mentalities are slowly evolving and women without a tech background are now growing and scaling successful businesses and leading the way for future generations. Women are already actively contributing to the economy, but very often through informal businesses. This is due to the lack of access to the education and the support that will enable them to enter formal markets.

But women, at their own level, already contribute to fostering a more inclusive economy. For instance, Claudia Rosales, founder of Women E-Work and member of eTrade for Women Communities, advocates for more gender equality in the Latin American private sector by training women with high potential and raising awareness among top companies of the need to recruit more women in management positions. On the other hand, Birame Sock aims at empowering digital SMEs in Senegal by providing them with visibility and access to global markets through her platform Kwely. She added that a woman leader tends to create a domino effect by hiring and empowering more women.

The Asian Development Bank (ADB), leads different initiatives aiming at supporting women digital entrepreneurs, such as the Eastern Indonesia Financial Innovation Lab (EIFIL) that provides access to funding. ADB's key lessons in promoting inclusive economic development in the post-recovery period, including the commitment to eradicate the gender gap, provide more opportunities for women in STEM and information communication technology, provide better digital literacy and infrastructure, and apply a social-norm approach to break stereotypes of women.

Women also need access to role models and like-minded peers who they can learn from and get inspired with. Claudia Rosales shared about her experience with eTrade for Women and how engaging with other women entrepreneurs like her across the world gave her a different perspective and helped her maximize her impact.

All the panelists agreed on the fact that women are playing a key role as ecosystem enablers. They also insisted on the need to continue to provide more targeted support, access to funding, networking opportunities and visibility to women in order to reach more gender equality in the digital economy and foster economic development.

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## **Data flows and global trade regimes: Issues of inclusive development**

**Organized by Brot für die Welt and Just Net Coalition**

The goal of the German G7 presidency is to develop a common understanding of the global digital order, including the promotion of free flow of data. For years, data has been at the center of trade negotiations at the WTO. Many countries, with the US at the leadership, see free data flows as a prerequisite for development and economic growth. Their opponents, however, claim this policy just leads to concentration of data and digital power among few corporations. That is the case of developing countries such as India and Nigeria, who already started to implement national digital policies to regulate data flows.

Against this background, the following questions were at the center of the discussions: What is the right forum for developing a global data governance framework: WTO, the UN or even the G7? What can we learn from experiences from national approaches to data localization in the Global South? What could be the role of the UNCTAD and the civil society to avoid digital giants of dominating the process of data governance?

All panelists agreed that the WTO was not the appropriate forum to regulate data and data flows. The latest UNCTAD Digital Economy Report (2021) already highlights the various reasons why data flows need to be considered differently from trade flows of goods and services. Data is not just an economic resource; it is multidimensional, which has connections with privacy, human rights. The UN High Level Group on Digital Cooperation has also concluded that data flows are very different from trade flows and should not be included in trade negotiations.

The regulating of global data flows requires a multidimensional framework involving multiple stakeholders. The UN is the best forum for regulating these issues. The UN can also address other key challenges needed to enable developing countries to bridge the growing digital divide such as how to share the benefits of the digital economy, how to reduce the dominance of a few platforms, what competition law measures can be taken at the global level, and what key technologies can help the least developed countries.

As for next steps and the role of civil society, we need to raise awareness among governments about why data flows should be kept out of trade negotiations and instead brought under the purview of UN agencies. Civil society can play an especially important role in this by identifying the right stakeholders and connecting them, highlighting the right dimensions, and getting the right associations to work together. A multidimensional, multi-stakeholder approach is particularly important because there is little understanding about the role of data in today's economy and society is. The debate about data governance is only just beginning.

If there is no global social contract for data and the digital economy at UN level, states must strengthen their digital sovereignty by means of national data and digital policies. Developing and emerging countries can learn from both the EU and China. With its laws, the EU has made progress in strengthening both civil-political rights (such as GDPR) and economic rights (such as Digital Service Act, Digital Market Act). China can serve as a good example for a successful structural change of the economy: from a global production center to a digital pioneer.

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## Marketplace activity in Africa and Latin America: What new data shows

Organized by AUAS, UN ECA\*, UN ECLAC\* and ITC\*

During this session, ITC together with the Amsterdam University of Applied Sciences (AUAS) presented a dataset on e-commerce marketplace activity in Latin America comparing the region with Africa. Panelists from Latin America and Africa offered insights on the trends and data of e-commerce in their respective economic regions while presenting the obstacles and barriers to the uptake of e-commerce.

The **“Marketplace Explorer”** tool, developed by ITC and the Centre for Market Insights of AUAS, enables an exploration of trends in marketplace usage and offers a better understanding of the number and characteristics of marketplaces in developing countries. It provides relevant information to 1) Entrepreneurs in developing countries that want to know more about the opportunities of trading online through online marketplaces, 2) Policy makers that want to know more about the marketplace landscape (trends) in developing countries, and 3) Marketplace owners interested in the competitive landscape and opportunities to benchmark their platform against other marketplaces.

The updated version of this tool will include new metrics such as annual traffic growth, market concentration index (Herfindahl index), the origin of marketplace visitors (% domestic, other African countries, other countries), and a new dashboard to highlight the origin of web visitors of marketplaces per African country. The tool can be accessed here. (More information: [ecomConnect@intracen.org](mailto:ecomConnect@intracen.org))

Online marketplaces play an important role in granting online opportunities to smaller traders in both regions by aggregating demand, providing payment solutions, and facilitating logistics services. About 22% of all retail sales are presently made through marketplaces.

The figures show the dominance of none-transactional, unspecialized, and classified marketplaces in Both Africa and Latin America.

In general, marketplaces are concentrated in a few countries such as Brazil, Mexico, and Argentina in Latin America, and South Africa, Egypt, and Nigeria in Africa. All these countries have certain characteristics in common, such as the size of economies, population, digital infrastructure development, and mobile broadband penetration (one of the main drivers for e-commerce). As per the UNCTAD e-commerce readiness index; countries that ranked higher in the e-commerce readiness index are those countries where marketplace platforms are concentrated. The e-commerce readiness grows together with the number of marketplaces in a particular country.

It is evident that the dominant marketplaces such as Jumia and Mercado libre have the biggest impact on e-commerce activities in both regions. However, there is a big potential today for local and small



marketplaces in these regions if governments partner with the private sector to set the right legislations, support the e-commerce ecosystem, and provide public e-commerce solutions such as payment, logistics, and access to finance. Governments and private players need to realize the importance of creating an inclusive e-commerce ecosystem for sustainable growth.

In addition, there is a big gap in data, the reason there is a need for tools such as “Marketplace Explorer” to provide trusted, reliable, and relevant data and move quicker with the required measurements to support the e-commerce ecosystem in both regions.

Discussions particularly focused on four main issues: (i) exploration of major findings of the landscape of online marketplaces in Latin America; (ii) comparing the marketplaces’ activities in both regions; (iii) defining the barriers for small merchants to be selling effectively online and the role of marketplaces to support these merchants in their e-commerce journey; and (iv) the requirements to facilitate inclusive online trade for small businesses.

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## The value of data in the information economy

**Organized by APIG, IT for Change, TWN and OWINFS**

The key events that have marked the course of history are the agricultural revolution, which led to the development of private property governance regimes, and the industrial revolution, which led to the development of intellectual property governance regimes. The information revolution is another key event that will mark the course of history; there is a need to develop data governance regimes, to ensure the equitable allocation of the value added of aggregated individual data, and equitable allocation of the value added of artificial intelligence based on aggregated data.

This session explored the issues, in particular the current regimes of data governance, including data privacy or lack thereof, and recent legal and regulatory developments related to ensuring equity in the allocation of the value of data.

According to the speakers, it is important that states retain flexibility for the development of new national policies regarding data, not just with respect to data protection and privacy, but also with respect to the allocation of the value added of aggregated data.

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## Potential of e-commerce to lessen the gender digital divide

**Organized by the World Bank\* and WinDt**

The session was dedicated to women, their experience in the world of e-commerce, consideration of the related data (and lack thereof), and potential ways of how the cooperation between various agents could improve the current status quo. The discussion covered the findings from the Gender Digital Divide Index (GDDI) prepared by WinDt Consulting and DAKA Advisory.

The e-commerce market has almost tripled in the last five years, and it will continue to grow should more female entrepreneurs join the market. However, the vast difference between women’s and men’s digital and financial literacy is one of the persistent barriers for the former to join. Women’s participation in e-commerce not just gives them valuable skills and enhances their business opportunities, but also provides them with



a social space to grow, work together, and further explore their capabilities

During the session, the speakers attempted to answer the key questions: how can we measure the skill gap? How can we understand what these barriers include? How do we measure the interventions? There is an extensive lack of data, as GDDI has shown. The panelists discussed these questions, as well as shared the frameworks of their respective organizations and the potential ways for collaboration.

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## **Data governance importance for e-commerce in terms of profitability and sustainability**

**Organized by AJLUDD and VMILOCP**

This session addressed 5 issues: (i) Data governance gaps: emerging, middle income and developed countries; (ii) Data governance importance for e-commerce; (iii) Data governance and COVID-19 recovery; (iv) Data governance, digitalization cyber security, and (v) Data governance and policies implementation: the case of AfCFTA.

Data governance has a transversal impact. A good data governance can be important as an economic multiplier; it can stimulate economic growth and create new opportunities.

The pandemic has accelerated the digitalization revolution. But countries are not equal. While in developed countries, sound digitalization strategies have been drafted, developing countries struggle to come up with e-commerce strategies, for lack of skills or priority. Many gaps remain: e.g. regarding the infrastructure, there is a clear difference in internet access, affordability of data connection, affordability of devices and national data centers, as well as in digital skills, data skills, level of data and digital competences in leaderships.

Regarding data governance and COVID-19 recovery, the pandemic has had a great impact globally economically and socially. Recovering from its impact has not been very easy for countries in Africa; strengthening of data governance in Africa during recovery would be one way to provide a conducive environment for digital economy to thrive through improvement in trust and confidence in data systems.

There are 4 focus areas for data governance: technology, security, economy, and law and human law that are interacting and stimulating each other with specific actions. Africa is still behind regarding the data regulation law and other sectors.

Considering the importance of data governance in policy implementation, digitalization and cyber security, more countries are formulating policies that will enable them to go digital to connect to all the world and facilitate e-commerce to ensure prosperity for all.

Policy-makers, the private sector and NGOs should take action by investing in digital infrastructures; investing in digital skills capacity building; decentralizing the implementation, monitoring and evaluation of the Digital transformation strategy for Africa 2020-2030, AfCFTA and other policies at the regional and national levels; investing in the cyber security resilience; promoting the formalization of SMEs businesses; developing the national comprehensive data protection/privacy law and creating legal enablers such as open data portals, licenses understanding..

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# Responsible re-use of data for development through data collaboration

Organized by AFD, OECD and GovLab

The session discussed how developing countries could build more systematic, sustainable, and responsible data re-use efforts through data collaboration and stewardship (in part informed by the Chapter on [“Reusing data responsibly to achieve development goals”](#) that appeared in the [OECD’s 2021 Development Co-operation Report](#)).

Panelists discussed the factors enabling data re-use for development; challenges hampering the adoption of data re-use practices; and effective governance frameworks to promote data re-use.

The discussion relied particularly on the experiences of the [Data4COVID19 Africa Challenge](#), which some of the attendees participated in, to underscore how data reuse offers opportunities and challenges for low-income states to share costs and generate insights for development.

One of the session’s major takeaways came from the AFD, who shared 5 enabling factors for data re-use from his work in the field. He identified data literacy, contextual knowledge, data stewardship, public-private data collaborations, and mechanisms for transparency and accountability as critical to driving the long-term success of any data re-use initiative.

Data literacy is particularly interesting, not only for data stakeholders but for the public at large. A robust understanding of data and its uses could build the technical knowledge base, trust and public buy-in necessary to scale data re-use efforts. UNDP noted the importance of building data capacity through data literacy when explaining non-traditional data use and the widespread adoption of data re-use, as he found that education and training vastly improved the possibilities and quality of work.

In terms of the challenges limiting the adoption of data re-use practices, one of the most prevalent factors in the conversation was a lack of funding for data projects, especially data re-use initiatives. While development agencies invest huge resources in data collection, they often fall short when it comes to analyzing the data to achieve insights for public good. Data re-use offers a more cost-effective solution to this issue but requires other resources like access to siloed datasets and technical expertise.

This discussion tied into the challenge of inclusivity plaguing the global data and digital ecosystem at present. Each country enters the data ecosystem from a different starting point. This fact is especially true of developing economies, where budgetary limitations may mean that fewer funds are allocated towards building a data ecosystem. Here, data re-use can act as a cost-effective, innovative, and inclusive solution to bridge that data divide.

Finally, a large share of the conversation was centered around governance frameworks to support data re-use for sustainable development raising several critical takeaways. There is a positive trend in the global policy discourse that has placed data governance at the top of the global policy agenda.

This focus has led to the widespread adoption of data protection laws and a range of regulatory and governance frameworks for responsible data practices. However, the discussion of risk-reward balance is skewed towards risk, resulting in data governance frameworks that are sensitive to the risks of data but are not effective in promoting responsible and ethical data practices. Striking a policy balance that maximizes the rewards of data while being sensible to its risks would go a long way in incentivizing the adoption of data re-use practices for instance.

Both traditional and non-traditional forms of data are an invaluable asset in driving sustainable development and that data will remain a priority area in their field. The panel concluded with a sense of shared optimism for the adoption of data re-use practices in the development sector.

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## FROM A COUNTRY PERSPECTIVE

### REPUBLICA DOMINICANA: Regulaciones del comercio electrónico y su impacto en la digitalización de los negocios

#### Las principales observaciones realizadas durante el panel fueron las siguientes:

- En el año 2021 fue lanzada la Agenda Digital 2030 de la República Dominicana, un instrumento de planificación de políticas públicas que establece metas a corto, mediano y largo plazo, así como indicadores y líneas de acción, cuyo objetivo es lograr que la República Dominicana sea una nación con una economía digital competitiva y sofisticada.
- Se indicó que la agenda cuenta con varios ejes, siendo uno de ellos el eje de Gobernanza y Marco Normativo, mediante el cual se están realizando acciones para fortalecer el marco legal y regulatorio para el desarrollo de las telecomunicaciones, las tecnologías digitales, la transformación digital y la ciberseguridad.
- Se resaltó que la República Dominicana cuenta desde hace años con un marco regulatorio que ha servido para impulsar el desarrollo de la economía digital en el país, incluyendo la Ley No. 126-02 sobre Comercio Electrónico, Documentos y Firmas Digitales, del año 2002, la Ley de Protección a los Derechos del Consumidor del año 2005, la Ley sobre Crímenes y Delitos de Alta Tecnología del año 2007 y la Ley de Protección de Datos Personales del año 2013.
- No obstante, durante el panel se discutieron potenciales áreas de fortalecimiento del marco normativo dominicano. En este sentido, los panelistas intercambiaron impresiones sobre algunos de los temas más relevantes en la materia de comercio electrónico, a saber:
  - Seguridad y garantía de las transacciones electrónicas;
  - Privacidad y protección de datos;
  - Protección al consumidor;
  - Ciberdelincuencia y ciberseguridad;
  - Propiedad intelectual.
- Entre las propuestas sugeridas se incluyó la creación de un órgano autónomo para supervisar la protección de los datos personales y el análisis de la normativa del comercio electrónico desde el ámbito del derecho de la competencia.
- Asimismo, se resaltaron iniciativas recientes o en curso, tales como la Norma por la que se establece la equivalencia regulatoria del sistema dominicano de infraestructuras de claves públicas y de confianza con los marcos regulatorios internacionales de servicios de confianza, la modificación del Reglamento de Sistemas de Pago del país en el año 2021 y la implementación de un Hub de Innovación Financiera auspiciado por distintas instituciones del sector financiero dominicano, por mencionar algunos.
- Se resaltó la importancia de apoyar la inclusión de las MIPYMES en la industria 4.0, como elemento clave para el proceso de transformación digital del país, tomando en consideración que según el Boletín Mipymes del año 2020 de la Dirección General de Impuestos Internos

de la República Dominicana, el 98.7% de las empresas registradas en el año 2020 son micro, pequeñas y medianas empresas.

- Para finalizar, se discutieron los efectos de la pandemia en el comercio electrónico del país. En este sentido, la encargada del Departamento de Disciplinas Comerciales del MICM, Carolina Arias Estévez, resaltó que “la pandemia COVID- 19 impulsó a una mayor rapidez el comercio electrónico. Esta es una señal inequívoca de que la digitalización no solo es una herramienta valiosa para hacer negocios en la actualidad, sino que constituye una fuente de oportunidades y resiliencia”. Sobre esto, el señor Ángel Gonzalez indicó que durante el año 2021 las transacciones electrónicas con tarjetas de crédito y débito aumentaron en un 55% con relación al año 2020; asimismo, el monto de las citadas transacciones aumentó en un 54% con relación al mismo período.

Friday, 29 April

## Digitalization for development: Where is small business?

Organized by ILO\* and ITC\*

Although digitalization and data have provided new opportunities for businesses to enhance their performance and competitiveness, the digital economy is by no means a level playing field. Micro and small enterprises (MSEs), which contribute close to 40% of jobs worldwide, have remained excluded from the benefits of the “digital revolution”. According to the ILO’s report “Small goes digital,” many MSEs are unable to take advantage of digitalization and data due to an important knowledge gap, particularly their ability to use digital technologies to harness data and embrace e-commerce.

The focus of the panel session is two-fold: 1) Digital divide and what can be done about it, especially focusing on MSEs and 2) the importance of data access for digitalization and e-commerce. In addition to experts’ perspectives, the panel also benefited from the new insights brought by entrepreneurs who have successfully harnessed the potential of digital technologies and data.

Considering that nearly three billion people have no internet access today, the discussion on data and digitalization for development must address the key challenge of the digital divide. The ILO’s research shows that 40% of all jobs are found in MSEs, many of which are hampered by informality, poor working conditions, and low level of productivity. Notably, there is high variability among MSE’s ability to take advantage of digitalization, which can be explained from the perspective of capabilities. Beyond the adoption of digital technologies, the report draws attention to the certain intangible assets that determines MSE’s success in benefiting from digitalization and data, including digital skills, innovation orientation and flexible management.

Apart from capabilities that are internal to MSEs, the private sector, particularly technology companies, can also play a key role in supporting MSEs to digitalize their businesses, including through facilitating their access to information and markets, as well as providing digital and financial services. While private sector companies often have little motivation to provide tailored products and services to MSEs, there has been more incentives for them to reach out to the MSEs segment in recent years due to new forms of partnerships with development organizations, NGOs and training providers that are committed to promoting inclusiveness in the digital economy.

In addition to the digital divide, another key challenge facing MSEs is the huge amount of data available.

Even if MSEs can overcome various barriers and establish their online presence, they would need navigate in an ocean of data and learn how to harness data to make right decisions. While MSEs can benefit from coaching services and online tools that support them to gather and analyze data, support should go beyond digital training, as not all entrepreneurs and business owners have adequate awareness and willingness to engage with data. To encourage them to embrace change and experiment with digital tools, it is necessary to change their attitude and mindset through engagement and interaction, as well as to equip them with a broad range of skills relevant in the digital age.

Given that MSEs do not digitalize “automatically” and by default, it is important to recognize that it is a shared responsibility among governments, development organizations, the private sector and MSEs themselves to overcome the digital divide. To reach the population without internet access and facilitate MSEs’ participation in the digital economy, more partnerships and new forms of collaboration are needed to explore innovative solutions.

### **Key takeaways and recommendations:**

- Apart from facilitating access to and adoption of digital technologies, the ability of MSEs to benefit from digitalization is also determined by intangible internal capabilities, which include digital skills, flexible management, attitudes towards technologies and openness to innovation.
- While there is abundant digital tools and resources available for free, training and coaching are crucial for MSEs to go digital successfully, as they would need additional support to navigate the increasingly complex and overwhelming digital landscape. Furthermore, offering training through low-cost and easy-to-use digital platforms (such as SMSs, WhatsApp) serve as a good way to introduce businesses into the digital landscape.
- Regarding the important question of who should pay for the training for MSEs, there is growing recognition of the key role of the private sector, in addition to traditional donors such as governments and international organizations. More innovation is needed to draw the interest from the private sector and engage in partnerships with them.
- To enhance the efficiency of funding and avoid duplication of efforts, there is a need to integrate and streamline the available training offerings, which could be delivered by trusted institutions and training providers.
- Embedding training programmes in national policies is an effective way to ensure the sustainability of training. In addition to working with governments, new forms of partnerships are increasingly needed, particularly with the private sector.

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## **The role of data and digitalization in supporting sustainable cross-border e-commerce**

**Organized by Consumers International\* and UKK**

### **Key aspects:**

- How is **data and digitalization relevant in the cross-border aspect** of e-commerce? How is this differentiated across different geographies/regions and geopolitical integration, sectors of economy, development models?
- The importance of **harmonized standards** and rules for data flow in e-commerce legal

frameworks to facilitate them - Harmonization of global standards and rules for data flow as possible idea to foster cross border consumption and ease of exchange and transmission of information relevant for sustainable consumption.

- **Harmonization also in terms of sustainability: traceability and transparency** of products / discrepancies across borders in terms of their sustainability
- **Privacy and security** to ensure secure digital environment across borders – (privacy standards, credit card flow based on location)
- **Business and consumer behaviours** to better understand challenges and threats for consumption and sustainable consumption (what data should business provide to consumers to support sustainable choices)
- **Education of consumers** on using e-commerce across border as well as on sustainability of their choices
- **The role and obligation of businesses** to provide data and standardization of product sustainability information for consumers abroad
- The role of data and digitalization in supporting **enforcement** and international cooperation

The session tackled the problem of data and digitalization in e-commerce from the cross-border perspective and introduced another aspect – an impact of the transnational data and digitalization on sustainable e-commerce in a sense of sustainable consumption.

BSA (Global Data Alliance) started the discussion by sharing its experience as a cross-industry coalition of companies that are committed to high standards of data responsibility in order to innovate and create jobs. As is well known, both companies and consumers rely on data transfers across countries, regions, continents. Cross-border data transfers is critical for everybody across the world. 60% of global GDP will be digitized by 2022, with growth in every industry driven by data flows and digital technology and by 2025 there will be 6 billion connected consumers and 25 billion connected devices (IDC, 2018; GSMA, 2020). Amid rising digital protectionism, a multi-sector voice is needed to support sensible and responsible cross-border data policies around the world.

Rise of cross-border e-commerce in comparison to the domestic e-commerce and its enhancement is an opportunity for consumers. It provides better services, conditions and prices, more options and choices and at the end more sustainable products.

However, on the other hand it poses a number of challenges – risk and security of payments, data protections and problems with returns of products. In addition, different legislative mechanisms, an inability to exercise full control over products in developing countries, different approaches to reporting, especially in countries in transition, were also identified as challenges.

Digital connectivity also matters a lot in terms of development. At the end of 2021, nearly 3 billion people remained offline, the vast majority concentrated in developing countries. Despite an observed progress, an Internet access is still unequal and the usage gap remains a challenge. Close to half (43%) of the world's population are not using mobile internet, despite living in areas with mobile broadband coverage. It was mentioned at a later stage that the World Bank and others identify 4 levels in the digital connectivity value chain: first mile – where the internet enters a country, middle mile - where the internet passes through that country, last mile – where the internet reaches the end user, invisible mile – hidden elements that are vital to ensuring the integrity of the value chain. As has been emphasized, bridging connectivity at the “last mile” is a critical factor for MSMEs development and their competitiveness. Especially in Africa bringing this gap might create an opportunity.

## Challenges for cross-border e-commerce:

- Ensuring predictability and interoperability of rules across borders. These rules need “to speak to each other” and minimize barriers;
- Access to infrastructure and connectivity need to be improved in lower/middle income countries;
- Lack of privacy is an issue for data flows from consumer perspective;
- Awareness raising, especially in developing countries, of how
- E-commerce and digitalization can drive trade, is important;
- Creation of new rules and red tape cause more trade barriers. They should be limited.

## Opportunities:

- Benefits for MSMEs, especially in the Covid context, providing more direct access to purchasers in other countries and reducing export costs;
- Consumers need to see concrete benefits of using data. Empowering consumers is an attribute not an obstacle and it is the best way to improve e-commerce;
- Certificate schemes are important for consumers’ security.

It is necessary for countries to identify themselves with some specific issues but also to harmonize legal framework on the international, regional, national level. All three (global/regional/local) platforms are needed in terms of approaches. Countries have some obvious limitations. Governments need to use their resources, but it is also crucial that they bring their individual positions to the forums in order to develop universal principles.

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## E-commerce and tax justice: Re-thinking sustainable tax policies

**Organized by SENTRO Labour Union, Indian Social Action Forum, WomanHealth, Tax and Fiscal Justice Asia, Growthwatch India and SID**

The taxation of e-commerce and the digital economy is perhaps one of the most complicated and controversial issues in taxation today. Digital platforms pay corporate income tax, but only in jurisdictions where they are headquartered, have subsidiaries, branches – or where they otherwise have a permanent establishment or physical presence. Due to the nature of e-commerce, a lot of firms provide e-services in market jurisdictions without the need for such PE or PP. To make matters even more complicated, there are current and proposed trade rules that impact on e-commerce taxation: prohibition against the requirement of local presence or a particular legal form thereof and the prohibition against requiring that data be held locally.

Considering the need, especially by developing countries for additional revenues during the pandemic, the imposition of digital services tax or other taxes on e-commerce is crucial. The Indian government - just like France, Spain, Italy, UK, and Austria - imposes DST, aptly called “equalization levy”. Many African countries have reported concerns about the tax challenges they face as their economies become increasingly digitalized. Digitalization raises the question of how taxing rights on income generated from cross border transactions should be allocated between jurisdictions.



However, the mere exercise of national taxing powers is being described as “unilateral” to the point that countries were threatened with trade sanctions. The OECD / G20’s Pillar 1 seeks to remedy this situation by proposing guidelines for taxing the biggest platforms. However, many developing countries and many in civil society believe that Pillar 1 does not go far enough, as it covers only those with gross revenues of € 20 B and among those few corporations, only the amount more than the 10% margin, if any, will be subject to a rate of 25%.

Clearly then, the OECD/G20 is not the proper venue for the reform of the international tax architecture, most especially the taxation of e-commerce, since the process is controlled by the rich countries, even as a huge percentage of developing countries and least developed countries are totally excluded. Unfortunately, the rich countries have consistently blocked efforts to create a UN Tax Body, the latest iteration of which is supported by the G77 and China.

### **Key recommendations from the session:**

- Countries should be allowed to assert their sovereign right to impose DST and should be parties to tax agreements only if it would contribute to their attainment of the SDG.
- Reject trade rules that constrain taxation.
- Develop alternative models of taxation, including the following options:
  - As regards market jurisdictions: 2% DST on gross, which is equal to only a 20% corporate income tax on a 10% taxable margin; or
  - Unitary taxation for the parent and all related entities: all revenues and expenses shall be consolidated in one income statement, a 25% CIT shall be imposed on the net taxable income, and the tax due shall be apportioned to all jurisdictions in proportion to the revenues generated per jurisdiction, regardless of the absence of a permanent establishment or physical presence in a jurisdiction.

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## **E-signatures and e-transactions: What works, and what more is needed to facilitate digitalization for development?**

### **Organized by TWN and Hill & Associates**

We are seeing increasing interest in the use of e-signatures and e-transactions to facilitate Digitalization for Development. There are well established UNCITRAL Model Laws on these topics, and they have been widely transposed into national law. Yet many transactions still require paper.

The session explained what works and what does not work, in developing countries, and explored ways and means to ensure further progress in the use of e-signatures and e-transactions to facilitate Digitalization for Development.

The speakers agreed that transposition of UNCITRAL Model Laws to national laws was an important step. It was pointed out that for some countries it would be safer to transpose a model law than to adhere to treaty-level provisions, which might have unintended effects (e.g. allowing transactions such as marriages or real-estate to be concluded electronically when that was not desired). It was also pointed out that the issue of paperless cross-border trade could be facilitated by clearing houses.

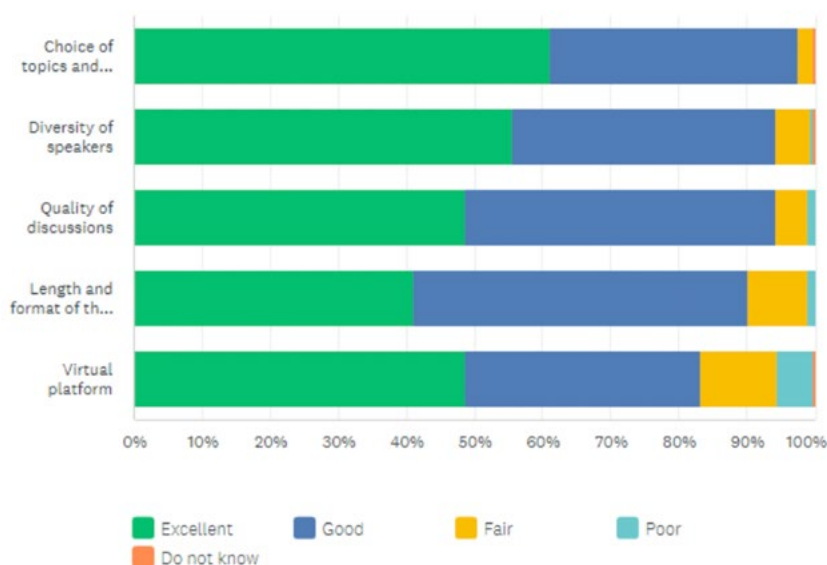
# **Feedback from the Survey**

Close to 450 participants took the time to take our post conference survey and to share their views with us. Their feedback is very precious to help us improve further for the next editions of the eCommerce Week, and we want to take this opportunity to thank them!

**More than 90%** of the respondents rated positively on the topics and quality of the 2022 eCommerce Week discussions.

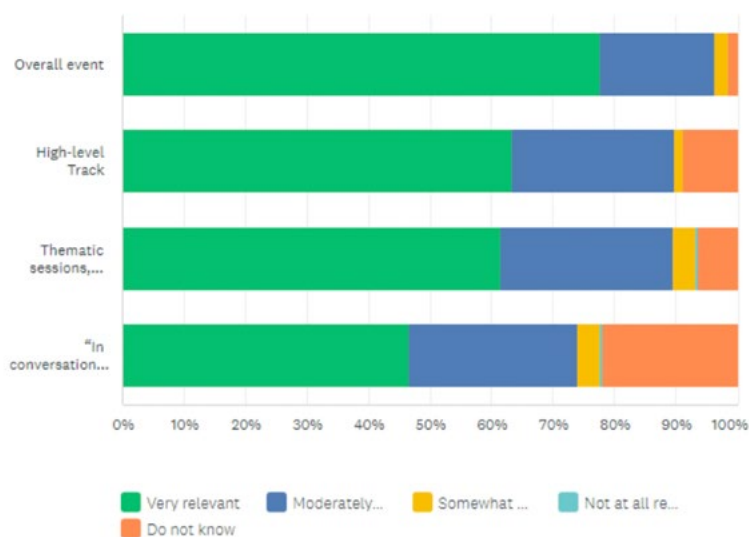
How would you rate the following aspects of the eCommerce Week 2022?

Answered: 373 Skipped: 54



Given the overall theme “Data and Digitalization for Development”, how would you rate the relevance of the content and discussions in the sessions you attended to the current development context?

Answered: 372 Skipped: 55



**96%** would happily participate in future editions of the eCommerce Week, which **75%** of the respondents wish to be in hybrid format again.

# Selected voices from our participants & session organizers

**Thank you so much for the great support to you and your team. We had a very good event.**

Diplo Foundation

I've been involved with so many virtual events and I know how difficult the planning is but the organization of this e-week, the platform, the fluidity of the program ... absolutely spot on!

ITC

**Many thanks to UNCTAD and all its staff for organizing this important moment of exchange between stakeholders. Congratulations!**

PSI, civil society

**The 25-29 April eCommerce Week was the best event that I have attended in some time. The planning was excellent, the technical facilities superb, and the program well balanced, with a very appropriate mix of speakers who presented differing viewpoints on important and timely subjects.**

Survey Participant

**The eCommerce Week has been a great success and an eyes opener to many further topics to make digital transformation equally shared and make it sustainable in various parts of the world, including poor countries.**

Survey Participant

**UNCTAD should continue its eCommerce Week to assist developing countries keep up the momentum for e-commerce work and reforms needed.**

Survey Participant

**Congratulations for a very successful eCommerce Week! (...) the sessions were extremely relevant, informative and the whole event very well organized!**

Survey Participant

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