

Fast-tracking implementation of eTrade Readiness Assessments

THIRD EDITION



**United
Nations**

Geneva, 2023

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NOTE

Within the UNCTAD Division on Technology and Logistics, the E-Commerce and Digital Economy (ECDE) Branch carries out policy-oriented analytical work on the development implications of information and communications technologies (ICTs), e-commerce and the digital economy. It is responsible for the preparation of the Digital Economy Report (DER) as well as thematic studies on ICT for Development.

The Branch promotes international dialogue on issues related to ICTs for development and contributes to building developing countries' capacities to measure the digital economy and to design and implement relevant policies and legal frameworks to strengthen their ability to participate in e-commerce and the digital economy. It also monitors the global status of e-commerce legislation (UNCTAD Cyberlaw Tracker). Since 2016, the Branch has coordinated a multi-stakeholder initiative entitled eTrade for all (etradeforall.org), which aims to improve the ability of developing countries, particularly least developed countries (LDCs), to use and benefit from e-commerce. The initiative is also behind the UNCTAD eTrade for Women programme, launched in 2019, which aims to promote a more inclusive digital economy, in particular through its network of Advocates, a select cohort of successful digital entrepreneurs, and eTrade for Women Communities.

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The following symbols have been used in the tables:

Two dots (..) indicate that data are not available or are not separately reported.

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PREFACE

In the context of the evolving digital economy and multiple crises, the potential of e-commerce to contribute to the Sustainable Development Goals (SDGs) remains largely untapped. With the acceleration of ICT adoption and e-commerce, developing countries and regions face a growing range of opportunities and challenges.

UNCTAD's eTrade Readiness Assessments (eT Readies) have proven to be useful tools for governments, regional institutions, and the private sector to navigate their digital transformation journeys. By providing an inclusive and comprehensive assessment, they help to foster multi-stakeholder collaboration to bridge digital, data, and innovation gaps, as well as to support the establishment of necessary governance structures. They also identify critical areas where collaborative efforts in the digital realm are urgently needed and explain how national initiatives can contribute to realizing the commitments made at regional and international levels. The diagnostics also help development partners with the design of their digital strategies and support programmes.

However, these assessments mark only the initial stage. Their true value becomes evident when policy recommendations are actually implemented. Since the establishment of UNCTAD's eT Ready Implementation Support Mechanism (ISM) in 2020, numerous activities for capacity-building, knowledge sharing, and stakeholder engagement have been arranged to enhance the implementation capabilities within each country.

This third Implementation Review provides an updated analysis of how eT Readies, and the policy recommendations they offer, are leveraged to strengthen countries' ability to engage in and benefit from e-commerce. It shows how eT Ready partner countries are transforming their e-commerce development agenda, establishing governmental processes and systems to coordinate the implementation of e-commerce policy actions and operationalize enabling reforms, and expanding smart partnerships to grow sustainably their e-commerce ecosystem. The report also illustrates the multifaceted challenges encountered in the implementation process and recognizes that more efforts are needed to foster an inclusive whole of government/whole of society approach.

I would like to thank the eT Ready focal points in the countries we work with and the various stakeholders who contributed to this review, without which progress could not be tracked. My gratitude also goes to all the core donors supporting UNCTAD's work in the area of e-commerce and the digital economy, namely the governments of Germany, the Netherlands, Sweden and Switzerland. I also want to acknowledge and appreciate the valuable contributions of our eTrade for all partners, who bring their expertise to the eT Readies and to the implementation stage. At the same time, there is still significant scope for more involvement of the larger community of development partners and donors. A much-reinvigorated impetus is needed in supporting implementation of priority recommendations, as much as in enhancing the countries' capacities for an efficient and effective policy coordination. On our part, we stand ready to scale up our support at the national and regional level. UNCTAD will also seek to further strengthen our collaboration with the UN Resident Coordinator Offices to facilitate effective on-the-ground dialogue and ensure the integration of countries' e-commerce related priorities into UN Cooperation Frameworks and national development plans.

Our aim is to help build a more sustainable and inclusive global digital economy through enabling economic development for the benefit of all.

Shamika N. Sirimanne

Director, Division on Technology and Logistics, UNCTAD



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ABBREVIATIONS

AEO	Authorized Economic Operator
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
ARCEP	Autorité de Régulation des Communications Electroniques et des Postes (Togo)
ASEAN	Association of Southeast Asian Nations
ASYCUDA	Automated System for Customs Data
B2B	Business-to-Business
B2C	Business-to-Consumer
BCEAO	Central Bank of Western African States
BSI	British Standards Institution
BWCCI	Bangladesh Women Chamber of Commerce and Industry
CDS	Customs Declaration System
COMESA	Common Market for Eastern and Southern Africa
CONOBAFI	West African Committee of Banking and Financial Organization and Standardization
DFAT	Department of Foreign Affairs and Trade of Australia
EAC	East African Community
ECOWAS	Economic Community of West African States
ECS	E-commerce strategy
EIF	Enhanced Integrated Framework
ERIA	Economic Research Institute for ASEAN and East Asia
eTRT	eTrade Reform Tracker
EU	European Union
FICEL	Forum Inclusif du Commerce Electronique au Burkina Faso
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
HRBA	Human Rights-Based Approach
ICT	Information and Communications Technologies
ISM	Implementation Support Mechanism
ITC	International Trade Centre
LDCs	Least Developed Countries
MB	Megabyte
MFIs	Microfinance Institutions
MSMEs	Micro, Small, and Medium-sized Enterprises



NITA-U	National Information Technology Authority, Uganda
NTFC	National Trade Facilitation Committee
ORE	Operational Readiness for Ecommerce
PDEP	Pacific Digital Economy Programme
PIF	Pacific Islands Forum
PNG	Papua New Guinea
PWD	Persons with disabilities
RCEP	Regional Comprehensive Economic Partnership
RCO	UN Resident Coordinator Office
RSB	Regulatory Sandbox
SADA	Smart Africa Digital Academy
SADC	Southern African Development Community
SDGs	Sustainable Development Goals
SECO	State Secretariat for Economic Affairs of Switzerland
SMEs	Small and Medium-sized Enterprises
SSI	Small Scale Industries
TMA	TradeMark Africa
TVET	Technical Vocational Education and Training
UNCDF	United Nations Capital Development Fund
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNIDO	United Nations Industrial Development Organization
UPU	Universal Postal Union
WAEMU	West African Economic and Monetary Union
WBG	World Bank Group
WTO	World Trade Organization
ZICTA	Zambia Information and Communications Technology Authority



EXECUTIVE SUMMARY

In times of multiple global crises and cascading effects on the more vulnerable countries, UNCTAD's eTrade Readiness Assessments (eT Readies) provide practical recommendations to enhance countries' capacities to develop e-commerce policy reforms and actions. In many of the eT Ready partner countries, businesses and in particular micro, small and medium-sized enterprises (MSMEs) have yet to exploit e-commerce as a channel to grow and compete, as evidenced by the low levels of people shopping online in these countries. The implementation of eT Ready recommendations can be leveraged to navigate the challenges posed by widening digital divides and the fast-evolving digital economy. In place since 2020, UNCTAD's eT Ready Implementation Support Mechanism (ISM) has provided an engagement platform to enhance synergies and scale up joint efforts among partner countries and development partners. Implementation Reviews are a cornerstone of the ISM and key to assessing progress and gaps in the implementation of the recommendations contained in the assessments. Building on previous reviews published in 2020 and 2022,¹ UNCTAD conducted a third review in 2023, reflected in this report.

Twenty-five (25) countries have so far reported implementation progress. Out of the 36 countries that have benefited from an assessment done by UNCTAD or other entities using UNCTAD's methodology (see Annex 1), 25 have been reviewed at least once, the majority of them being Least Developed Countries (LDCs). This third edition mainly highlights the experience of the 20 countries that responded to the 2023 data collection questionnaire: Bangladesh, Burkina Faso, Côte d'Ivoire, Iraq, Kenya, Madagascar, Malawi, Mali, Nepal, Niger, Papua New Guinea, Samoa, Senegal, Solomon Islands, Togo, Tonga, Tunisia, Tuvalu, Uganda, and Zambia. It also contains ad-hoc references to other countries' experiences based on desk research. The methodology for reporting has been simplified and refocused to give priority to the narrative provided by countries.

Towards inclusive and sustainable e-commerce development

The third review consolidates a well-established and regularly improved capacity-building approach underpinning UNCTAD's ISM. This review draws on the experiences and feedback shared during a series of stakeholder engagement and capacity-building events, the latest being a stocktaking meeting co-organized by UNCTAD and the Friedrich Ebert Stiftung (FES) in October 2022 in Geneva. These are instrumental to empower eT Ready Focal Points, typically senior officials in partner countries' trade ministries, and other key stakeholders, to play a more active role in leading the implementation process of the eT Ready recommendations. Experience sharing among focal points and other participants affirmed the importance of putting more effort into the quality and pace of the implementation process, with a focus on mainstreaming e-commerce into national development agendas, strengthening governance arrangements and building partnerships.

¹ <https://unctad.org/publication/fast-tracking-implementation-etrade-readiness-assessments> (2020)
<https://unctad.org/publication/fast-tracking-implementation-etrade-readiness-assessments-second-edition> (2022)



Regional initiatives can reinforce the scope and impact of national e-commerce development initiatives.

Drawing on the experience from countries in the Pacific (Pacific Islands Forum), Southeast Asia (ASEAN), and West Africa (ECOWAS), regional cooperation can be a trigger for enhanced cross-border e-commerce and can complement and accelerate the implementation of national initiatives. Regional initiatives can range from voluntary actions (e.g., regional strategies) to varying obligations in regional trade agreements. National eT Readies, action plans or e-commerce strategies are important tools to prepare countries for meaningful involvement in regional e-commerce initiatives.

Stakeholders stress that eT Readies are helping to shape national and regional e-commerce development agendas.

Twenty-eight (28) partner countries have realized the importance of equipping the country with either a national e-commerce strategy, policy or action plan, and 17 countries have at least one such instrument in place. In the remaining countries, initiatives are at different stages of development. These tools are facilitating the mainstreaming of e-commerce into national development plans and sectoral policies, engaging stakeholders and raising awareness. Some countries also note that eT Ready findings are leveraged in the context of trade negotiations and fora that foresee the incorporation of e-commerce and digital trade more broadly into trade-related agreements. Examples include negotiations for an African Continental Free Trade Area (AfCFTA) Digital Trade Protocol, as well as ongoing initiatives at the World Trade Organization (WTO). Feedback received reasserts how diagnostic studies, such as the eT Readies, have paved the way for harmonized efforts and participatory processes to develop regional e-commerce strategies, especially in West Africa and the Pacific.

While the number of governance arrangements to coordinate the implementation process is rising, their effective operationalisation remains a challenge.

Among the 20 countries that participated in this review, 70 per cent have established, or have advanced plans to establish, governance structures to manage the implementation of e-commerce enabling policies and initiatives. Strong momentum can be observed, for example, in the Pacific region, where e-commerce committees are being established at both national and regional levels. Still, maintaining regular engagement with stakeholders and ensuring monitoring and follow-up of decisions are recurrent challenges that can hamper effectiveness and sustainability over the long term. Almost all countries that participated in this review expressed a clear interest in making good use of existing governance structures and empowering them, for example, by using a web-based solution to coordinate and monitor the implementation of follow-up actions.



Figure 1: Building and operationalizing national and regional e-commerce development agendas – some key facts and figures



Regional E-Commerce Strategy of ECOWAS endorsed by the Council of Ministers (July 2023). It responds to the needs identified in the regional assessment done in 2022. ECOWAS benefited from UNCTAD support in this process.

The 1st Meeting of the Pacific E-commerce Committee took place in December 2022 as a follow up to the Pacific Regional E-commerce Strategy and Roadmap. The latter benefited from countries' assessments using the same UNCTAD's eT Ready methodology. In February 2023, the Pacific Digital Economy Report was prepared with UNCTAD support, renewing the call to move towards a more holistic, coordinated approach to building inclusive digital economies in the region.



28 out of 36 beneficiary countries of eT Readies and related assessments have developed, or have plans to develop a national e-commerce strategy, policy or action plan.

70% of the surveyed countries have reported to have established, or to have advanced plans to establish, governance structures to lead the implementation of e-commerce enabling policies and initiatives.

The implementation process of eT Ready recommendations remains largely underfunded, and other major constraints are preventing countries from scaling up their efforts.

Even though some countries are, at varying degrees, funding some priority actions in different policy areas, feedback received highlights the limited resources available in national budgets to implement e-commerce enabling reforms. The momentum for such reforms and their potential impact are hindered and influenced by a number of mutually reinforcing constraints. On the one hand, political commitment and leadership to promote e-commerce among partner countries is sometimes discontinuous and affected by changes in the governments. The availability of staff in lead implementation agencies as well as knowledge transfer and capacity development are often sub-optimal. Competing priorities, policies and plans exacerbate the problem of funding gaps and cause implementation delays. Despite the emergence of governance arrangements, government departments and agencies often continue to work in silos and without effective connections with the private sector and other stakeholders. In addition, many partner countries are disproportionately affected by shocks and stressors such as climate change and environmental degradation, political instability and conflict, economic and financial volatility, food insecurity, epidemics and the COVID-19 pandemic. These crises have occurred amid a swift tightening of global financial conditions that will, in turn, hinder countries' abilities to pursue long-term sustainable development.



Implementation achievements in the seven eT Ready policy areas

E-commerce readiness and strategy formulation. The eT Ready partner countries increasingly recognize the importance of developing nationally owned approaches to enhance their e-commerce readiness. These approaches combine a suite of policy tools such as national and regional e-commerce and digital trade strategies, policies and eT Ready action plans. Examples include national e-commerce strategies that are ongoing, such as in Côte d'Ivoire, or recently concluded, as it is the case of Kenya and the Solomon Islands, all with UNCTAD support. Tanzania, Uganda and Zambia are also pursuing national e-commerce strategies. Jordan and Tunisia have developed eT Ready action plans, while Malawi is developing one. In the Pacific region, Kiribati, Samoa, Tonga, Tuvalu and Vanuatu have also recently developed e-commerce strategies aligned to their regional e-commerce strategy. ECOWAS is the latest African regional economic community to have developed a regional e-commerce strategy. Increasing attention should be given to making these approaches inclusive by fostering multi-stakeholder engagement and collaboration. The expansion of e-government services remains a significant focus, with notable progress observed in some developing countries, including LDCs. For example, Côte d'Ivoire, Nepal and Zambia moved from the middle segment to the high segment of the E-Government Development Index group in 2022. Additionally, the establishment of national platforms as e-commerce marketplaces, supported by governments and development partners, is gaining momentum albeit with challenges for their sustainability. Insufficient statistical data on e-commerce and the digital economy continues to impede the implementation and monitoring of policy reforms, underscoring the need for capacity-building support.

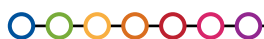
ICT infrastructure and services. Various initiatives, particularly from African countries and in the Pacific region, show how collaborative efforts between the public and private sectors in partner countries are pursued to deliver affordable connectivity solutions to unconnected populations. However, despite gradual improvements in connectivity and mobile Internet use there are still significant gaps. Universal connectivity and reliable, affordable Internet access remain areas of concern, especially in LDCs. Despite progress, a significant portion of the population remains unconnected. Partner countries are investing in digital public infrastructure, to enable inclusive service delivery and foster innovation across sectors. There is a growing emphasis on promoting sustainable connectivity and greener ICT infrastructure to ensure responsible and environmentally conscious digital development. Moreover, efforts are underway to reduce the carbon footprint associated with ICT infrastructure by adopting energy-efficient technologies, optimizing data centres, and promoting renewable energy sources for powering digital networks. African partner countries, including Burkina Faso, Côte d'Ivoire and Niger, have taken positive steps towards reducing the carbon footprint of data centres. Green ICT initiatives aim to minimize energy consumption, reduce electronic waste, and promote responsible manufacturing and disposal of ICT equipment.



Trade facilitation and logistics. In partner countries, e-commerce is mainly confined to the domestic market, and they are constrained by major barriers to promote cross-border e-commerce. Several initiatives are underway, such as reforming postal addressing systems and systems to improve the accuracy and efficiency of delivery services, establishing public-private partnerships for innovative last-mile solutions that can overcome infrastructural and logistical bottlenecks. Trade facilitation reforms, such as the Authorized Economic Operator (AEO), for example, in Cambodia, Malawi, Tunisia and Zambia, are expected to contribute to a more enabling environment for cross-border e-commerce. Similarly, leveraging the use of technology in customs and border management and adopting single windows can enable e-commerce development. Technological measures and solutions adopted in Nepal and Tonga have been taken to reduce the number of undelivered or returned parcels, expand the reach and accessibility of e-commerce to rural and remote areas and vulnerable groups, reduce the time and cost of cross-border trade, increase compliance and transparency, harmonize and standardize trade procedures and regulations, and make MSMEs more competitive in cross-border e-commerce.

Legal and regulatory framework. Partner countries have made significant progress in enacting or revising laws, regulations and decrees that address various aspects of digital trade. Key examples include online transactions, data protection, consumer rights and digital government. Keeping up with the rapid changes in technology and market dynamics poses a challenge for policymakers, however. Developing countries have tried to cope by engaging with multilateral frameworks and agreements that promote and facilitate cross-border e-commerce. By participating in these frameworks and agreements, such as Tuvalu's accession to the UN Convention on the Use of Electronic Communications in International Contracts and the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific, countries can benefit from enhanced cooperation and mutual understanding among different jurisdictions, as well as from harmonized standards and best practices. Therefore, developing countries need to adopt flexible and forward-looking regulatory frameworks that can support their digital transformation and integration into the global economy. Fostering cross-sectoral multi-stakeholder collaboration, capacity-building programs and peer learning platforms, awareness-raising and advocacy campaigns should be increasingly part of the regulatory development, implementation and enforcement approach in partner countries. This can help build trust and confidence among various stakeholders, including governments, businesses and consumers.

Payment solutions. Digital payments are growing at an accelerated pace in developing countries, as new investments and innovative developments create new opportunities and solutions for consumers and businesses. To support this shift, partner countries are implementing a range of policy actions to create an enabling environment for the use of digital payments in e-commerce. Regulatory sandboxes, as introduced in the Solomon Islands and Uganda, provide a dynamic, evidence-based regulatory environment to test emerging technologies and foster innovation. Various other initiatives aimed at promoting cashless payments, digital financial services and new digital payment technologies are being spearheaded in most of the reviewed countries. Nonetheless, the future of payment solutions in developing countries is likely to be uneven and depend on various factors, such as Internet access and usage, infrastructure readiness for digital payments, e-commerce and mobile money penetration, currency fluctuations and regulations.



Skills development. Ongoing developments in the partner countries increasingly place emphasis on building societies where all people can use their knowledge and skills of digital technologies to improve their livelihoods. This includes making learning and development a central part of long-term national planning and strategies, strengthening the population's soft skills, as well as adapting to and seizing opportunities for learning across different channels. Digital technologies have emerged as an essential element of a decent job and economic growth strategy for many developing countries, including LDCs. Building the necessary public sector capacities for digital transformation remains a challenge for them, however. Countries, including Cambodia and Papua New Guinea (PNG), have developed long-term strategies for developing public-sector capacities. The evolving service demand, along with capacity and capability constraints, continues to hinder the development of forward-looking strategies both internally and externally. Country experiences demonstrate progress in ensuring fair and equitable access to digital services and devices. Many initiatives are being undertaken by countries aimed at reducing the digital skills divide. For example, the Riyada programme in Iraq aims to provide the necessary skills and training to better equip marginalized and disadvantaged populations with digital tools and skills.

Access to financing. Limited access to financing, especially through traditional banking systems, continues to hamper the growth of e-commerce. This obstacle poses challenges for MSMEs and discourages formalization. However, alternative financing options such as venture capital in Kenya and Uganda, as well as crowdfunding in Tunisia, are breathing new life into businesses that would otherwise struggle to thrive in the digital economy. Strengthening the financial sector, fostering competition, enhancing the regulatory framework and promoting fintech have been crucial for improving access to finance in partner countries. Financial education and digital literacy also play a role. Advisory support, mentoring and counselling on financial management can help to improve creditworthiness and increase the chances of obtaining traditional bank financing or attracting other forms of investment. Various organizations, including the International Trade Centre (ITC), United Nations Capital Development Fund (UNCDF), Universal Postal Union (UPU) and the World Bank Group (WBG), are working towards financial inclusion and addressing financing obstacles. More collaborative actions and partnerships among stakeholders are expected to create more favourable conditions for finance and support the growth of e-commerce.



Development cooperation in support of country priorities

Countries are keen on fostering synergies with development partners in support of their priority areas and projects. Countries recognize the eT Ready as a tool to inform policy dialogue, engage with development partners and advocate for new technical assistance projects or capacity-building initiatives. This review reiterates the importance of ongoing interventions of development partners, but also sees ample room, and a strong need, to improve and scale up technical and financial assistance. For example, current interventions are often observed to be led by a single agency and primarily driven by bilateral engagements with governments, risking the perpetuation of existing trends highlighted in previous reviews. Insufficient information about ongoing and planned activities in partner countries, even with in-country presence, exacerbates fragmentation. UN Resident Coordinator Offices (RCOs) have a critical role in identifying key development partners and their digital-related initiatives, promoting collaboration and coherence, starting by undertaking mapping of digital-related interventions. Partnerships enable development agencies to identify comprehensive solutions and effectively address the complex challenges faced by developing countries, which often extend beyond the mandate of any single organization. The eTrade for all partnership, with its 35 specialized partners offering technical assistance in various policy areas, represents a valuable platform for conceptualizing and implementing coordinated interventions. Development partners, especially those involved in the eTrade for all initiative, are best placed to utilize the identification of priority areas and projects provided by the countries in this review as a valuable reference point for identifying quick-win initiatives.

More international support is needed to strengthen national coordination frameworks to sustain implementation efforts for greater impact. The eT Ready partner countries reiterate the importance of strengthening implementation arrangements to overcome persistent challenges and achieve tangible and sustainable results. To align with these needs, the UNCTAD's ISM has been enhanced and the overall capacity-building approach adjusted to assist countries more effectively in moving to the implementation stage. Key steps include i) providing institutional support for setting up an implementation governance structure and ensuring active engagement of all stakeholders in the implementation process, ii) strengthening operational and strategic capacities with trainings to steering committee and technical group members on effective implementation management, and iii) supporting stakeholders in building relationships with development partners and mobilizing resources for implementation. UNCTAD is also developing a web-based tool, the eTrade Reform Tracker, to support national e-commerce committees or equivalent bodies in coordinating the process. This tool is expected to enhance transparency and strengthen accountability, empower stakeholders in functions such as multi-stakeholder dialogue, monitoring and evaluation and resource mobilization.

Imperatively, the donor community is encouraged to increase financial resources dedicated to assisting developing countries, especially LDCs. Despite a gradual increase in recent years, the share of Aid for Trade resources allocated to the ICT sector stands at 4.1 per cent. In view of the massive demands and the need for speed, this level of support remains insufficient. The limited financial resources provided by governments in low-income countries are not enough, especially in view of recent crises. In line with above findings, donors are also encouraged to prioritize providing support for more effective coordination of implementation within countries.



Conclusions

The report confirms previous trends and uncovers novel insights regarding the implementation processes of e-commerce policy actions and the role of eT Readies.

E-commerce is becoming a high-priority policy item. E-commerce is increasingly part of the policy mix that developing countries, including LDCs, are prioritizing to fuel their economic and trade diversification strategies, create jobs and strengthen regional integration. Still, there is significant scope to make processes more inclusive and foster robust whole of government/society approaches towards mainstreaming e-commerce in national development agendas.

There is an urgent need to bolster the capabilities of nascent governance arrangements to fast-track implementation. Governance frameworks for e-commerce are being established in a growing number of countries and regions. In light of several challenges encountered to operationalize them, countries are calling for more support to develop capacity for strategic planning, results-based management, stakeholder engagement, monitoring and evaluation, including with the use of web-based solutions aimed at fostering effective collaboration.

To achieve and monitor impacts, more time and resources to cope with challenges, as well as capacity to measure e-commerce, are needed. It takes time and resources to transform progress documented in various countries and policy areas, into substantial and sustainable impact. Assessing the impact is also challenging due to limited data availability and inadequate capabilities to measure e-commerce and the digital economy, indicating a need for additional international support.

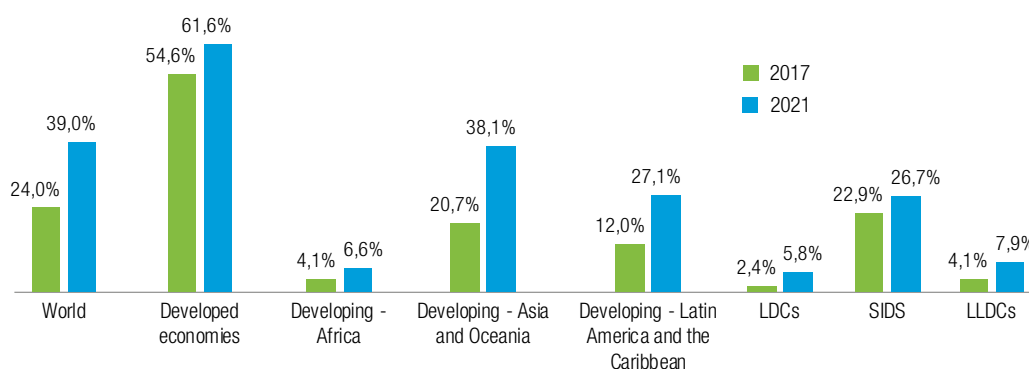
The importance of extending the scale and scope of development partners' engagement cannot be overstated. Development partners are demonstrating increased attention to e-commerce as a way to diversify economies and create jobs, and more resources are gradually being allocated. However, the pace of resource allocation falls short of meeting actual needs. Interventions in the e-commerce field by development partners could benefit from better coordination. The eTrade for all partnership is playing a significant role in promoting more effective cooperation and coordination, including through close collaboration with UN Resident Coordinator Offices. However, additional efforts are required to strengthen synergies and empower governments with the capabilities to lead the implementation process of e-commerce policy actions. This entails enhancing the capacities of, and resources available to, coordinating structures and entities responsible for implementation, such as e-commerce implementation units, departments, and committees. It also involves supporting governments in actively coordinating the fragmented interventions of development partners and advocating for more integrated approaches.



INTRODUCTION AND METHODOLOGY

The importance of building capacity and strengthening the eTrade readiness of developing countries during times of multiple crises cannot be overstated. To help developing countries improve their ability to participate in and benefit from e-commerce and the digital economy, UNCTAD has conducted 30 national eTrade Readiness Assessments, benefiting Least Developed Countries (LDCs), Small Island Developing States (SIDS) and other developing countries.² Building on UNCTAD's work, other countries and regional organizations have also used UNCTAD's e Trade Readiness Assessment (eT Ready) methodology to carry out similar assessments.³ The eT Readies provide practical recommendations to enhance countries' capacities to develop e-commerce policy reforms and actions. The assessments advocate for a whole-of-government approach to implement reforms, foster public-private dialogue and partnerships, and help nurture synergies with development partners to scale-up governments' efforts. The implementation of eT Ready recommendations can be leveraged to navigate the challenges posed by widening digital divides and fast-evolving digital economy. Many of the eT Ready partner countries have the lowest levels of people shopping online. In Landlocked Developing Countries, the share of people shopping online is 7.9 per cent and in LDCs this percentage drops to 5.8 per cent. In SIDS the percentage increases to 26.7 per cent but still remains below the global average of 39 per cent and dramatically lower than developed economies at 61.6 per cent. Therefore, in times of multiple global crises and cascading effects on the more vulnerable countries, strengthening the capacity of developing countries, especially LDCs, to engage more and benefit from the digital economy has gained unprecedented momentum.⁴

Figure 2: Proportion of individuals using the Internet for purchasing or ordering goods or services (%)



Source: World Bank Global Findex Database, 2021 edition⁵

- 2 With the following countries benefiting from an assessment in 2023: Algeria, Ghana, Mauritania, Mongolia, Peru, Timor-Leste, Trinidad and Tobago, and Zimbabwe.
- 3 This is the case in the Pacific region for six countries: Fiji, the Federated States of Micronesia, Nauru, Niue, Papua New Guinea, Tonga https://pacificcommerce.org/reports-library/?_sector=national-e-commerce-assessment. Regional assessment have been carried by UNCTAD for ECOWAS and WAEMU (<https://unctad.org/publication/member-states-economic-community-west-african-states-ettrade-readiness-assessment>) as well as by the East African Community and Pacific Islands Forum, taking stock of eT Readies done in the respective regions.
- 4 <https://www.un.org/sites/un2.un.org/files/our-common-agenda-policy-brief-gobal-digi-compact-en.pdf>
- 5 Released in 2022, available at <https://www.worldbank.org/en/publication/globalindex> The following indicator from the Global Findex database has been used: fin14b.t.d - "Used a mobile phone or the internet to buy something online (% age 15+)"



In place since 2020, UNCTAD's eT Ready Implementation Support Mechanism (ISM) has provided an engagement platform to enhance synergies and scale up joint efforts among partner countries and development partners.

The ISM relies on a network of eT Ready Focal Points at the national level that have regularly engaged in UNCTAD's ISM activities and ensured multi-stakeholder engagement for the eT Ready Implementation Reviews, for example by identifying, sensitizing and mobilizing key public and private sector resource persons. Implementation Reviews are a cornerstone of the ISM and apply a monitoring methodology to assess progress and gaps in the implementation of the recommendations contained in the assessments and to document good practices, policy impacts and lessons learned. Building on previous reviews published in 2020 and 2022,⁶ UNCTAD has conducted a third review in 2023, taking stock of the experiences and feedback shared during a series of stakeholder engagement and capacity-building events. In particular, the stocktaking meeting "eTrade Readiness: From Diagnostics to Implementation" co-organized by UNCTAD and the Friedrich Ebert Stiftung (FES) on 27-28 October 2022 in Geneva. The meeting provided an opportunity for dialogue to explore the type of support that would enable eT Ready Focal Points, and other key stakeholders, to play a more active role in leading the implementation process of the eT Ready recommendations. The outcomes of the meeting are reflected in this review.

To date, twenty-five (25) countries have reported on their implementation progress.

Thirty-four countries were invited to participate in the 3rd IR, notably those that had completed their assessments by December 2022.⁷ Twenty countries (highlighted in bold below) responded to the invitation. These countries include:

- from Africa: Benin, **Burkina Faso, Côte d'Ivoire, Kenya**, Lesotho, Liberia, **Madagascar, Malawi, Mali, Niger, Senegal**, Tanzania, **Togo, Tunisia, Uganda, Zambia**;
- from Asia: **Bangladesh**, Bhutan, Cambodia, **Iraq**, Jordan, Lao PDR, **Nepal**;
- from the Pacific region: Kiribati, **Samoa, Solomon Islands, Tuvalu**, Vanuatu. The Federal States of Micronesia, Fiji, Nauru, Niue, **Papua New Guinea and Tonga** were also invited.⁸

This report focuses on the 20 respondent countries highlighted in bold, but it also contains ad-hoc references to other countries' experiences based on desk research. While the majority of these countries are LDCs, Côte d'Ivoire, Kenya, Tunisia, Iraq, Samoa, Papua New Guinea and Tonga are also covered. In total, taking into account the participation of countries in this and earlier reviews, a total of 25 countries have participated in at least one implementation review (see Annex 1).



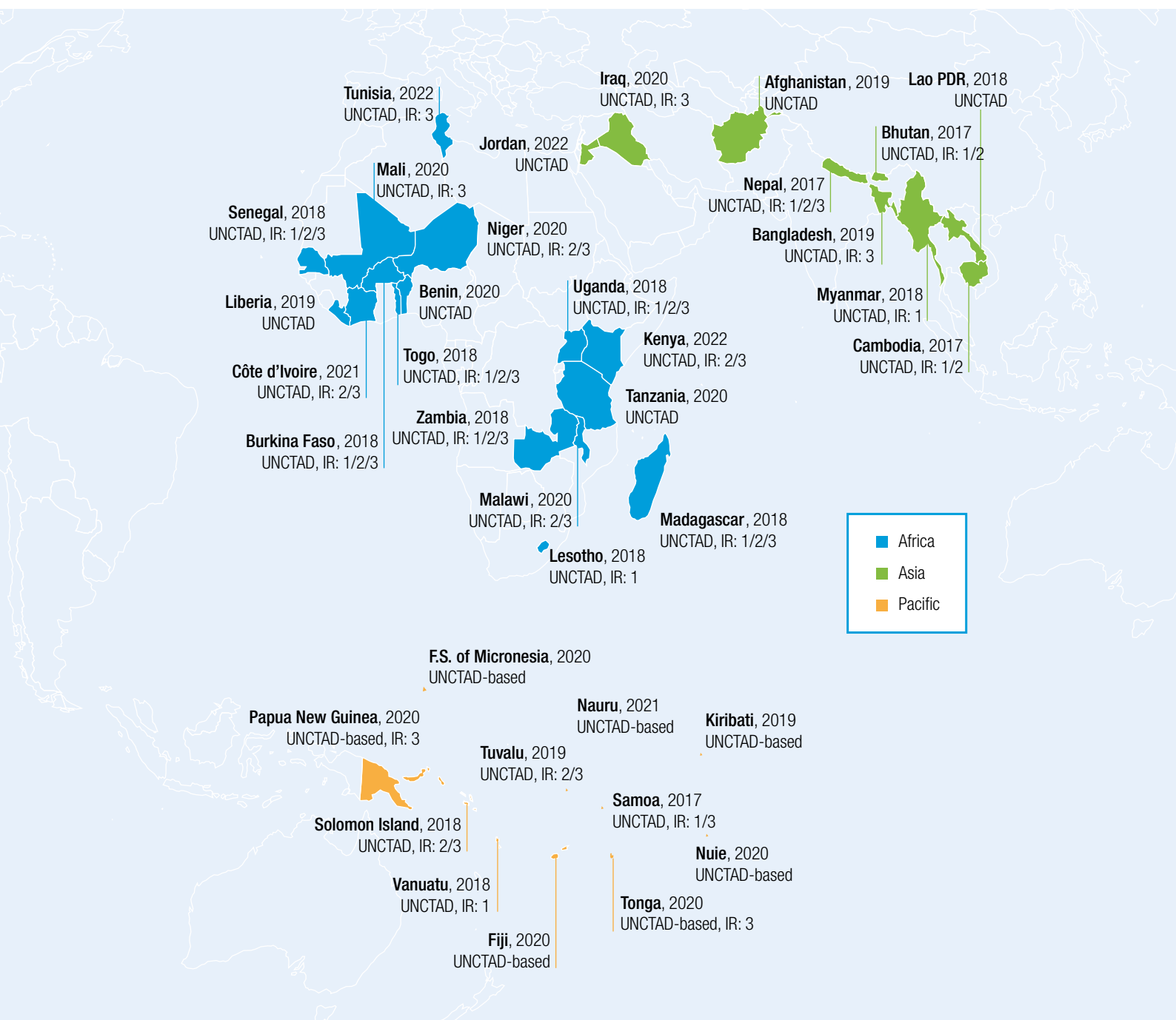
25 countries have participated in at least one of the *three implementation reviews conducted by UNCTAD* between **2020 and 2023**

6 <https://unctad.org/publication/fast-tracking-implementation-etrade-readiness-assessments> (2020)
<https://unctad.org/publication/fast-tracking-implementation-etrade-readiness-assessments-second-edition> (2022)

7 All countries listed in Annex 1, beside Afghanistan and Myanmar, as it was also the case in the previous review in 2022.

8 These countries have prepared national e-commerce assessments using UNCTAD's eT Ready methodology.



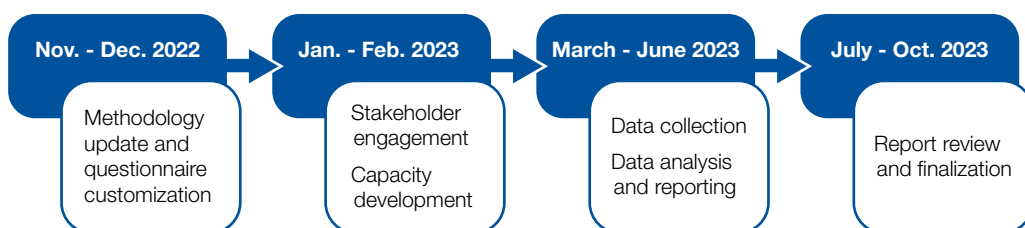
Figure 3: eT Ready partner countries and implementation review status

Legend: year indicates when the eT Ready or e-commerce assessment was completed and if it was prepared by UNCTAD or if it was based on UNCTAD methodology ("UNCTAD-based"). Numbers 1, 2, 3 signify which implementation review the country has participated in, if any.



While building on the previous exercises, the methodology for reporting has been simplified and refocused.

As in previous reviews, the methodology is structured around four main phases which took place between November 2022 and October 2023. The four phases have been dedicated to i) updating the review methodology, customizing and testing the questionnaire, ii) engaging with stakeholders to build capacities, iii) collecting, verifying and analyzing the data, drafting the report, and iv) reviewing and obtaining feedback from stakeholders, finalizing, editing, and releasing the report.



The key component of the revised methodology involves a shift away from the scored performance assessment that was a defining feature of the prior reviews. Consequently, this report gives priority to the narrative provided by countries regarding the challenges and impacts associated with the implementation of eT Readies; performance implementation rates are not featured in this review. The increasing diversity in the implementation stage, heterogeneity of country profiles and development conditions have guided this approach, together with the request of countries to have a simplified questionnaire. Therefore, the data collection questionnaire has been updated to reflect this approach and facilitate the collection of more qualitative information. The questionnaire has suggested “good reporting tips” meant to guide Focal Points and other key respondents.

Box 1: Useful tips for an effective reporting on eT Ready implementation

Strengthen dialogue and cooperation with different stakeholders. As a Focal Point and/or Resource Person you have a privileged understanding of the eT Ready process, but much of the information rests with line ministries, other government and regulatory agencies, private sector and/or civil society organizations. Make sure to involve them and take this opportunity to strengthen the multi-stakeholder dialogue and cooperation.



Carefully plan the data collection process. We know that this comes on top of busy schedules and limited resources. Analyze the questionnaire in all its parts upon receipt to identify the type of inputs required from different entities as well as the timeline to collect them. We can be flexible with the timeline but would appreciate it if you keep us updated on how the data collection process evolves.





Provide evidence-based data. It is important to highlight the actions taken, progress made and impacts achieved, and support them with exhaustive and well-documented information. Make explicit references to sources available online and share other sources separately when possible.

Focus on new actions. If your country responded to previous Implementation Reviews, please only provide information on actions that have not been previously reported. Your previous responses will be shared for your information in your invitation email. If your country is participating for the first time, only provide information on actions taken since the completion of the eT Ready, as well as evidence of planned actions.



Look for impact and best practices. If you have recorded significant improvements in one or more policy areas, make them stand out in the reporting. Where possible, provide quantitative data to gauge impacts. If there are successful initiatives that you think can be beneficial for other countries to learn from, please highlight these. We will be happy to feature them in the report and through other relevant communication outlets. You are welcome to share official quotes from Ministers and/or other senior Government officials, as well as pictures or other audio-visual material, that can be disseminated to document impact and highlight connections with the eT Ready.

Source: UNCTAD

An official communication was sent to identified contact persons and eT Ready Focal Points, mainly from Trade-related ministries in the countries listed in Annex 1. This helped to confirm the appointment of eT Ready Focal Points in the relevant countries and thereby properly anchor the Implementation Review process in national administrations. The respective Permanent Missions in Geneva were also involved, and their support was instrumental in fostering the commitment from their respective capitals and identifying new eT Ready Focal Points, in some cases.

Data collection started with three virtual capacity-building workshops in February 2023. The eT Ready Focal Points and other relevant national stakeholders, such as line ministries, regulators and other public sector agencies, and the private sector were identified and invited to join the workshops to strengthen their capacities to engage in the review process. The following months were dedicated to data collection by the participating countries. UNCTAD's team ensured careful analysis and quality control of the information provided through the countries' questionnaire responses, complemented by additional research. This was meant specifically to avoid repetitions of actions recorded in previous reviews and focus on new achievements and impact, either expected or actual. The first draft of the report was made available in July 2023 for review by both internal and external parties, including UNCTAD's country counterparts and eTrade for all partners.



Comments have been integrated to enhance the supporting evidence and verify the accuracy of the information presented in the report. Editing, layout and printing were done for public release and dissemination in the context of the 2023 UNCTAD eWeek (4 - 8 December 2023, Geneva).



The report is structured as follows:

- Chapter 1 puts this 3rd IR in the context of UNCTAD's eT Ready ISM and provides an overview of the main trends in the reviewed countries with regard to mainstreaming e-commerce into their national development processes, both at the policy and institutional level. The main challenges are also highlighted.
- Chapter 2 provides evidence of countries' latest achievements and concrete progress in the implementation of the type of actions recommended by the eT Readies. It draws on the countries' questionnaire responses and is broken down by the seven policy areas: E-commerce readiness assessment and strategy formulation, ICT infrastructure and services, Trade logistics and trade facilitation, Payment solutions, Legal and regulatory frameworks, Skills development, and Access to financing. Key initiatives are presented and clustered based on countries' commonalities.
- Chapter 3 highlights the main priorities reported in the countries' questionnaires. It also stresses and documents the important role played by development partners, especially of those that are part of the eTrade for all initiative. At the same time, it elaborates on areas for improvement and opportunities to increase support, more aligned to the needs and priorities of the partner countries, including recommendations to make better use of the eT Ready ISM for more effective implementation.
- Chapter 4 stresses the main messages based on the lessons learned from the 3rd IR and main conclusions.



Image: Adobe Stock/Wazkii





Towards inclusive and
sustainable e-commerce
development

1. TOWARDS INCLUSIVE AND SUSTAINABLE E-COMMERCE DEVELOPMENT

1.1 Moving from assessments to implemented recommendations

UNCTAD's third IR consolidates a well-established eT Ready follow-up approach developed in the context of UNCTAD's ISM. The ISM relies on a network of eT Ready Focal Points in partner countries' trade ministries or other entities with a recognized leadership role in the area of e-commerce. They are instrumental in keeping track of progress, identifying gaps and adapting implementation support to evolving national priorities.

Figure 4: Meet some of the Focal Points contributing to this review

1 SENEGAL

Mr. Fara Makha Diop, Head of E-Commerce Promotion Office/ Ministry of Commerce, Consumer Affairs and SMEs



The eT Ready has played a critical role as a diagnostic tool and catalyst for digital progress in Senegal. We maintain this momentum to operationalize the tools made available by UNCTAD. It is important to strengthen the capacities of the national focal points in charge following up on digital trade developments, for example in the context of the AfCFTA.

2 CÔTE D'IVOIRE

Mr. Kouakou Charles Yao, Deputy Director of Electronic Commerce Regulation, Ministry of Trade, Industry and Promotion of SMEs



Digitalization has disrupted human behavior. All countries in the world are adapting to its evolution. On the trade front, the eT Ready initiative is a boon in that the implementation of its recommendations is helping my country, Côte d'Ivoire, to adapt to these changes.

3 TOGO

Mr. Rachid Darago, Director of E-commerce Promotion Office, Ministry of Trade, Industry and Local Consumption



The eT Ready is a powerful analytical tool that allows our countries to assess gaps, improve our efforts made by governments in the development of e-commerce for the benefit of our populations, especially women and young people. We are making good use of it also to advance discussions at the continental level with the AfCFTA.

4 MALAWI

Mr. Fatsani Ngalande, Trade Officer at the Ministry of Trade and Industry



Swift action is required to overcome the challenges of e-commerce readiness in Malawi. Lengthy policy gazetting, limited resources for digital trade, and coordination gaps hinder progress. Enhancing interagency coordination is crucial in ensuring effective implementation of e-commerce initiatives. Scaling up efforts, prioritizing capacity building, and allocating resources are imperative for sustainable development in the digital space.



5 REPUBLIC OF IRAQ

Mr. Tharwat Akram Salman,
Director of WTO Accessions
Division; Ministry of Trade



For Iraq, eTrade readiness assessment is the gateway towards promoting and digitalizing its economy in the right manner and putting it on the right track towards adopting functional development strategies that strengthens the private public dialogues among e-commerce players.

The need right now is to focus on capacity building that will kick start transformative action that can achieve tangible results on the medium and long run for developing countries and combine efforts and expertise for the services and welfare of our people through building up a sustainable development, upgrading our e-commerce systems and strategies and promoting the share in global trade. It's time for action!

6 NEPAL

Mr. Bhakta Raj Joshi

Undersecretary, Trade Policy and
Trade Cooperation Section Ministry
of Industry, Commerce and Supplies



LDCs like Nepal are full of potentialities to develop digital trade. Development of digital trade infrastructures is the ultimate way to overcome poverty and isolation. In this regard, the continuous support from the development partners and the institutions are value worthy.

7 TONGA

Ms. Lorraine Kauhenga Deputy
CEO, Ministry of Trade and
Economic Development



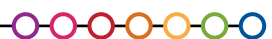
This is the first time for Tonga to take part in this implementation review exercise. Tonga has limited manpower to conduct such exercise, so we are grateful to be part of it to assist in our e-commerce implementation efforts, especially in further revising our key priorities and engaging with development partners in advancing our e-commerce activities.

8 MADAGASCAR

Mr. Rindra Andriankasina,
Head of the E-Commerce and
Consumer Information Management
Service, Ministry of Industrialization,
Trade and Consumption



The administration and promotion of e-commerce represent great challenges for our country. The curiosity to always surpass oneself and to remain simple are the key success factors.



The implementation reviews conducted in 2020 and 2022 emphasized quantitative aspects related to the implementation processes. Some countries demonstrated high implementation rates of the recommendations, and good practices were highlighted, particularly regarding the importance of strong political leadership and commitment to building an e-commerce enabling environment. Implementation reviews' findings are used as an advisory tool for governments of beneficiary countries and development partners to assess gaps and priorities.

Capacity building and stakeholder engagement provide the building foundations for governments to prioritize e-commerce in their national and regional development agendas.

Stakeholder engagement and capacity-building workshops are regularly organized by UNCTAD. In 2022, the release of the 2nd Implementation Review at the eCommerce Week in April 2022 highlighted key policy conclusions for the way forward. As a result, a first online brainstorming was organized in June 2022 with eT Ready Focal Points to test some options for refocusing UNCTAD's ISM. In October 202, UNCTAD organized a stocktaking meeting "eTrade Readiness: From Diagnostics to Implementation."⁹ The meeting provided a conducive space for the eT Ready community of Focal Points and partners to reflect on progress to date and the road ahead needed to increase the pace of implementation over the coming years. Thematic discussions were organized to explore the type of support needed to enable key stakeholders to play a more active role in leading the implementation process of the eT Ready recommendations.

The meeting recognized the bold actions taken by eT Ready Focal Points and partners to create synergies and collaboration among national stakeholders, drive national implementation, and advocate for e-commerce policy actions. Experience sharing among focal points and other participants affirmed the importance of putting more effort into the quality and pace of the implementation process, with a focus on mainstreaming e-commerce into national development agendas, strengthening governance arrangements, and building partnerships.



⁹ Co-organized with the Friedrich Ebert Stiftung (FES), the meeting took place on 27-28 October in Geneva and was held in hybrid format. The meeting saw excellent attendance from multiple target groups:

47 eT Ready national Focal Points and resource persons from 21 countries, of which 19 attended in person;

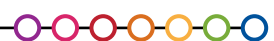
21 Geneva-based representatives of Permanent Missions to the UN in Geneva, of which 19 attended in person, representing 15 countries and one regional grouping;

38 representatives of development partners, of which 16 attended in-person, representing all UNCTAD's ECDE core donors and eTrade for all (9) and other development partners from headquarters and national or regional offices, as well from UN country teams agencies and UN Resident Coordinator Offices.

Speakers at the opening session agreed on the risks of increasing digital divides, fuelled by different levels of digital readiness and challenges that developing countries are facing, and agreed on the urgency to accelerate e-commerce enabling initiatives in developing countries, particularly in LDCs, and build stronger capacities to better leverage opportunities from the digital economy. Mainstreaming eT Ready recommendations into national development plans and trade promotion strategies was recognized as a catalyst to promote inclusive national e-commerce development. It was also emphasized that eT Readies have proven to be useful tools, not only for policymakers but also for development partners, who are giving increased priority to the digital dimension in their development agendas. At the same time, speakers encouraged participants in the meeting to explore new pathways to support developing countries in implementing the recommendations of eT Readies, and, in particular, find a more efficient way to strengthen eT Ready implementation arrangements that can lead to a greater impact of e-commerce development initiatives on the ground.

Regional cooperation as a trigger for enhanced cross-border e-commerce. Thematic discussion during the stocktaking meeting stressed how regional cooperation can complement and accelerate the implementation of national initiatives and, in addition, strengthen countries' participation in cross-border initiatives. To make it effective, the scope and depth of regional integration should focus on challenges that are more effectively addressed at the regional level. Experiences from the Pacific (Pacific Islands Forum), Southeast Asia (ASEAN), and West Africa (ECOWAS) countries were shared during UNCTAD's stocktaking meeting, noting different approaches to achieve common objectives. Discussions demonstrated how regional e-commerce strategies (i.e., in ECOWAS and in the Pacific) can reinforce, complement, and accelerate the implementation of national initiatives. They can help secure high-level continuous support for national e-commerce development initiatives and also determine priority areas and support resource mobilization efforts.

Regional initiatives can be used to "bridge the gaps" that national initiatives cannot address or help achieve them in a more cost-effective and efficient way. Regional initiatives can range from actions with a more voluntary nature, such as policies and strategies, to obligations in regional agreements (i.e., trade agreements with e-commerce chapters), reflecting different levels of commitment. Speakers and participants acknowledged that digitalization progress still varies greatly by country, even within regional groups, creating a disparity in readiness to participate in regional initiatives. Regional strategies provide an opportunity to facilitate knowledge exchange, coordinate among member states, and thereby help reduce the divides between countries. National eTrade readiness assessments, action plans and strategies were recognized as important tools to prepare countries for meaningful involvement in regional e-commerce initiatives.



1.2 Main trends in building national and regional e-commerce development agendas - stakeholders' perspectives

Countries' ability to drive their e-commerce development agenda has grown and been strengthened. At the national level, feedback received from countries that participated in this review highlights how eT Readies have made them better equipped to play a leading role in initiating a number of policy-development processes:

- Participation in regional integration processes, especially in countries in West Africa and the Pacific. Previous implementation reviews have already highlighted how diagnostic studies, such as the eT Ready, have paved the way for harmonized efforts and participatory processes to develop regional e-commerce strategies.
- Formulation of countries' positions in the context of trade negotiations and fora that foresee the incorporation of e-commerce and digital trade more broadly into trade-related agreements. This has been flagged by Bangladesh and countries in Africa, such as Burkina Faso, Côte d'Ivoire, Senegal, and Togo, in the context of negotiations for an African Continental Free Trade Agreement Digital Trade Protocol, as well as various ongoing initiatives such as the WTO Work Programme on E-Commerce or the Joint Statement Initiative on E-Commerce among a group of WTO Members.
- Development of national e-commerce strategies and policies that outline visions for the development of e-commerce in line with national development agendas. To date, among the 36 beneficiary countries of eT Readies and related assessments, 28 have clearly realized the importance of equipping the country with either/or a national e-commerce strategy, policy, action plan. Among them: 17 countries have at least one of the above in place, in seven countries these are being developed or planned, four countries have expressed strong interest in having one of the above.¹⁰
- Mainstreaming e-commerce into national development plans and sectoral policies, engaging stakeholders, and raising awareness. In Bangladesh, e-commerce has been prominently integrated in the 8th Five Year Plan 2020-2025, which represents the first phase of the country's Perspective Plan 2021-41. In Tuvalu, "Harnessing the Digital Environment" is National Outcome 1 of the "Te Kete" (Tuvalu's National Sustainable Strategy 2021-2030), demonstrating government commitment and highlighting the importance of digital trade for national development. In Uganda, a number of recommendations have been incorporated into the National Development Plan III, particularly under the Digital Transformation Program. In PNG, the e-commerce assessment served as a tool to foster stakeholder collaboration and helped raise awareness of the importance of e-commerce for economic growth, which is reflected in the ongoing preparation of its National E-Commerce Strategy. The chapter "Impact of Digitalization and E-Commerce of the new 2023 Diagnostic Trade Integration Study of Zambia, supported by the EIF, is extensively informed by the eT Ready. Furthermore, several countries reported different initiatives that have built upon the eT Readies to a certain extent.

¹⁰ See section 2.1.



Figure 5: Overview of eT Ready partner countries with active initiatives in support of their national e-commerce development agenda



In addition, countries including Bangladesh, Tunisia and Tuvalu have specifically pointed to the eT Readies as a means to foster coordination among stakeholders and facilitate monitoring and evaluation of e-commerce enabling reforms. For example, Tuvalu regularly tracks the number of eT recommendations implemented and undertook a full review of the eT Ready implementation as a basis for the development of the E-Commerce Strategy. Going further, it is worth shedding light on how countries have been promoting governance arrangements to coordinate the implementation of e-commerce enabling initiatives.



Countries are increasingly adopting a coordinated and well-governed implementation process, but in most cases governance arrangements are still at a nascent stage.

Among the countries that participated in this review, 70 per cent have reported having established, or having advanced plans to establish, governance structures to lead the implementation of e-commerce enabling policies and initiatives. In addition to countries such as Bangladesh, Bhutan, Burkina Faso, Cambodia, Nepal, Niger, Samoa, Senegal, and Zambia, which have already reported the establishment of e-commerce committees, working groups, and/or e-commerce implementation units in previous implementation reviews, new countries, especially in the Pacific region, have reported new structures (see Box 2). In Bangladesh, the Ministry of Commerce has formed the Digital Commerce Cell to ensure monitoring of the sector and implementation of the digital commerce policy. In Côte d'Ivoire and Togo, e-commerce promotion departments have been established within ministries in charge of trade, and directors have been appointed.¹¹ In Tunisia, the Directorate for the Development of Electronic Commerce and the Intangible Economy at the Ministry of Trade and Export Development (MCDE) ensures the coordination of the implementation of the Action Plan developed as a follow-up to the eT Ready. Tunisia is also reviewing its existing institutional coordination mechanism by establishing a new National Technical Commission for Electronic Commerce under the leadership of MCDE. To this end, a draft decree has been prepared and submitted for the approval of the Government.

Box 2: E-commerce governance on the rise in the Pacific

An increasing number of countries in the Pacific region are setting up structures to foster and accelerate the coordination of e-commerce-related policies. In PNG, the National Trade Office (NTO) was created in 2022, envisioning the establishment of relevant committees to coordinate policy efforts and monitor progress, including e-commerce. The National Trade Act, passed in 2023, has further enhanced the NTO's mandate. In the Solomon Islands, the National E-commerce Steering Committee ensures guidance and strategic oversight of the implementation of the E-commerce Strategy and Roadmap 2022-2027 launched in April 2023.



The Committee is co-chaired by the Ministry of Commerce, Industry, Labour, and Immigration and the Ministry of Communications and Aviation. The former has set up a team to drive the implementation of the strategy and will serve as the secretariat for the Steering Committee. In Tonga, the National E-commerce Sub-committee held its inaugural meeting in February 2023.

¹¹ In Côte d'Ivoire the "Direction du Commerce Electronique" has been established pursuant to decree n°601 of 3/8/2022. In Togo, the "Direction de promotion du commerce électronique" has been established pursuant to decree n° 2021-084/PR.





It includes members from government ministries, the private sector, and non-government organizations. Following this first meeting, the Terms of Reference for the functioning of the National E-commerce Sub-committee were endorsed by the National Trade Facilitation Committee.¹² Other countries in the region with established committees include Kiribati, Tuvalu, Vanuatu, and Samoa. Initiatives at the national level are being supported at the regional level, under the leadership of PIF, in charge of coordinating the implementation of the Pacific Regional E-commerce Strategy and Roadmap.

The Pacific E-commerce Committee has been established and is being further operationalized. Through the Pacific E-Commerce Initiative, PIF has established the Pacific E-commerce Portal, which serves as a repository of information and statistics on e-commerce in the Pacific. This also supports efforts under the Strategy's Monitoring and Evaluation system, which have already led to the publication of the first M&E Report presented at the first meeting of the Pacific E-commerce Committee in December 2022.¹³

The call to move towards a more holistic, coordinated approach to building inclusive digital economies in the region has been renewed with the launch of the Pacific Edition of the Digital Economy Report in February 2023.¹⁴ The report prepared by UNCTAD is one of the key deliverables of the Pacific Digital Economy Programme (PDEP), jointly administered by UNCDF, UNCTAD and UNDP, and financially supported by Australia.

Source: UNCTAD

Pictures: meetings of e-commerce committees in Tonga, Tuvalu and Vanuatu

These structures are at an early stage of development or weak level of operationalization, challenges remain with regard to keeping the engagement of all stakeholders, convene regular meetings and ensure proper monitoring and follow-up of decisions. These hamper their effectiveness and sustainability over the long-term. There is a strong need to build capacity in this area and empower these governance structures by strengthening their management functions.

¹² Tonga's National E-commerce Sub-Committee was approved by the Tonga National Trade Committee, comprised of Ministers and CEOs, in July 2023.

¹³ https://pacificcommerce.org/wp-content/uploads/2022/12/ME-report-Nov-2022_Final-edit.pdf

¹⁴ https://unctad.org/system/files/official-document/dtlecdc2022d4_en.pdf



While strong political leadership and stakeholder mobilization capacity are key to fast-track implementation, as documented by the experiences of best-performing countries such as Bhutan, Cambodia, Senegal, and Togo in previous implementation reviews, almost all surveyed countries have expressed a clear interest in using a software or web-based tool to coordinate and monitor the implementation of eT Ready follow-up actions.

Going forward, bearing in mind that human and financial resources available for implementation are often limited, as reported by all the countries participating in this review, it is important to avoid duplication of governance structures. This was also highlighted by the eT Ready focal points during the stocktaking meeting last October who pointed out that existing structures or mechanisms could be considered (for example, the EIF's National Implementation Unit or a National Trade Facilitation Committee). In this case, streamlining and strengthening existing coordination arrangements should be given priority, while identifying which institutional changes may be needed to improve national coordination and make it fit for purpose.

Countries have started allocating funding to the implementation process, but the amount falls far below what is needed to fast-track implementation. For example, countries are renewing their efforts to develop and finance the implementation of national e-commerce strategies. The development of a national e-commerce strategy has been prioritized by Niger, which has reportedly earmarked funds to move the process forward. Solomon Islands, Togo, and Tonga have set aside funds for the implementation of their national e-commerce strategies and plans. In Togo, the strategic plan is accompanied by a capacity-building project for e-commerce development (ProCET), for which the government is actively seeking resources. Investments in connectivity have been prioritized by Uganda and Zambia. In Uganda, funds have been dedicated to extending connectivity to unserved and underserved communities, as well as improving the regulatory landscape for e-government and e-commerce. In Zambia, the Information and Communications Technology Authority (ZICTA) continues to use Universal Access Funds to promote national investments in communication tower deployment.¹⁵ In Bangladesh, three training programmes were conducted for entrepreneurship development in e-commerce, funded by the government (with a contribution from the EIF), in cooperation with the private sector, namely the e-Commerce Association of Bangladesh.

In Tuvalu, the government allocated AUD\$10K to support the Department of Trade in e-commerce skills development training to be rolled out across all islands. In Senegal, the establishment of pick-up points in rural and urban areas (known as the “Jege” project) is in the process of securing government funds. Despite these efforts, feedback received from countries that participated in this review clearly highlights that they are constrained by the limited resources available in national budgets to scale up the implementation of e-commerce enabling reforms.

¹⁵ ZICTA Corporate Strategic Plan 2022–2024, <https://res.cloudinary.com/dqrw0req3/image/upload/v1694422764/tgzn4ryyiv7awwvp4uu.pdf>

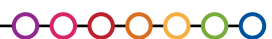


1.3 Challenges in moving from recommendations to implementation

Despite the efforts and gains made by countries, the momentum for such reforms and their potential impact continues to be hindered and influenced by a number of mutually reinforcing constraints. These echo similar findings from previous implementation reviews but have been compounded by the impact of a series of global crises in recent years. Serious damage to the global economy can impede implementation gains, particularly affecting least developed and developing countries. Such constraints can be endogenous, when pertaining to political and institutional dynamics, or exogenous, when these are linked to unforeseeable circumstances or external conditions.

Endogenous factors

- **Government leadership:** Gaining, maintaining and sustaining political commitment to promote e-commerce enabling reforms in partner countries will continue to be a primary determining factor in the implementation of recommendations. Implementation can be negatively affected in a non-supporting environment if such efforts are perceived to be contrary to prevailing political and economic objectives. Furthermore, some countries highlighted challenges to maintain continuity due to frequent government changes or ministers' turnover.
- **Institutional development:** There can be significant and qualitatively meaningful negative correlation between staff turnover and levels of implementation. This is in addition to the limited availability of staff involved in lead implementation agencies, as well as knowledge transfer and capacity development constraints. Several countries reported difficulties in effectively operationalizing established coordination structures. For example, e-commerce implementation units, or similar government bodies tasked with coordinating the implementation process, are often led by only one individual. Empowering a national coordinator and technical experts within the lead Ministry may serve as a useful option to help strengthen and build national capacities.
- **Policy harmonization and coherence:** Competing priorities, policies and plans often exacerbate the problem of funding gaps and cause implementation delays. One country specifically pointed to frequent budget cuts, which have affected the implementation of a number of eT Ready recommendations. In addition, despite the emergence of governance arrangements, government departments and agencies continue to often work in isolation and with weak connections with private sector and other stakeholders. This hampers efforts to address key bottlenecks in a holistic manner and ensure synergies across different policy areas. For example, massive investments in IT infrastructure fall short of delivering tangible benefits without promoting meaningful connectivity by widely strengthening digital skills and literacy. Similarly, digital payments in e-commerce cannot thrive without a properly enforced legal framework that promotes trust and consumer protection. Therefore, reinforcing the capacity to deal with interconnected issues through a whole-of-government and whole of society approach remains key, also to ensure that limited resources are channelled efficiently.



Exogenous factors

- Many partner countries are disproportionately affected by shocks and stressors such as climate change and environmental degradation, political instability and conflict, economic and financial volatility, epidemics and food insecurity. The challenges have been exacerbated by the combination of high energy and food prices, with many developing countries still recovering from the aftermath of the COVID-19 pandemic. These factors combined or in isolation almost always hinder economic growth and development. In the context of digital development and e-commerce, the momentum created by the organization of the FICEL forum in Burkina Faso reinvigorated public-private dialogue for the development of a national e-commerce strategy. While digital development remains a priority, policy implementation has lost traction because of the worsened security context.
- These crises have occurred amid a swift tightening of global financial conditions and escalating borrowing expenses, which have heightened the likelihood of debt difficulties in vulnerable countries and weakened their capacity to allocate resources towards recovery efforts. High interest rates and escalating debt levels will also intensify the cost-of-living crisis and widen inequalities on a global scale. This, in turn, will hinder countries' abilities to pursue long-term sustainable development.



Image: Adobe Stock/Zainab

2

Implementation
achievements in the seven
eT Ready policy areas

2. IMPLEMENTATION ACHIEVEMENTS IN THE SEVEN eT READY POLICY AREAS

2.1. E-commerce readiness and strategy formulation

Countries acknowledge the importance of developing a nationally owned approach to enhance their readiness to engage in and benefit from e-commerce. The approach is heterogeneous and combines a suite of policy tools, such as national e-commerce and digital trade strategies, policies, and action plans. Increasing attention should be devoted to making such approaches truly inclusive, fostering multi-stakeholder engagement and collaboration. This can be achieved by further strengthening the governance arrangements established in an increasing number of countries to coordinate the implementation of e-commerce enabling reforms. The focus on expanding e-government services remains an important area of action, and a few LDCs are making significant progress in this regard. Likewise, the establishment of national platforms in the form of e-commerce marketplaces with government and development partners' support is gaining momentum. However, countries still face challenges in ensuring their sustainability and curb the widespread use of social media e-commerce. The lack of statistical data on e-commerce and the digital economy continues to be a major obstacle in mainstreaming e-commerce policy reforms, highlighting the significant need for capacity-building support in this area.



Launch of the National e-commerce strategy of the Solomon Islands implemented through the Pacific Digital Economy Programme

Latest achievements in this policy area mainly refer to advancing national and regional e-commerce strategies, policies and eT Ready action plans.

Table 1 below provides an overview of the status in partner countries. Among the countries that have more recently developed a national e-commerce strategy, Kenya and the Solomon Islands have benefited from UNCTAD support. Same as in Côte d'Ivoire where the development of the national e-commerce strategy is ongoing. Samoa, Tonga, Tuvalu and Vanuatu have benefited from regional support through the PIF. The national e-commerce strategies in Tanzania, Uganda

and Zambia are ongoing with support from UNDP and EIF, which have also supported the development of Kiribati's national e-commerce strategy. The eT Ready action plans in Jordan and Tunisia have been undertaken with UNCTAD support, as is Malawi where the preparation of the action plan is still ongoing.



ECOWAS is the latest African regional economic community having developed a dedicated regional ECS,¹⁶ endorsed by the Council of Ministers on 7 July 2023 with the support of UNCTAD and its core donors, aimed at accelerating structural change and development and fostering regional integration. Aligned to the ECOWAS Vision 2050, the ECOWAS E-Commerce Strategy outlines three key goals: institutional strengthening, securing trust, e-commerce intelligence and inclusion. It responds to the needs of ECOWAS, identified in the eTrade Readiness Assessment of Member States of the Economic Community of West African States in 2022.

Table 1: National e-commerce policies (ECP), strategies (ECS), action plans (AP) that followed an eT Ready¹⁷

Africa		Asia		Pacific	
Benin	ECS (2021)	Afghanistan		F.S. of Micronesia	
Burkina Faso	ECS (interest)	Bangladesh	ECP (2020)	Fiji	ECS (planned 2024)
Côte d'Ivoire	ECS (ongoing)	Bhutan	ECP (2021)	Kiribati	ECS (2023) ¹⁸
Kenya	ECS (2023)	Cambodia	ECS (2020)	Nauru	
Lesotho		Iraq	ECS (interest)	Niue	
Liberia		Jordan	AP (2022) ECS (2023)	Papua New Guinea	ECS (ongoing)
Madagascar	ECS (interest)	Lao PDR		Samoa	ECS (2022)
Malawi	AP (ongoing)	Myanmar	ECS (2021)	Solomon Islands	ECS (2023)
Mali		Nepal	ECS (2019)	Tonga	ECS (2021)
Niger	ECS (interest)			Tuvalu	ECS (2023) ¹⁹
Senegal	ECS (2019)			Vanuatu	ECS (2022)
Tanzania	ECS (ongoing)				
Togo	ECS (2021)				
Tunisia	AP (2022)				
Uganda	ECS (ongoing)				
Zambia	ECS (ongoing)				

Source: UNCTAD

16 The ECOWAS E-Commerce Strategy, the first in West Africa and only the third in Africa after SADC and EAC. It is worth recalling that a SADC E-commerce Strategy was adopted in 2012 (but never fully implemented) while the EAC E-commerce Strategy was adopted in July 2022. Efforts are ongoing to streamline the policy and regulatory frameworks for e-commerce in the Eastern Africa-Southern-Africa and Indian Ocean region (see <https://www.comesa.int/steps-towards-harmonised-policy-for-e-commerce-in-the-region/>).

17 Countries highlighted in bold have received UNCTAD support. In brackets, year of completion or current status.

18 Developed but waiting for Cabinet's approval.

19 The Strategy was validated during the national validation workshop in May 2023 and is waiting for Cabinet approval and launching.



Participants at the stocktaking meeting stressed the usefulness of eT Ready action plans, national e-commerce strategies, and policies as tools to accelerate the implementation of e-commerce initiatives. Throughout the meeting, experiences from Bhutan, Cambodia, Jordan, Kenya, Senegal, Tunisia, and Tuvalu were presented and discussed, particularly regarding the development of eT Ready action plans, e-commerce strategies, and policies. There was consensus on the importance of these tools in accelerating the implementation of eT Ready recommendations. However, the mix of national experiences highlighted that the sequencing and choice of policy tools depend on several factors, such as countries' policymaking traditions, administrative requirements and mandates, and government sectoral priorities. Furthermore, the relevance and effective implementation of policy tools depends on country-specific factors, including institutional arrangements and available resources.

Efforts to establish the institutions and human capacity necessary to develop and implement the tools across the majority of partner countries is hindered by governance, institutional and policy constraints. For example, as reported by Malawi, one of the challenges in the development of the eT Ready Action plan has been ensuring the consistent participation of relevant ministries and other government agencies in the implementation of the recommendations. In Nepal, the lack of technical knowledge among stakeholders on the use of new technologies and their role in trade promotion has proved to be a significant challenge in the follow-up of its national e-commerce strategy. As such, engaging with governments and utilizing the findings of countries' assessments, such as the eT Ready, helps determine the best approach. What is most important is that these tools serve as an engagement platform for different stakeholders, fostering a culture of inclusiveness and ensuring that the concerns and opportunities of different segments of society are fully taken into account.

Box 3: Fostering inclusion in e-commerce strategy development

A number of UN agencies have adopted a human rights-based approach (HRBA) to their development cooperation.²⁰ For its part, UNCTAD has been developing guidelines to ensure effective mainstreaming of gender, human rights, and environmental considerations, for the progressive integration of a HRBA into its technical cooperation projects and programmes. UNCTAD's capacity-building support to developing countries and regional groupings in the area of e-commerce and digital economy also strives to align to a HRBA. In particular, the organization aims to gradually integrate the specific needs and rights of women and girls, the youth and the elderly, people with disabilities (PWDs), and others in vulnerable situations into the development of national or regional e-commerce strategies, with a view to supporting the development of an e-commerce ecosystem with full respect to human rights. In operational terms, this translates into promoting the participation of vulnerable segments of the population in public-private consultations both during the phase of a diagnostic/assessment and the strategy development process.

²⁰ By following this approach, those UN agencies committed to applying this approach will ensure that human rights principles guide all programming processes, including assessment and analysis, programme planning and design, implementation, monitoring and evaluation. Among these human rights principles are: universality and inalienability; indivisibility; inter-dependence and inter-relatedness; non-discrimination and equality; participation and inclusion; accountability and the rule of law.



For example, during the preparation of the eT Ready, UNCTAD conducted interviews with PWDs who were entrepreneurs, to learn about their experience with e-commerce and better determine their needs and for a more inclusive e-commerce. This also aligned to ongoing initiatives led by the Government of Kenya to develop ICT accessibility standards. As a result, in May 2022 the Kenya Bureau of Standards introduced a standard to ensure that public and private sector digital products and services are accessible to PWDs.

As a follow up to work undertaken in the eT Ready, UNCTAD further supported the Government of Kenya to develop a national e-commerce strategy (ECS) with a special focus on the inclusivity dimension, particularly on PWDs. The ECS's vision recognizes that e-commerce can be a boon to disadvantaged people. For PWDs, people living in rural areas or those who otherwise find it difficult to get to shops to buy goods and services, it can even act as a lifeline. Strategic goal 5 on Skills and Human Capacity incorporates specific initiatives to improve the access to e-commerce by PWDs by providing that devices and applications need to be designed to meet their needs as merchants or consumers. Under the same goal, the ECS also provides for the development of guidelines for ICT applications that take account of the needs of PWDs. Furthermore, it also recommends the development of investment incentive packages for e-commerce start-ups and businesses founded by PWDs, women and youth.²¹ Such an approach can also be amplified at the regional level.

ECOWAS also benefited from UNCTAD's support to develop a regional ECS, which includes a strategic goal on "fostering inclusion for e-commerce development in ECOWAS" under which the participation of women and youth in all the strategic initiatives included in the ECS is monitored jointly by ECOWAS Trade Directorate, the Directorate for Youth Empowerment and Social Development and the Centre for Gender Development.

Source: UNCTAD

Multi-stakeholder coordination and inclusive dialogue are imperative for formalizing sound governance arrangements for the implementation of eT Ready recommendations.

As documented in section 1.2 and in previous implementation reviews, a growing number of countries have established various forms of governance structures to coordinate their national e-commerce development agendas. These structures can contribute to building a whole-of-government approach for the implementation of eT Ready recommendations. Additionally, they often provide a platform to foster multi-stakeholder dialogue, as these structures generally incorporate direct mechanisms to involve members, either statutory or as observers, of the private sector and other civil society organizations. For example, in Niger, the National Consultative Committee on Electronic Commerce was established in 2021.

²¹ KS 2952-1:2022 (published in the Kenya Gazette on 13 May 2022).



In addition to government representatives from various key Ministries, it includes one representative from e-commerce platforms, two from consumer associations, and two businesswomen representatives. Also, in Tuvalu, according to the terms of reference of the National E-Commerce Committee, the membership should reflect the various important government departments and other stakeholders who align their main duties and responsibilities with the objectives and functions of the committee. Indirectly, non-governmental stakeholders might also be occasionally called upon, or involved through a separate consultative body or expert group.

Strategic approaches have been undertaken by a number of partner countries to make multi-stakeholder structures more inclusive. For example, in Tonga, the National E-commerce Subcommittee has contributed to increasing transparency and creating a space for dialogue between the public and private sectors. In Senegal, a reform is underway to anchor the National Council on Digitalization with the Ministry of Digital Economy, Communication, and Telecommunications, and to make it more representative of all segments of society. Thus, the new project includes the consideration of the sociological and demographic dimensions through the involvement of demographers and sociologists.

E-government continues to be a dynamic area in partner countries, and governments are increasingly eager to support national e-commerce platforms. More and more developing countries, particularly LDCs, are making strides in line with the progress already noted in the previous implementation reviews and confirmed by the UN E-Government Survey in 2022. Côte d'Ivoire, Nepal, and Zambia moved from the middle segment to the high segment of the E-Government Development Index (EGDI) group in 2022. With their transition from the middle to the high EGDI group in 2022, Nepal and Zambia (together with Rwanda) have joined Bhutan, Bangladesh, and Cambodia, which made the same shift in 2020, as the leaders in e-government development among the LDCs.²² Enhanced service delivery in Uganda has been reflected in the improved World Bank's GovTech Maturity Index Report 2022. Uganda's National Information Technology Authority (NITA-U) developed the UGhub, an integration platform for core government systems with 93 entities integrated into the system.²³ Progress of this sort facilitates the sharing of data across government and the provision of e-services that motivate the people of Uganda to engage in more online transactions. The adoption of Electronic Government Procurement (e-GP, <https://egpuganda.go.ug/>) is among the most significant reforms undertaken by the government of Uganda.

22 <https://desapublications.un.org/sites/default/files/publications/2022-09/Web%20version%20E-Government%202022.pdf>

23 <https://www.nita.go.ug/sites/default/files/2022-11/Uganda%E2%80%99s%20Digital%20Transformation%20improves%20as%20Oper%20World%20Bank%60s%20Govtech-Press%20release.pdf>



Figure 6: UNCTAD-supported business facilitation reforms in Benin, Bhutan and Iraq**BENIN**

UNCTAD developed the MonEntreprise.bj platform in 2020, using its ground-breaking software custom-built to help businesses launch efficiently online. **Between 2019 and 2022 the number of young people opening new businesses in Benin skyrocketed, more than tripling from 7,416 registrations to 23,312.** Women represented 33 per cent of the 56,579 new businesses opened in Benin in 2022. *“I didn’t believe the online business registration system would work as promised but it did. It’s every entrepreneur’s dream to be able to create a company from home. In other countries in the sub-region it takes three weeks to do the same thing”* said Ms. Caludia Togbé, founder of Origine Terre.

**BHUTAN**

In 2021, amid the COVID-19 pandemic, the Bhutanese government launched the G2B digital government portal, using UNCTAD’s customizable digital platform. Entrepreneurs simply fill out a form on their mobile phones and receive all registration documents at no cost, in less than a minute. **In 2022, 5,500 Bhutanese, almost 1 per cent of the population, used the service to register a business** – 52 per cent of them were women.

IRAQ

On 8 November 2021, the Iraqi government set up business.mot.gov.iq – an online “single window” for business registration. **The portal simplifies a process that used to entail 35 steps and long hours waiting in line at different government offices. Almost 3,000 entrepreneurs have used it to register their company.** Women have accounted for 7 per cent of those registering their business through the portal since its launch. And this share is expected to grow as awareness of the single window increases.



Source: UNCTAD²⁴

This is not without challenges, however. The Government reported inadequate funding for the scalability of e-government services and is reaching out to development partners, such as the WBG, to assist in scaling up the services. In Malawi, despite efforts to advance in this area, the low level of Internet access by the population and difficult policy coordination and dialogue among different stakeholders were reported to be obstacles. In Senegal, building on previous

²⁴ Based on: <https://unctad.org/news/benin-triples-number-companies-opened-youth-2022>; <https://unctad.org/news/how-bhutans-civil-servants-are-building-digital-government-system>; <https://unctad.org/news/iraq-online-portal-opens-doors-women-business>



achievements in this area, the government is investing in building a user-centred, digitally enabled, and proximity administration across the 45 country departments through the “Espaces Sénégal Services” project. The momentum towards digitalizing government administration and services is significantly benefiting businesses. In Benin, Bhutan and Iraq, UNCTAD support has been instrumental in establishing digital government platforms. These have resulted in remarkably shortening the time and number of procedures necessary to establish a new business.

While e-government reforms are an integral part of digital transformation agendas, governments are looking for ways to be more actively engaged in facilitating e-commerce, beyond G2B/G2C e-commerce. In Bangladesh, the national e-commerce platform ekShop introduced DigiBox in October 2022, the country’s first Internet of Things-based custom locker system. This system aims to enhance last-mile delivery, storage, and pick-up services for businesses nationwide, with a focus on the e-commerce segment. Similar successful initiatives such as the CambodiaTrade.com marketplace (see Box 4) can inspire other countries. In Niger, an e-commerce platform called “Kahabou” was launched in July 2022 in partnership with the Banque Agricole du Niger and UNDP, targeting the agricultural sector and rural areas. Promoting agri-based e-commerce is the focus of an EIF’s ongoing project in partnership with the Global Shea Alliance; it aims to develop a digital platform for shea stakeholders in Benin, Burkina Faso, Mali and Togo. This adds to other initiatives, such as those promoted by Senegal in the context of COVID-19 responses, as well as marketplaces run by national postal operators in Burkina Faso and Togo (“Assiyeyeme” in Togo and “Fasoranana” in Burkina Faso), supporting the online marketing and sales of local products. However, these efforts are not without challenges. Ensuring cybersecurity, efficient and affordable digital payment solutions, street addressing, and consumers’ trust are still areas of concern. The formalization and professionalization of platforms and online business operators have been reported as areas of concern for the smooth functioning of these platforms, for example in Burkina Faso and Niger.²⁵ Efforts to curb social e-commerce and encourage the digital transition towards safer online business outlets should be strengthened. Informality serves as a significant attribute of the e-commerce labour market, but it is often the only source of income and a critical safety net for millions of people.



According to the most *recent statistical overview from the ILO*,²⁶ informal employment accounts for **92.1%** of employed women and **87.5%** of employed men in *low-income* countries.



Approximately **70%** of *workers in emerging economies and developing countries* are engaged in the *informal economy*.



In *sub-Saharan Africa and South Asia*, this percentage rises even *higher to nearly 90%*.

²⁵ UNCTAD is planning to conduct a study on the experience of countries that have implemented this kind of platforms.

²⁶ https://www.ilo.org/global/publications/books/WCMS_626831/lang--en/index.htm



Box 4: Cambodia's experience with the CambodiaTrade marketplace

Since 2020, the e-commerce sector has registered consistent growth in Cambodia. Cambodia's journey towards building an enabling environment for e-commerce has been extensively documented in previous implementation reviews. In March 2022, the government launched CambodiaTrade.com, a business-to-business (B2B) and business-to-customer (B2C) e-commerce platform, aiming to provide better market access for small and medium-sized enterprises (SMEs). Out of 558 applicants, 159 fulfilled the requirements to register as vendors and are now offering 1,400 'Made in Cambodia' products on the platform. CambodiaTrade is supporting Cambodian enterprises representing more than 5,000 jobs, of which more than 50 per cent are occupied by women. Half of these enterprises are female-owned and 44 per cent are based in rural areas.



The platform is integrated with local banks and fintech firms to provide solutions for cross-border payments. The Cambodia Post and courier company DHL in Cambodia have been included in the platform to ready their infrastructure for deliveries. Capacity building was provided to CambodiaTrade vendors as part of the

onboarding process, with the support of development partners. The platform functions with standardized key documents facilitating export readiness and compliance with trade rules. Large promotional campaigns were organized in pilot countries (USA, Australia, South Korea and Singapore) through various social media and exhibition events. As a result, CambodiaTrade has reached out more than 28,000 viewers from 145 countries. Sales originated from Australia, France, the Netherlands, Singapore, Switzerland, USA, as well as Cambodia. CambodiaTrade has intervened to operationalize the development of Advance Electronic Data (EAD) by interfacing the Automated System for Customs Data (ASYCUDA) of the General Department of Customs and Excise (GDCE) and the Customs Declaration System (CDS) of Cambodia Post for small package consignments.

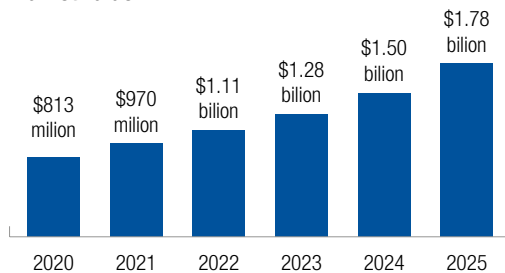
Despite these achievements in a relatively short time span, several challenges have also been encountered:

- The onboarding of vendors is constrained by their skill gap and lack of expertise in e-commerce.
- The cost of logistics and payments, especially for cross-border e-commerce, is still very high for consumers and options are limited.
- For domestic logistics, including via Cambodia Post, additional support is necessary to modernize and upgrade its infrastructure, facilities and equipment.
- Warehouses to store fresh products still require upgrading and are not available at provincial levels.
- Access to affordable high-speed Internet, low-cost electricity and road infrastructure are still limited outside main cities.
- Labelling and packaging of products for both local and international markets are still a major constraint, especially for provincial and rural vendors.



As a pilot model, CambodiaTrade still needs to clearly define its sustainability model. According to the government, refocusing CambodiaTrade from B2B and B2C to a sourcing platform would be preferable for the exit and sustainability strategy. Long-term support is needed to address all the challenges faced by Cambodian SMEs to be ready for export through e-commerce. Resources are needed for helping SMEs to formalize, make products compatible with international standards, and implement cross-border marketing.

Estimated growth of the e-commerce market value



“The eT Ready, conducted in 2017 with UNCTAD support, was a key milestone for e-commerce development in Cambodia. In addition to providing a diagnostic, the eT Ready charted a roadmap for further growth of the e-commerce ecosystem.”

H. E. Pan Sorasak, Minister of Commerce of the Kingdom of Cambodia.

Source: UNCTAD, based on information provided by the Cambodia's Ministry of Commerce

Awareness is growing regarding the importance of measuring e-commerce and digital economy data, but capacities in this area are still very weak and more capacity building is needed through global cooperation.

Consistent with previous reviews, feedback from countries indicates an urgent need to establish national statistical frameworks to capture data on online retail sales (both B2B and B2C) and cross-border digital trade. These frameworks would provide insights covering a wider range of countries, particularly developing nations. For instance, Tonga reported a lack of skills and capacities in measuring trade in services, as the current International Merchandise Trade Statistics produced by the country only cover trade in goods. Equipping the Tonga Statistics Department to produce statistics on trade in services would enable the generation of data on national and international ICT and e-commerce activities, contributing to a more comprehensive understanding of the country's international trade. Some staff members of the Tonga Statistics Department participated in an online training course based on the revised UNCTAD's Manual for the Production of Statistics on the Digital Economy. The training program was piloted in June-July 2022, involving national statistical offices in the Pacific. In the long term, this initiative should not only help individual countries strengthen their official statistics but also establish an evidence base and a monitoring tool for a regional policy program focused on the digital economy.

Enhancing global cooperation is at the core of UNCTAD's work on measuring e-commerce and the digital economy, aimed at building the capacity of countries to produce official statistics in this area to inform policymaking. A dedicated UNCTAD working group meeting held on 28 and 29 November 2022, explored ways to build on existing data sources to measure e-commerce and the digital economy. The discussion focused on improving the availability of indicators and statistics to navigate the rapid digital transformation. The group includes developed and developing countries with varying statistical systems and infrastructure. It promotes cooperation to enhance



the availability, quality, comparability, usability and relevance of statistics on e-commerce and the digital economy, supporting evidence-based policymaking, particularly in developing countries. Participants recommended the creation of a task group to develop statistical guidelines for measuring the value of e-commerce transactions.²⁷

2.2. ICT infrastructure and services

Information and Communication Technologies (ICT) infrastructure and services are vital catalysts to help countries engage in the digital economy and boost their economic competitiveness. Effective and farsighted infrastructure planning and development is critical to enhance the resilience, accessibility and sustainability of existing infrastructure assets and future investments. Governments and the private sector in partner countries are progressively implementing policy solutions and investments to improve the development and resilience of ICT infrastructure. In addition, targeted efforts by partner countries continue to deliver mass-market, low-cost connectivity solutions to unconnected populations. Such efforts are increasingly initiated through public/private collaborations. However, significant gaps remain in terms of efficient and affordable ICT infrastructure throughout the majority of partner countries. Universal connectivity encompassing reliable, affordable Internet access remains an area of concern, especially in LDCs. In addition, despite meaningful gains in connectivity and mobile Internet use in many developing countries, large numbers of the people do not use the Internet. According to the ITU, an estimated 407 million people in LDCs were using the Internet in 2022, corresponding to 36 per cent of the population, compared to 66 per cent globally.²⁸ Persistent issues remain including urban/rural divides, pervasive gender disparities and cybersecurity. Therefore, to realize the development potential of transformative ICT technologies, countries' policy responses will have to keep abreast of the multiple dimensions of soft and hard ICT infrastructures and ensure that new solutions based on collaboration and infrastructure sharing deliver meaningful connectivity.

Countries are actively addressing critical barriers to broadening access, lowering prices, and mainstreaming the use of ICT for development. The demand for modern connectivity solutions has grown exponentially. New projects and services focused on upgrading and improving first, middle, and last-mile Internet connectivity have become common. For example, Zambia has rolled out a country-wide fibre network of approximately 13,000km and provided mobile network upgrades to 3G/4G technologies in underserved areas. The Ugandan Government, through the National IT Authority of Uganda, completed the implementation of the Regional Communication Infrastructure Programme in August 2022. Key achievements include expanding broadband access throughout the country by extending the geographic coverage of connectivity. This was achieved by adding 764 kilometres of Optical Fibre Cable to the existing Government National Backbone Infrastructure (NBI). An additional 842 kilometres of Optical Fibre Cable. was extended to bridge gaps in connectivity, particularly in the West Nile region. As a result, a total of 725 more government sites (Ministries, Departments and Agencies, as well as District Local Governments) and target user groups were connected to the National Backbone Infrastructure. Three hundred (300) new Wi-Fi sites were also installed in major cities and towns across the country. Another achievement was the successful implementation of eco-friendly measures by greening 25 NBI Transmission sites, all of which are now powered by solar energy. Overall, such measures have resulted in a significant decrease in the cost of Internet bandwidth for the government.

²⁷ <https://unctad.org/news/supporting-countries-measure-digital-economy-development>

²⁸ https://www.itu.int/hub/publication/d-ind-ict_mdd-2023/





In **2016**, the cost of Internet bandwidth stood at **\$300 per Mbps per month in Uganda**, but it has since been reduced to **\$70 per Mbps per month** as of **August 2022**.

This reduction has translated into a competitive advantage for Uganda, as Internet pricing is now 56 per cent cheaper compared to regional prices. Consequently, Internet services have become more affordable and accessible for the country.²⁹

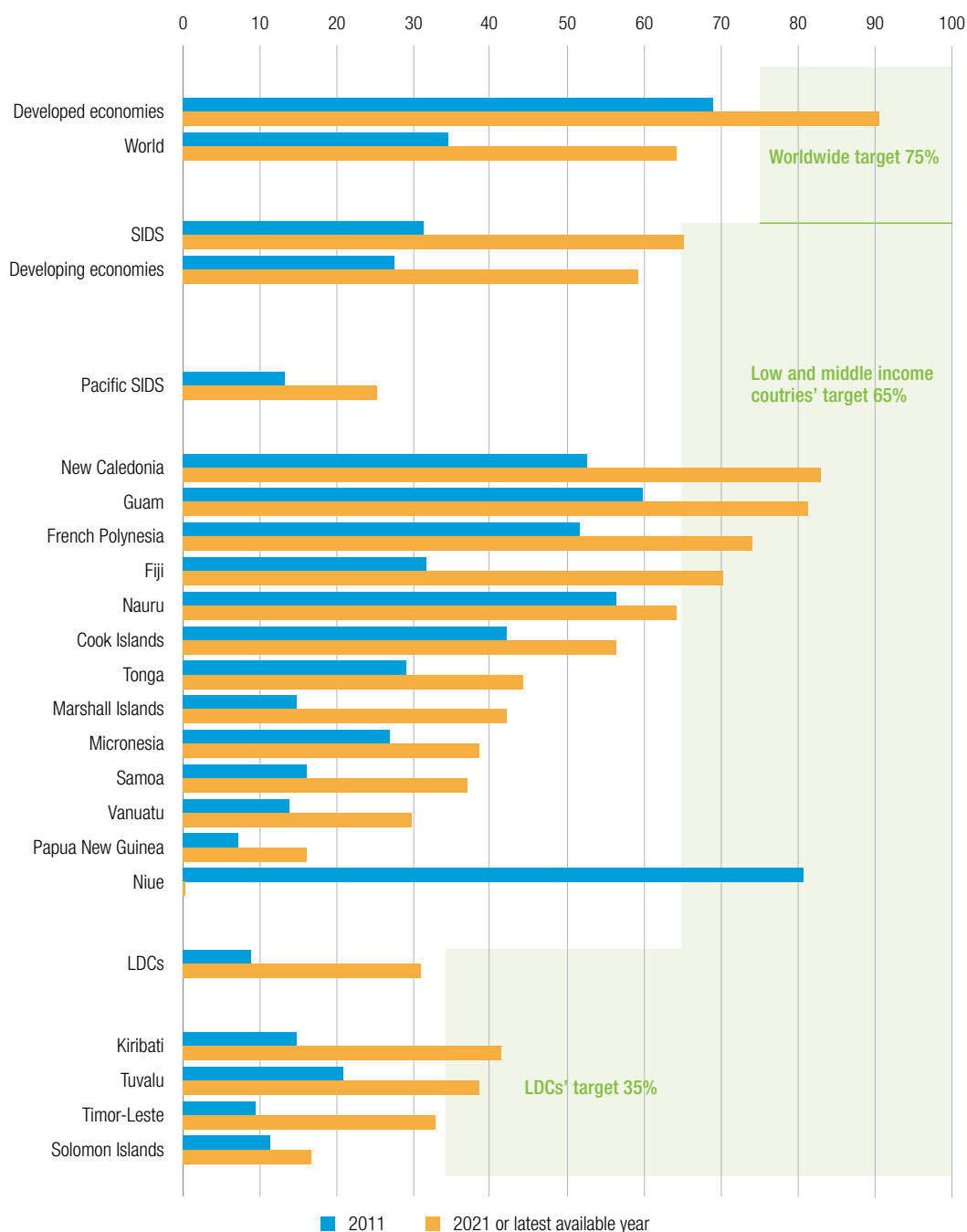
In Bangladesh, a significant effort has been made to expand the government ICT network to reach the most remote areas and rural populations. To achieve this, a high-speed Internet backbone network with ample bandwidth capacity has been successfully established across all ministries, government directorates, departments, the 64 districts, 488 Upazilas (sub-districts), and 18,130 government offices. Progress is underway to extend this high-speed Internet connectivity to all unions, the lowest tier of administration. As of June 2022, the telecommunication network has covered all 64 districts, including remote regions and islands. The optical fibre connectivity has extended to 165.9 thousand kilometres, boasting a bandwidth capacity of 3,747 Gbps. Notably, the bandwidth utilization reached 2,936 Gbps as of June 2022.

In the Pacific, countries are accelerating their digital infrastructure readiness through the timely deployment of optical fibre, 4G and preparatory developments for 5G technologies. In Tuvalu, the planned installation of 4G towers on Tuvalu's nine islands will provide 4G coverage to rural populations and bring more enterprises online. In line with the five-year ICT strategic plan 2019-2023, the Solomon Islands Government awarded contracts to private enterprise to expand its 4G network. This includes the construction of 161 towers with the aim to have half of the towers constructed before November 2023. This initiative is in addition to the development of six new 3G/4G telecommunications towers that were rolled out across three provinces and funded by the Government of Australia. Submarine cables, which contain optical fibre for rapid transmission of large amounts of data, play a crucial role in Internet connectivity in the Pacific region. The national extensions of submarine fibre optic cables have brought significant inclusion benefits by providing opportunities for operators to extend fast Internet connectivity. For example, the remote islands of Vava'u and Ha'apai in Tonga now have access to fast and reliable mobile broadband, including 4G services. Further regional efforts are also taking shape with the inaugural Pacific ICT Dialogue held in PNG in February 2023. Heads of ICT government agencies from eleven Pacific Island countries attended under the theme "Smart Pacific One Voice." The Digital Economy Report 2022 Pacific Edition stressed that assessing how much these infrastructural improvements translate into effective higher Internet use is challenging, because data on Internet use in the Pacific is scarce and mostly outdated. Nevertheless, based on the available data, Pacific SIDS did show strong progress towards the Broadband Commission for Sustainable Development targets in the following periods. Some countries have either already reached or are close to reaching their targets, but they still lag significantly behind SIDS in general (21 per cent versus above 60 per cent in 2021, respectively). To a large extent, this can be explained by the high share of the offline population in PNG.

²⁹ <https://www.mediacentre.go.ug/sites/default/files/media/Closure%20of%20RCIP%20EDITED.pdf>



Figure 7: Comparative overview of Internet users at the global level, by level of development with a specific focus on Pacific SIDS



Source: UNCTAD³⁰

30 https://unctad.org/system/files/official-document/dtlecdc2022d4_en.pdf



A growing number of governments have used a combination of public and private ownership, regulation, and provision to ensure accessible and affordable connectivity. In Malawi and the wider region, the Nacala Nayuchi Rail fibre project, through public and private investment, has resulted in the electronic integration of ports and special economic zones. In Tonga, government co-location has been enforced to enhance existing infrastructures and telecommunication services, especially in outer islands. In Mali, Decision N°23-0049-AMRTP-P of 5 April 2023 addresses Internet and leased line tariffs, aiming to strengthen infrastructure sharing in the country. Other countries, such as Kenya, Senegal, and Uganda, have introduced policies and regulations to enable and encourage the sharing of ICT infrastructure. For example, in Kenya the government introduced the Kenya Information and Communications (Access and Infrastructure Sharing) Regulations in 2022. These efforts aim to encourage telecommunications service providers to cooperate on network and infrastructure sharing issues in remote areas to benefit from cost-sharing and improve last-mile connectivity. Developing and upgrading ICT infrastructure is essential for increasing online participation in society and markets, acting as a value creator for poor populations through the creation of new sources of employment and income. It is also vital to lower prices and to mainstream the use of critical ICT for development.

Digital public infrastructure facilitates basic but widely useful functions at a societal scale, enabling better and more inclusive service delivery and innovation across multiple sectors.

Digital public infrastructure provides a foundation upon which public and private stakeholders can build applications and products that benefit people and are inclusive, equitable, and secure. Population-scale digital systems and platforms support basic, society-wide functions, effectively serving as the foundation for online transactions, such as digital identification, digital payments, data sharing, and verifiable credentials. Partner countries have used their assessments to identify opportunities to shape components of the infrastructure in a direction that serves the public interest, accelerates interoperability, promotes digital inclusion, and increases countries' digital sovereignty. This has involved investing in country dialogues, co-creation, and inclusive planning. The ability of different databases, systems, and devices—both within and across government and the wider public—to securely and seamlessly exchange or federate information is crucial for developing efficient, sustainable, resilient, and useful digital ecosystems.

The Government of Bangladesh has implemented the National Digital Architecture Bus, also known as the National e-Service Bus, as part of the Bangladesh National Digital Architecture (BNDA) framework. This initiative aims to ensure that government online services, information, and data are interoperable, available, and reusable. The National e-Service Bus acts as a software-driven middleware platform designed to enable easy access to online services, information, and data from various ministries, departments, and directorates, promoting interoperability. The primary objective of BNDA is to deliver e-Services, which are the ultimate result of this framework. By utilizing the BNDA principles, standards, guidelines, software, tools, and infrastructure, government organizations can develop improved, accessible, and reusable e-Services. These e-Services cater to various stakeholders, including government-to-government, government-to-citizen, government-to-business, and government-to-employee interactions. The BNDA incorporates emerging tools and technologies such as blockchain, big data, data analytics, and service-oriented architecture fostering digital innovation within government agencies.



Trusted data exchange systems are the conduits through which governments, businesses, and people can exchange data and queries. In the case of Uganda, a Tier III National Data Centre and a Disaster Recovery Site (cloud-based) have been established. As of May 2023, the data centre hosted over 230 Government applications, including some for private sector innovators. Moreover, to contribute to more efficient, responsive, and transparent government, Uganda has invested in a data and application integration platform named UGhub. This hub, through the integration of information sharing between government ministries, departments, and agencies and the private sector, provides improved services and information, facilitates better-informed policymaking, and enables more inclusive and participatory decision-making. As of May 2023, 113 entities (47 public entities and 66 private entities) were fully onboarded onto the UGhub.³¹ This is expected to unlock the potential of data to facilitate e-commerce in Uganda.



+230 government applications hosted in the newly established *Tier III National Data Centre and a Disaster Recovery Site*.



47 public entities and **66 private entities** fully onboarded onto the **UGhub**, *Uganda's data and application integration platform*.



UGANDA

An increasing number of countries are shifting towards decentralized models of data management and identity to provide individuals with greater control over their data. Examples include digital “lockers,” “e-wallets” and digital IDs containing digitally verified identity information and documents. Under the auspices of the Smart Africa Trust Alliance, Gabon, Ghana, Guinea, Rwanda, Tunisia, and Zimbabwe signed a declaration on data and digital identity interoperability in May 2023 to advance their digital and economic integration objectives. The declaration intends to encourage the adoption and expansion of digital public goods, streamline digital integration and data sharing, as well as encourage the development of digital identity ecosystems. The government of Kenya announced their intention to finalize the digital ID program by the end of 2023. The Ministry of Information, Communications and The Digital Economy will be responsible for implementing the National Integrated Identity Management System (NIIMS).

In Papua New Guinea, the Department of Information and Communications Technology announced plans to enhance its digital infrastructure through the introduction of a new feature known as the Digital ID Block. This component aims to facilitate the unified administration of digital identities and the secure exchange of data. The ID Block is an integral part of the government’s initiative to enhance its technological capabilities. By establishing a reliable framework, the ID Block will enable convenient and secure processes for identity verification and authentication in accordance with the regulations outlined in the Digital Government Act 2022. The platform will function as a centralized, secure, and efficient system for managing digital identities. It will offer various services, including identity verification, authentication, authorization, and data management. The platform will rely on the National Identification database to accomplish these tasks effectively. Digital infrastructures hold vast amounts of data and effective data exchange goes beyond technology and encompasses a

³¹ <https://www.nita.go.ug/ughub>



broader ecosystem of standards, processes, regulations, and institutional arrangements. Getting the right enablers, safeguards, and transparency mechanisms in place for data sharing is essential for realizing the development potential of data, ensuring that these opportunities accrue across diverse stakeholder groups, and securing certain rights of individuals in relation to their data. The goal, therefore, is to expand digital infrastructure while ensuring that the state response is strong enough to maximize participation, choice, and trust. When digital assets are either publicly owned, publicly regulated, or publicly designed through open protocols, digital infrastructure can be realized for the public good. In other words, digital public infrastructure is secured.

Box 5: Promoting sustainable connectivity with a greener ICT infrastructure

Developing an ICT infrastructure that is simple, energy-efficient and intelligent is critically important to accelerate digital transformation and maximize market opportunities. While ICT investments traditionally focus on connectivity and computing, examples highlight how green ICT has become a third key area. For instance, the development of Konza Technopolis, Kenya's first smart city, involves integrating key ICT infrastructure and green tech solutions such as the National Cloud Data Center, Smart ICT Network, Smart Traffic Solution, and Government Cloud Service.

The transition to renewable energy is propelled by green, low-carbon resources and the integration of digital and power electronics technologies in electric power generation, transmission, and consumption. In Niger, three solar power plants of 30MW in Niamey, 29MW in Agadez, and 20MW in Zinde were constructed to enhance connectivity in rural parts of the country. Rural electrification and "off-grid" energy services continue to be rolled out as a cost-effective and efficient means of expanding inclusive connectivity. For example, the Beyond the Grid Fund for Africa signed agreements with four off-grid energy service companies in Burkina Faso, Liberia and Zambia to support the expansion and scale-up of mini-grid connections and offer of solar home systems. Nepal's government aims to achieve universal electricity coverage for households by 2024, employing off-grid electricity generation and distribution approaches to complement grid extensions.

Access to affordable, reliable, and environmentally sustainable electricity sources is a pressing issue for the growing number of data centre operators across Africa. According to the Africa Data Centres Association, the average African data centre's power usage efficiency ratio is just 1.5, which is below the global average of 1.58. This score is attributed to most of Africa's modern and efficient facilities, a result of being a latecomer to the digital revolution. Private sector initiatives are emerging, such as the partnership between SolarX, a solar energy provider, and Orange Côte d'Ivoire. The collaboration aims to solarize data centres in Burkina Faso and Côte d'Ivoire. In Burkina Faso, solar installations will contribute 37 per cent of the electricity required to power the Balkuy data centre located in the capital city, Ouagadougou. According to SolarX's estimation, the installation of solar systems in Orange's Balkuy and Assabou data centres will result in a yearly reduction of 453 tonnes of CO2 equivalent emissions.





79 MW *new solar-generated power capacity* installed in **Niger** to *enhance connectivity in rural areas*.



2 solar-power *installation* in data centres in **Burkina Faso and Côte d'Ivoire** will result in a *yearly reduction* of **453 tonnes** of **CO₂** *equivalent emissions*.

Countries increasingly recognize the potential of leveraging ICT for sustainable economic development through the development of national policies and strategies. Malawi's ICT and digitalization policy roadmap for 2022-2026 prioritizes accelerating ongoing power sector reforms, adopting green power technologies, and developing laws addressing green computing and recycling of ICT equipment. The Solomon Islands Renewable Energy Roadmap launched in July 2022 provides the technical pathway and implementation framework to reach 100 per cent renewable energy by 2030 and would involve a major reform in the energy sector to create an enabling environment for participation of independent power producers to achieve the target. These reforms will see the removal of the regulatory role away from Solomon Power to an independent regulatory body, opening up the electricity industry to interested independent power producers specifically in the generation component, amending the Electricity Act and developing a new electricity sectoral Bill/Act to transform the sector in the long term.

Source: UNCTAD

2.3. Trade facilitation and logistics

Trade facilitation directly affects three key determinants of the success of e-commerce as a business model: shipping costs, shipping time, and reverse logistics (ease of exchanges and returns). These factors also significantly affect the final price for the end user. With e-commerce changing the landscape of cross-border trade, new forms of transactions and exchanges have emerged. This has generated opportunities for trade logistics providers and contributed to reconfigured transportation and delivery patterns. However, the new requirements of e-commerce in terms of speed, scale, frequency, reliability, transparency, shipment tracking, and ICT integration can pose significant challenges for the smooth transportation of goods and cross-border operations. In many partner countries, e-commerce is mainly confined to the domestic market with limited opportunities and the constraints for cross-border trade remain significant. Facilitation measures are usually more difficult to implement in developing countries and LDCs than in developed countries. Therefore, minimizing such disruptions and challenges is imperative for both domestic and cross-border e-commerce.



Enabling e-commerce delivery through reform of postal addressing systems and postal sector.

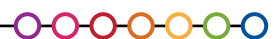
Efficient transport connectivity, including postal delivery services and national addressing systems, helps facilitate trade and access to global markets. To promote economic development and attract investment, Côte d'Ivoire is developing an e-commerce postal strategy that aligns with the national e-commerce strategy, incorporating the recommendations of the Universal Postal Union's Operational Readiness for E-Commerce and Digital Readiness for E-Commerce assessments. To ensure the resilience and usefulness of the postal system, the Côte d'Ivoire Government relaunched the Abidjan District Address System Project (PADA) in November 2022. Gradually rolled out over the 13 municipalities of Abidjan, PADA operationalizes the street and door address system throughout Abidjan and involves setting up a single autonomous reference standard for addresses in Abidjan. Coordinated by the National Office of Technical Studies and Development with support from the Ministry of Construction, Housing, and Urban Planning, technical operations have taken place in several project zones, aided by awareness campaigns.

In Kenya, a task force has been established to implement the national addressing system by December 2023 within the wider National Communications and Addressing Plan (NCAP). The NCAP will contribute to the nationwide naming and numbering of streets, as well as the numbering of properties such as buildings and parcels of land, to facilitate identification and location of parcels or dwellings on the ground. Moreover, to strengthen the reliability and trust in the NCAP, a track and trace option for customers is also under development and expected to be rolled out in 2023. Since the implementation of the NAS will require time, the Kenya E-commerce Strategy proposes that alternative methods of locating senders and recipients of e-commerce packages be used in the interim. The Ministry of Investments, Trade and Industry will develop guidelines for use of such methods by postal and courier firms. The Malawi Communications Regulatory Authority continues to make positive strides towards enhancing the accessibility and inclusion of remote and rural areas of the country. In 2023, the government has allocated funds to implement the Universal Service Fund Strategic Plan in central municipalities and district headquarters. The project has enhanced service delivery in the posts and courier industry following the introduction of a comprehensive system of property location, numbering, and mapping.

The government of Togo has undertaken an ambitious project to digitize the postal address system. The primary objective is to identify an accessible and easy-to-use digital addressing system that could also facilitate the distribution of shipments to homes. The Société des Postes du Togo decided on the Plus Code solution,³² and an application is being developed in 2023 to facilitate its adoption. Tonga aims to kickstart its national home addressing project in 2023, but like many other countries in this review, the country faces a funding shortfall alongside competing policy priorities.

Recognizing the significant reduction in the letters market, the growing pressure to reduce costs, and the need to go digital, countries' postal services are pursuing a modernization strategy. Postal operators are now transforming to meet the needs of the e-commerce market. For example, the Postal Corporation of Kenya has enhanced postal systems to put in place one-stop/seamless processing for cross-border e-commerce (imports/exports) and improve track and trace systems. The Postal Corporation is also digitalizing import and export documentation alongside integrating their systems with the customs department. Similarly, in Tonga, the government has set up a task force to encourage Tonga Ministry of Revenue & Customs to collaborate on the creation of an interface between the existing systems to optimize customs clearance and the timely delivery of postal items; improve traceability, delivery times, and service quality for items in the postal network; and allow

³² A plus code is a short code version of traditional location coordinates.



for faster and more accurate collection of duties and taxes payable. In Togo, the implementation of the UPU's Customs Declaration System and deployment of CDS kiosks to complement data capture and train staff have brought positive results in reach and reliability. In addition, the use of mobile app solutions for CDS has enabled individuals to complete customs processes remotely. Such digitalization efforts, including customs automation and electronic interfacing between CDS and ASYCUDA, have enabled La Poste du Togo to exchange customs data electronically with the designated postal operators of other countries and with customs authorities.



Launched in 2019, the **“Easy Export”** project has increased the number of *simple export shipments* by more than **112%** in the *2020–2021* period and by nearly **360%** in the *first half of 2022* compared to the *same period in 2021*.



More than **27,000 easy export** *registered packages* were sent to **84 countries**.

In Tunisia, the “Easy Export” pilot project aims to facilitate the exports for MSMEs by providing access to twelve one-stop export shops, bringing together the main to complete procedures at lower cost and with shorter lead times. Launched in 2029, it has increased the number of simple export shipments by more than 112 per cent in the 2020–2021 period and by nearly 360 per cent in the first half of 2022 compared to the same period in 2021; more than 27,000 easy export registered packages were sent to 84 countries. The project has strengthened the postal operator's role as a trade facilitator and significant contributor to the trade inclusion of MSMEs and underserved communities in e-commerce. The postal network has been used to promote initiatives for the export of businesses engaged in e-commerce.

To maintain access to quality services under competitive conditions, several countries have liberalized their postal and courier services. In Burkina Faso, the partial opening of the postal sector has allowed the establishment and creation of at least 27 postal operators involved in parcels and logistics. Similarly, in Uganda, to improve last-mile delivery and increase competition, the sector has been liberalized from a single postal operator (Posta Uganda) to 30 licensed postal and courier operators as of March 2023. However, liberalization has partially resulted in the influx of unlicensed and illegal courier operators. The Uganda Communications Commission (UCC) notes that 60 per cent of courier service providers operate illegally. To combat this, the UCC has implemented several interventions, including awareness campaigns for consumers to use licensed courier operators and enforce tighter controls. Uganda has also established the National Postal Working Group to provide advice and recommendations to the UCC on developing postal services in Uganda and addressing issues considered by regional and international organizations in the postal industry. These developments have proved instrumental in progressively improving the postal and logistics sector in the country, as evidenced by the licensing of new service providers.



Box 6: Public-private partnerships for innovative last-mile solutions

As urbanization continues and consumer demands evolve, there is a need for innovative last-mile delivery solutions. National logistics providers are exploring options such as crowd shipping, locker systems, or partnering with international businesses to offer efficient and customer-centric last-mile delivery services. Public-private partnerships are increasingly common in last-mile delivery solutions. For example, Jumia has partnered with the Postal Corporation of Kenya, using them as pick-up stations. The collaboration has also adopted sustainable practices by employing electric vehicles for last-mile deliveries, such as e-vans and e-bikes. Further partnership efforts have resulted in deeper integration, with the Postal Corporation of Kenya now having access to Jumia IT systems. Governments are also investing in logistics start-ups to enable greater postal reach through innovation and intense collaboration among all postal sector stakeholders. In Senegal, the Delegation of Rapid Entrepreneurship (“DER”), a government agency supporting youth and women entrepreneurship has provided funding to start-ups such as PAPS, Yobante Express, and Logidoo, which connect local couriers with local commerce to optimize domestic, cross-border, and last-mile delivery.

Source: UNCTAD

Building momentum for trade facilitation reforms to create an enabling environment for cross-border e-commerce. To increase the flow of goods, services, and people without abandoning the security of these flows or the ability of governments to collect border taxes, countries are introducing trade facilitation measures such as the Authorized Economic Operator (AEO) concept. Recent developments point to efforts by countries to diversify market players and make the business environment more conducive for investment. In the case of Tunisia, the Directorate General of Customs (Douanes), the Ministry of Trade and Export Development (MCDE), and the Ministry of Communication Technologies created the status of AEO category to simplify customs procedures.

This status is for companies established in Tunisia, carrying out an activity related to foreign trade, and has been extended to start-ups. Cambodia’s new AEO programme, which was rolled out in May 2023 under the auspices of the General Department of Customs and Excise, is intended to ensure Cambodia’s compliance with the World Trade Organization Trade Facilitation Agreement and to ensure that the business community conforms with the country’s international trade policy. Such measures are key to enhancing public/private partnerships, facilitating trade, and improving supply-chain security and safety. The World Customs Organization (WCO) provides capacity-building support to its members in establishing and enhancing AEO programmes. For example, the WCO supported the Zambian Revenue Authority in its ambition to establish a full-fledged AEO programme. This included providing technical support on transforming the existing Customs Accredited Clients Program into a fully-fledged AEO Programme in line with international standards, including the required security standards. Likewise, in Malawi, the WCO supported the Malawi Revenue Authority during the pilot and introduction of the AEO system.



The Common Market for Eastern and Southern Africa (COMESA) Secretariat has also supported the establishment of the AEO in Malawi and its connection with regional initiatives in other countries.

New channels of innovation and digital transformation through the use of technology in customs and border management, along with ongoing modernization projects, are taking shape. Innovation and the incorporation of new digital technologies in customs services can significantly speed up logistics and trade facilitation, helping to make MSMEs more competitive in cross-border e-commerce. Seamless cross-border data exchanges between public and private entities also necessitate platforms and applications that facilitate connectivity and interoperability. In Tunisia, Customs, MCDE and La Poste have established a special regime for the export declaration of products through electronic means to simplify export procedures (e.g., one single monthly customs declaration of shipments made during the previous month). Eswatini, Malawi, and Zambia have launched the SADC e-certificate of origin, designed to simplify customs procedures to facilitate trade. The SADC e-certificate of origin is an electronically processed and issued certificate of origin issued by an authority, attesting that goods declared by an exporter conform to specific rules of origin. The electronic system will allow manufacturers, producers, and exporters to electronically register their products for preferential treatment and to apply for certificates of origin whenever there is an export shipment. Furthermore, the system allows customs officers to approve the system electronically. SADC is implementing the SADC e-Certificate of Origin in a pilot phase in these three countries and will roll out the implementation of the initiative in the other member states by 2024.



SADC is implementing the *SADC e-Certificate* of origin on a pilot phase in **Eswatini, Malawi, and Zambia** and *will roll out the implementation* of the initiative in the *other member states* by **2024**.

Countries are also exploring new ways to modernize and simplify their customs procedures. In Nepal, the Ministry of Finance launched the e-payment system for customs duty in 2022. Importers and exporters can now pay customs tax online. All products brought to the customs point by the trader can now be paid online from anywhere. This will help accelerate the customs department's work while also saving time and ensuring the security of service recipients. The government of Tonga identified the need for the exchange of electronic advance data between Posts (CDS) and Customs (ASYCUDA) to enable an efficient customs clearance process and the timely delivery of postal items. Tonga Post and Tonga Customs are implementing an electronic data interchange to facilitate messages between designated operators and various customs agencies. In 2021, the EIF and the UPU, in cooperation with UNCTAD and the Government of Vanuatu, launched a project to facilitate the efficient Post–Customs clearance of postal packages through the exchange of pre-arrival / pre-departure information.



Box 7: Single Window as an enabler for e-commerce development

Countries are adopting the single window system to import and export more easily and reduce their environmental impact on regional and international trade. The Chamber of Commerce and Industry of Niger launched the National Single Window Platform for Foreign Trade. The GUCE-Niger platform integrates numerous functionalities for facilitating foreign trade operations within the customs administration, involving governmental and private bodies. It allows private sector Nigerien operators to connect electronically to several governmental and non-governmental agencies involved in international trade for the issuance of licences, permits, certificates, and other commercial documents essential to international trade. The private sector's role in trade facilitation is crucial, particularly in leveraging Single Windows. These digital platforms streamline trade-related information exchange, reducing paperwork and costs. Private sector engagement brings expertise, efficiency, and innovation, enhancing transparency and reducing administrative burdens. It fosters collaboration with stakeholders, strengthening partnerships and promoting a conducive environment for international trade. Successful public-private partnerships can play a pivotal role in streamlining customs processes, engendering swifter and more secure transactions. Active private sector partnerships also support the involvement of MSMEs in global trade, ensuring affordability of e-commerce solutions for MSMEs, and empowering businesses in developing economies.

In Kenya, the enactment of the National Electronic Single Window System Bill, 2021, provides a legal foundation for the harmonization of conflicting legal frameworks governing the approval and processing of trade documents and increases the efficiency in electronic processing of trade documents. One of the trade facilitation solutions under discussion by many countries is the interoperability of the single windows of a regional bloc.

For example, COMESA has been working with member states to promote the establishment of an Electronic Single Window. Such a system will allow for a harmonized and standard data connectivity platform among government agencies and private stakeholders who are active players across the trade supply chain. In the Pacific, the adoption of the electronic single window system remains low, with only Vanuatu having implemented an electronic single window system.

In the context of Vanuatu, the National Single Window for Trade, supported by UNCTAD through the EIF, has transformed the trade landscape.



Notably, this has resulted in a *reduction of over 42,000 pages of paper* (equivalent to a decrease of more than 95 %) and a *decrease of 25,000 vehicle-based trips* made by traders to government offices (a reduction exceeding 86 %)

The implementation of the Single Window system has revolutionized the tracking of energy-efficient appliance imports and has also emerged as a pivotal factor in facilitating trade, especially during periods of natural disruptions.



These achievements led to Vanuatu's recognition as the leading Asia-Pacific Small Island Developing State in the realm of digital and sustainable trade, as highlighted in a UN survey conducted in 2023.³³

In line with the Pacific Regional E-Commerce Strategy and Roadmap and reflecting the positive financial and environmental outcomes of Vanuatu's single window system, Tonga is exploring the possibility of establishing an ASYCUDA-based Single Window. Nevertheless, and in light of the low uptake of such measures, further work is required to support the regional harmonization of customs procedures in the Pacific.

Source: UNCTAD

2.4. Legal and regulatory framework

An inclusive digital ecosystem requires forward-looking and proportionate legal and regulatory frameworks that allow market entry and innovation while striking a balance between enablers and safeguards. Governments are under increasing pressure to deal with the fast-evolving nature of the digital economy and online activities. What has emerged is a trend across many developing countries to adopt specific new regulations or amend laws targeting such issues, as well as to clarify or adjust existing legislation. Collaboration among government entities has also bolstered the mutual comprehension of legislative and regulatory frameworks. These developments are important elements for fostering trust in online transactions by protecting consumer rights and reducing information asymmetries. It is equally important for governments to consider adopting new elements of the enabling legal/regulatory framework to respond to emerging policy objectives as the data and digital economy matures. This is especially the case for SIDS and LDCs where the uptake of cyberlaw reforms remains low. For example, the adoption of data protection and privacy legislation remains at 37 per cent for SIDS and 48 per cent for LDCs.³⁴ Regarding consumer protection legislation, only 37 per cent of SIDS have adopted legislation, and 41 per cent of LDCs have done so.

37% of SIDS
and **48% of LDCs**
have *adopted data protection*
and *privacy legislation*



37% of SIDS
and **41% of LDCs**
have *adopted consumer*
protection legislation

As such, policymakers need to ensure that existing and new legal frameworks reflect digital maturity and are aligned with international good practice. In essence, more regulation is needed to develop digital trade, which necessitates the need of policymakers to ensure that existing and new legal frameworks reflect digital maturity and are aligned with international good practice.

³³ <https://www.untfsurvey.org/world>

³⁴ <https://unctad.org/page/cyberlaw-tracker-country-detail>



Countries have made important strides in developing or amending existing legislation, regulations and decrees to address legal issues related to digital trade.

Policymakers in many developing countries have taken proactive steps in enacting new legislation related to online transactions and the broader digital economy. Following extensive consultations, Nepal has developed a dedicated electronic commerce legislation in the form of the E-commerce Bill 2023. The bill aims to create, regulate, and facilitate online trade in Nepal. Recognizing the importance and current developments in data protection and cybersecurity, many countries have enacted new pieces of legislation. For example, Tunisia's Decree-Law No. 2022-54 on the Fight Against Crimes related to Information and Communication Systems and Samoa's Data Protection Act 2021 create key regulatory elements for safeguarding personal data and vital digital infrastructure. In Tonga, the Cabinet approved the processing of a number of Bills in 2022, including data privacy, to legislate the protection of persons in relation to the processing of their personal data and moving the processing of information from manual to electronic. Looking ahead in the area of data protection, countries have moved to update their regulations and introduce new approaches to data regulation. Malawi, Niger, and Senegal have each adopted draft bills to amend existing national legislation, with the adoption process expected to accelerate in 2023.

Previous legislative developments highlighted in the 2021 Implementation Review are now moving to the implementation and operationalization stage. For example, the operationalization of Uganda's Personal Data Protection Office is currently underway to oversee the implementation and enforcement of the Data Protection and Privacy Act No. 9 of 2019. In the case of Burkina Faso, Decree No. 2022-0514 sets out the modalities of application of Law No. 001-2021/AN on the protection of persons with regard to the processing of personal data. In Bangladesh, the Digital Business Identity Registration Guidelines 2022, were issued to align with the Digital Commerce Operation Guidelines. It is now compulsory for digital commerce entities to obtain a 'Digital Business Identity.' To date, 620 businesses have successfully acquired their Digital Business Identity. Efforts are currently underway to develop the Digital Commerce Act, 2023. The Ministry of Commerce shared the preliminary version of the Digital Commerce Act 2023 to various stakeholders and aims to also establish a Digital Commerce Authority. The primary objective of the Digital Commerce Act is to promote the growth of the sector and uphold regulatory standards by effectively deterring, combating, and prosecuting fraudulent practices within the industry. Building reform momentum is undoubtedly challenging and hinges on various political and social considerations. While some difficulties of reform remain, country examples identified in this review signal a decisive and awaited national uptake in sustained legislative and regulatory actions to enable digital economy ecosystems.

The underlying challenge faced by countries is their ability to ensure that their legislation keeps up with the fast-moving pace of the digital economy. To keep pace, developing countries have taken steps to review or amend existing legislation and define provisions in a way that reflects and supports their digital economies. In Malawi, the government is in the process of undertaking major reviews of several pieces of national legislation, including its Electronic Transactions and Cyber Security Act 2016, to strengthen regulatory provisions and address changes in technology and the evolving nature of cyber threats.³⁵

³⁵ During the review process, Malawi has been developing the following legislation: Electronic Transactions and E-Commerce Act, Cyber Crimes Act, Electronic Evidence Act and Cyber Security Act.



Meanwhile, in Uganda and Senegal, respectively, the reviews of both countries' Electronic Transactions Acts aim to bring national legislation in line with the current trends and realities in the growing domestic e-commerce sectors. Several countries have also amended or are planning to amend their electronic transactions laws to better capture new practices in digital markets, for example, by introducing and defining new relevant concepts. Papua New Guinea's Electronic Transactions Act 2021 provides a legal framework for online transactions and, importantly, legitimizes a framework for electronic signatures. The Act incorporates UNCITRAL Model Law on Electronic Transferable Records and has important economic consequences within Papua New Guinea's wider digitalization efforts, including its Digital Transformation Policy and Bill.



PAPUA NEW
GUINEA



KIRIBATI



Kiribati (2021) and Papua New Guinea (2022) have joined the group of *7 states and jurisdictions*, namely *Bahrain, Belize, Paraguay, Singapore and the UAE Abu Dhabi Global Market*, that have developed legislation based on or influenced by the **UNCITRAL Model Law on Electronic Transferable Record**.

To promote and facilitate the development of cross-border electronic commerce, some jurisdictions have already acceded to multinational frameworks and agreements, while others are in the process of doing so. In December 2022, alongside drafting a new Electronic Transactions Law, Tuvalu acceded to the United Nations Convention on the Use of Electronic Communications in International Contracts and the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific. From a regional perspective, the creation of a committee of personal data protection authorities of West African Economic and Monetary Union (WAEMU) member states indicates effective regional developments aimed at harmonizing approaches and, consequently, domestic legislation. These developments have supported the accession processes of several WAEMU member states, including Burkina Faso and Togo, to the Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data (Convention 108) and the African Union Convention on Cyber Security and Personal Data Protection (Malabo Convention). These international legislative instruments provide interpretative frameworks to support countries' efforts in adapting existing rules and fostering the growth of the digital economy.

Cooperation among government entities has enhanced mutual understanding of legislative and regulatory systems and has helped build confidence between stakeholders. The cross-cutting nature of the digital economy highlights the importance of cooperation among different stakeholders. The increase in legal instruments related to digital government aims to promote more strategic approaches that leverage technology to foster open, efficient, participatory, and innovative governance. To support a digital government, legal and regulatory systems need to be well-aligned, allowing for the development of an integrated platform for public services. This integration minimizes duplication between government departments and promotes the sharing of capabilities across sectors. Moreover, integration of public services can provide a platform where key government entities are enabled to share accurate data and information efficiently and legally, while protecting persons and their personal data at the same time. Governments need therefore to adopt common standards and architectures in implementing their digitalization agendas.



Zambia's Electronic Government Act 2021 and Papua New Guinea's Digital Government Act 2022 reflect a long-term perspective that considers technological changes and digital opportunities. Both Acts aim to create public value and mitigate risks related to public service delivery, public sector efficiency, social inclusion and participation, public trust, and multilevel and multi-actor governance. Underlying challenges persist and hinder the efficiency and efficacy of legislative and regulatory reforms. Many countries lack quality legislation and regulatory frameworks and the means to effectively implement them. A lack of laws and regulations, such as those for the protection of consumer data, remains a constraint for the development of e-commerce. The effectiveness of governance and institutional development, which encompasses aspects such as speed of legislative processes, coherent policy adoption, as well as the corresponding institutional capabilities and capacities, has a direct impact on implementation.

Countries' efforts to communicate on the application of new and existing legal frameworks enabling e-commerce have contributed to increasing stakeholders' awareness of core legislative and regulatory principles. Inclusive advocacy and cross-sectoral collaborations underscore the importance of adopting strategic approaches to legal reform that foster open, efficient, participatory digital economies. For instance, several countries have enacted legislation to encourage ease of doing business through innovative and inclusive means, thereby fostering job creation and entrepreneurship. In Senegal, Decree No. 2021-1772 aims to facilitate the creation and promotion of start-ups. Niger is also currently developing a draft digital code to encourage the inclusion of digital financial services and promote access to financial services for underserved and marginalized populations in the country.

Box 8: Building digital trust in e-commerce

Kenya's National E-Commerce Strategy recognizes international standards as an additional tool for building digital trust in e-commerce and facilitating Kenya's digital transformation process. The Kenya eTrade Readiness Assessment also identified the need for skills and capacity building on international standards as one of the top four priorities for developing e-commerce skills. To address this gap, the British Standards Institution (BSI), an eTrade for all partner, organized a four-day capacity-building program that benefited lead practitioners from key institutions within Kenya's digital ecosystem. The program aimed to enhance their understanding of how international standards can address the challenges faced by Kenya and provide insights on effectively incorporating standards into strategies, processes, and projects to drive transformation within their respective institutions.

The Kenya Bureau of Standards (KEBS) played an active role in facilitating the delivery of training, enabling participants to establish new contacts with institutions with whom they had not previously interacted. As part of the UK Government-funded Digital Access Programme, BSI is planning additional activities in Kenya to establish a 'network of standards champions' across the Kenyan digital economy. The trained cohort will play a crucial role in disseminating knowledge within their respective institutions through a 'train the trainer program' and other capacity-building follow-up activities in partnership with KEBS.

The feedback from the participants and trainers was highly positive. The content of the program resonated well with the real challenges faced by stakeholders in areas such as digital payments and fraud, among others.



The participants expressed a desire to acquire more in-depth knowledge on the application of international standards. Since this was the pilot application of the training program, BSI is working on incorporating the lessons learned, both in terms of content and identifying suitable candidates and delivery methods.

Source: UNCTAD, based on information provided by BSI

Collective challenges identified in this review include insufficient financial and technical resources alongside difficulty in mobilizing effective partnerships. To address the lack of resources available, countries are including stakeholders in their advocacy efforts to promote legislative changes. For example, in Uganda, the government engaged development partners to provide financial and technical assistance on legal awareness to increase awareness of legal rights and obligations among the population and to promote access to justice.

The process and implementation of legal and regulatory reforms have implications not only for the market economy but also for consumers and their privacy. This requires a holistic approach whereby different branches of government, regulatory authorities, and in some instances external stakeholders work in close cooperation. Furthermore, in view of the evolving trade agreements landscape at the regional and international levels, building the capacities of country representatives is key to ensure their active and meaningful participation in both the negotiation and implementation of these agreements. Whether initiating reforms to existing laws or adopting new regulations or guidelines, developing countries need to create fair and open digital markets to support economic growth and contribute to achieving inclusive economic development goals.

2.5. Payment solutions

Favourable demographics and economic growth, technological innovation, and advances in payments infrastructure are working together to shape the future of payment solutions in developing countries. An accelerating shift to digital payments is underscored by an influx of new investments and innovative developments. Countries reviewed are implementing policies geared towards levelling the playing field and creating an enabling environment for financial inclusion and reduced cash usage. This includes promoting an enabling environment for cashless payments and digital financial services, while also leveraging new technologies to facilitate ease of access to payment solutions. Regulatory sandboxes are being established to foster innovation, and efforts are underway to promote secure financial inclusion and the development of new technologies for enhanced digital transactions.

However, the growth of digital payments in developing countries is likely to be uneven and will depend on infrastructure readiness, e-commerce penetration, mobile money penetration, and regulation, among other factors, in each market.



Securing and enhancing financial inclusion. In Africa, countries have kickstarted the implementation of their national inclusion strategies. In Burkina Faso, the government established the Permanent Secretariat for the Promotion of Financial Inclusion and a National Fund for Inclusive Finance. These entities, along with the National Framework for Consultation of Financial Inclusion Stakeholders, bring together public and private representatives to focus on projects and programs for financial inclusion. In November 2022, stakeholders created a roadmap on financial inclusion to strengthen the resilience of internally displaced persons in Burkina Faso. They discussed and identified effective ways to address the vulnerability of internally displaced persons and provide tailored financial solutions. In Niger, the Ministry of Finance, through the Executive Secretariat of the National Inclusive Finance Strategy (SNFI), organized quarterly meetings of the National Framework for Consultation on Inclusive Finance. These meetings allowed stakeholders to assess the progress of various working groups, including those focusing on regulation, incentives, innovation, digital finance, and market monitoring. The SNFI Executive Secretariat, responsible for implementing the National Strategy for Inclusive Finance, utilizes the outcomes and recommendations from these meetings to develop regulatory texts that aim to improve the well-being of the population and enhance financial services nationwide.

In Madagascar, the government is banking on digital financial services to modernize and streamline some of its operations, including digitizing the payment of teachers' salaries and scholarships for students in remote areas. It is also exploring launching a digital currency (e-Ariary), following the lead of several other African countries. To improve access to financial services for business, the Malagasy government developed a system allowing small and medium-sized enterprises to pay taxes digitally across four regions. The value of tax collected was estimated to be approximately \$18 million at the end of 2021.³⁶

Malagasy SMEs
can now *pay taxes digitally*
in **four regions.**



The value of *tax collected* was
estimated at **\$18 million**
at the **end of 2021.**



MADAGASCAR

Senegal formulated its National Financial Inclusion Strategy 2022-2026, which was informed by a national survey to identify the issues, constraints, and challenges of financial inclusion. This strategy targets four areas: the development of appropriate financial products; the improvement of digitalization; the improvement of the financial culture of the population and the protection of users of financial services; and regulatory and institutional frameworks that are conducive and effective.

In Asia, the Bangladesh Bank has created a fully integrated, advanced, interoperable domestic e-payment environment. The backbone of this system is National Payment Switch Bangladesh. Bangladesh Bank has added the Bangladesh Electronic Fund Transfer Network, Real Time Gross Settlement, and Internet Banking Fund Transfer systems, which have facilitated e-commerce transactions and e-payments. Moreover, Bangladesh has been providing licences to non-bank payment service providers such as Mobile Financial Services, Payment Service Providers and Payment System Operators. Implementing Interoperable Digital Transaction Platform ensures interoperability among all participants including banks, MFS, PSP, PSO, and inclusiveness.

³⁶ [Digital financial services and Fintech can play a valuable role in Madagascar's post-COVID recovery \(worldbank.org\)](https://www.worldbank.org/)



Iraq has also taken important strides in enhancing financial inclusion within the country. The Central Bank of Iraq (CBI) is supporting steps to expand the use of the latest digital technologies in the banking sector and enhance financial inclusion in Iraq. This includes advancing Islamic banking and digitalization to boost financial inclusion throughout Iraq and reforming the Islamic banking system by introducing new regulations and instructions. For example, the CBI issued Circular No. 23/422 prohibiting gender-based discrimination in access to financial services including credit and loans.

Utilizing regulatory sandboxes. Regulators have embraced the regulatory sandbox (RSB) as a means of providing a dynamic, evidence-based regulatory environment to test emerging technologies. The Central Bank of Tunisia (CBT) relaunched the RSB in 2023 to facilitate the development of the fintech industry alongside traditional financial institutions. This follows the launch of the RSB in 2020, where priority was given to smaller fintechs offering innovative solutions that increase access to and the use of banking and financial services for households and businesses that are poorly served by formal financial institutions. Building on this progress, the CBT is preparing to launch a “Sandbox Express” in 2023, which will allow financial institutions intending to market digital solutions to do so in a fast-track implementation mode adapted to compliant solutions. The purpose of these measures is to enable the CBT to ensure the robustness of the solutions prior to their launch.

With technical support from the Alliance for Financial Inclusion, the Central Bank of the Solomon Islands developed the RSB guidelines in 2022, along with standard operating procedures specific to the Solomon Islands context. These RSB guidelines were developed following the launch of the Pacific Regional Regulatory Sandbox Guidelines in 2022. The regional sandbox enhances regional cooperation and provides opportunities to achieve economies of scale in these economies. Innovators that were approved to test their products in the sandbox can serve customers in Fiji, Papua New Guinea, Samoa, the Seychelles, the Solomon Islands, Timor-Leste, Tonga, and Vanuatu, making the region more attractive to FinTech providers. The sandbox also specifically supports innovative products and services focused on financial inclusion by addressing areas such as expanding account ownership, improving digital and financial literacy, developing the micro, small, and medium enterprise sector, and implementing gender-sensitive financial services. This will encourage financial innovators to prioritize socially important products and services.

Following the launch of the National Payments System Regulatory Sandbox Framework in June 2021 in Uganda, two companies have been granted permission to start testing innovations under the framework in June 2022. Cuüpa Limited and ABSA Bank Uganda Limited have received approval from the Bank of Uganda to test their respective innovations under the Sandbox arrangement. Cuüpa Limited will test a payment processing and money transfer service that allows individuals or small businesses to receive mobile payments with ease by leveraging the use of social media platforms.

ABSA Bank Uganda Limited will test a digital wallet solution that works on all types of phones through SIM skin technology, a mobile app, and a web portal, with the aim of scaling up financial inclusion for the unbanked and underbanked groups.

Promoting an enabling environment for cashless payments and digital financial services.

Governments and financial institutions continue to innovate to reduce friction in domestic and cross-border payments and deliver much-needed new solutions to consumers and businesses. The Nepal Rastra Bank has been encouraging banks and financial institutions to provide cashless payment options to clients. To facilitate this development, a dedicated Payment Systems Department that provides licences to entities was established. The department grants licences to entities and offers regulatory guidance to facilitate the growth of digital payments in Nepal. The government has opened the door to foreign investors to participate in Nepal's digital payment system under



a newly amended policy. The revised guideline, issued on 5 January 2023, by the central bank, allows foreign direct investment in payment service providers and payment system operators of up to 15 per cent of the total capital.

Côte d'Ivoire is implementing the 2022-2024 Roadmap to strengthen the Fintech environment. Specific actions undertaken include improving alternative finance, promoting women-led fintechs, as well as gender-focused product designs. The roadmap also includes measures to build the capacity of Fintech business owners and strengthen Fintech support organizations, such as incubators. The roadmap is expected to contribute to ongoing work related to the revision of the enabling environment for Fintech in the West African Economic and Monetary Union (WAEMU). Côte d'Ivoire is one of the ten African countries that will benefit from the joint initiative of the African Development Fund, the concessional window of the African Development Bank (AfDB), and Smart Africa Alliance aimed at streamlining digital trade and e-commerce policies across 10 African countries. The \$1.5 million Institutional Support for Digital Payments and e-Commerce Policies for Cross-Border Trade Project will evaluate policy gaps in the digital trade and e-commerce and organize regional training and capacity-building programs focusing on cross-border e-payment and e-commerce for governments, private sectors, and SMEs. A certified gender-sensitive e-learning training program will address the unique challenges faced by women in digital trade and e-commerce.³⁷

In Zambia, to ensure that financial services are being utilized by the general population, the central bank has implemented communication and awareness campaigns for young people and marginalized groups to use financial services. For example, the "Go Cashless" campaign launched in November 2022 aims to encourage people to adopt digital means of accessing and using financial services in a safe and secure manner.³⁸

The Bangladesh Bank has spearheaded a number of different initiatives including Bangla QR Code. The Bank introduced a campaign titled "Cashless Bangladesh, Smart Bangladesh" in January 2023 to promote the usage of mobile banking applications, mobile financial services, and payment service providers by implementing a compatible Bangla QR Code system among 1,200 small-scale merchants. In line with the Government's Smart Bangladesh 2041 Vision, the Bangladesh Bank launched Binimoy, an Interoperable Digital Transaction Platform in November 2022. For e-commerce, the introduction of Binimoy is expected to greatly enhance the ease and accessibility of payment solutions for businesses and consumers.

The Regulatory Authority for Electronic and Communication Posts (ARCEP) of Togo has made significant progress in the implementation of its 2021-2023 Strategic Plan. Following the completion of a national campaign to measure the quality of service of mobile electronic communication operators, ARCEP published a new comparative analysis of national mobile operators covering the period from the first quarter of 2021 to April 2023. The report includes a comparative analysis of national operators' data and payment offerings, as well as a snapshot of the impact on Togo's positioning in the WAEMU sub-region.

37 <https://www.afdb.org/en/news-and-events/press-releases/african-development-fund-smart-africa-alliance-launch-15-million-project-enhance-digital-trade-and-e-commerce-ecosystems-across-africa-60650>

38 <https://www.boz.zm/1CBCircularNo.12of2022LaunchoftheDigitalFinancialServicesCampaignGoCashless.pdf>



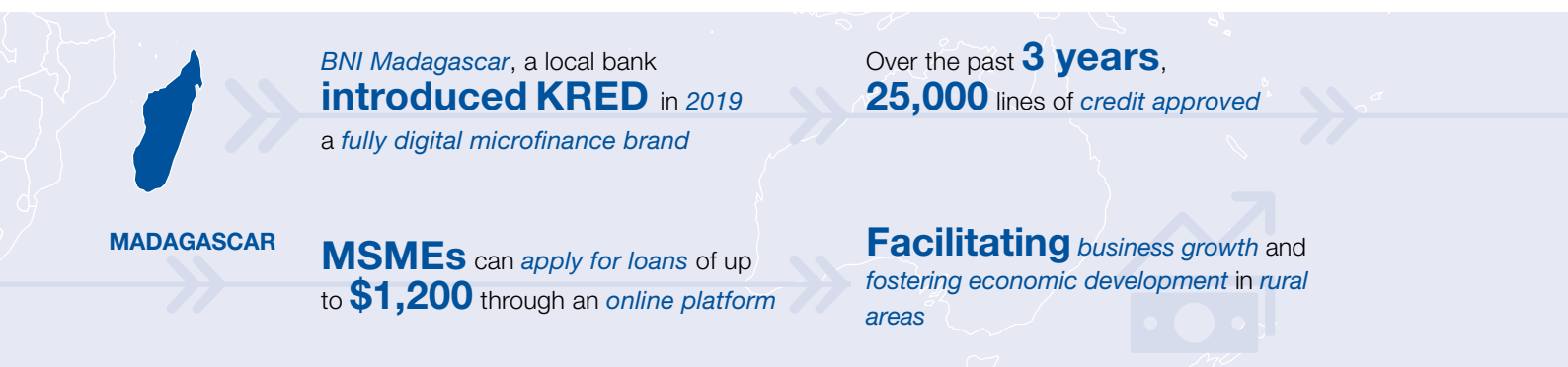
New technologies are emerging to facilitate the ease and access to payment solutions.

The interplay between finance and technology, coupled with the use of the Internet, has resulted in the emergence of a growing number of digital payment technologies. Many new digital payment technologies, through which both payers and payees use digital apps to send and receive money, now provide convenient, fast, and cost-effective digital forms of payment.

The Central Bank of Kenya (CBK) has announced the launch and implementation of the Kenya QR Code Standard 2023 to increase the usage of digital payments. The Kenya Quick Response Code Standard 2023 (KE-QR Code Standard 2023) is set to guide how Payment Service Providers and financial institutions regulated by the CBK issue QR Codes to consumers and businesses that accept digital payments. Digitalization advancements have also been observed in Papua New Guinea. In line with the National Payments Strategy Development Plan, the Bank of Papua New Guinea has announced the discontinuation of cheques' use in the private sector by the end of 2023 in favour of digital payment systems. The aim is to foster greater financial inclusion with safe and convenient digital payments.

In Madagascar, an impactful collaboration has taken shape between Baobab+, a social enterprise operating in the energy and digital sectors, and the mobile operators of the country. Their joint effort aims to provide solar home kits, addressing the significant electricity scarcity faced by two-thirds of the population, particularly those residing in rural areas. This initiative holds immense potential in bringing reliable electricity access to these underserved rural communities. Baobab+ employs a pay-as-you-go prepaid service, enabling customers to purchase equipment on credit and repay it through a flexible and low-rate instalment payment system using their mobile devices. Since its inception in 2016, this approach has empowered over 100,000 households to acquire solar kits. Furthermore, the development of digital microfinance services tailored to small businesses in Madagascar, especially in the agricultural sector, is gaining momentum. With the agricultural industry employing 75 per cent of the population, the need for accessible financial solutions has become increasingly apparent.

To support the agricultural sector and meet growing demand, BNI Madagascar, a local bank, introduced KRED in 2019—a fully digital microfinance brand. KRED enables MSMEs to conveniently apply for loans of up to \$1,200 through an online platform. Over the past three years, KRED approved more than 25,000 lines of credit for MSMEs, facilitating their growth and fostering economic development in rural areas.³⁹



³⁹ https://www.ifc.org/wps/wcm/connect/news_ext_content/ifc_external_corporate_site/news+and+events/news/insights/madagascars-mobile-money-boom.



In line with Niger's National Strategy for Inclusive Finance, fintech i-FUTUR and the United Nations Capital Development Fund (UNCDF) entered into a partnership in 2023 to expand the payment service offering and enhance the ecosystem of inclusive digital financial services. The new service by i-FUTUR, called "biyan zamani" (payment of modern times), aims to increase the availability of electronic payment acceptance points. With technology tailored to Niger's context, the population will be able to perform common tasks such as depositing and withdrawing money, paying bills, and settling merchant and utility costs, all without cash or in remote locations. Consequently, i-FUTUR plans to deploy several hundred payment terminals to eligible merchants, including chemists, clinics, shopping centres, and restaurants.

2.6. Skills development

With technology rapidly changing the landscape of the workforce, employers are seeking a labour force that is increasingly digitally skilled. Digital skills comprise various domains, and different levels of proficiency are required for individuals to avail themselves of all the opportunities presented by digitization changes. However, large segments of the population in developing countries, particularly in LDCs, lack the necessary capabilities, skills, and awareness to take full advantage of the digital economy. Without necessary access and digital skills to leverage such technological changes, people are unable to fully unlock the benefits of current and future employment opportunities. Ongoing digital developments in developing countries place emphasis on building societies where all people can use their knowledge and skills of digital technologies to improve their livelihoods. This includes making learning and development a central part of long-term national planning and strategies, strengthening the population's soft skills, as well as adapting to and seizing opportunities for learning across different channels. Governments are also customizing their approach for different functions and sectors, empowering the next generation to utilize new digital skills. While the importance of digital skills has been recognized, there has been less focus—particularly in developing countries—on the scale of demand for these skills and the models that can be used to teach them.

Countries have set out new priorities to train young people at scale in digital skills, in line with current and projected future demand. Digital innovations will rapidly change the demand for skills, and the need for training will surge as digital skills become increasingly important. Countries have reformed and often prioritized digital skills education and training programs in higher education and technical vocational education (TVET) institutions, including the introduction of new programs into national curricula. Burkina Faso has introduced various initiatives to increase accessibility and reduce the gap between the skills of graduates and the skills needed by e-business companies and the digital economy. This includes the establishment of distance learning institutions/virtual universities and digital skills courses at the intermediate level for students. Cote d'Ivoire has also established virtual universities and continues to build on the digitalization efforts made by The African Higher School of Information and Communication Technologies.

Several countries are introducing dedicated digital skills modules in their national curricula. In Togo, the government has undertaken a review of education policies and the skills training needed. This has informed the development of a harmonized national training curriculum. In the Solomon Islands, the Pacific eLearning program aims to overcome barriers of distance and resourcing by delivering teaching and learning materials directly into teachers' hands via mobile phones. Teachers use a custom app called Pacific Learn to access science lesson plans, teaching activities, quizzes, images, videos, and professional development courses. All included materials have been developed especially for the Solomon Islands and the Pacific regional context to improve understanding and



boost student engagement. Resources explain science concepts with examples relevant to daily life, incorporating indigenous knowledge and culture. The app design is suitable for users with low digital literacy and can be accessed offline in areas with poor Internet connectivity.

In March 2023, the Iraqi government initiated a new program known as Riyada. Riyada functions as a comprehensive business nurturing and start-up acceleration programme. It aims to offer instruction, guidance, and financial support to young entrepreneurs who have start-up concepts. As stated by the Iraqi Prime Minister's Office, the initiative will be executed in two phases and is expected to assist around 100,000 participants. The program will encompass the establishment of 20 youth centres, 34 vocational training centres, 15 business incubators, and 75 university rehabilitation and employment centres throughout the country. Riyada presents a comprehensive curriculum that commences with informative training sessions led by industry experts, covering crucial business principles. Subsequently, a wide array of services will be provided, including mentorship, resources for business development, and opportunities for networking. Additionally, each business can receive funding of up to 20,000,000 Iraqi Dinars.⁴⁰



Digital technologies have emerged as an essential element of a decent jobs and economic growth strategy for many developing countries. Digital technologies have transformed the global economy and are expected to continue to do so with increasing speed, creating new industries in the process. They provide unprecedented opportunities to create new jobs, raise productivity and incomes, and reduce inequality. With the rapid pace of technological evolution, understanding the digital skills continuum becomes increasingly important to ensure that all populations, including general occupations and ICT professionals, have the right digital skills and qualifications to make effective use of today's digital tools.

Adopted policies and actions highlighted in this review support a greater willingness to use digital technologies. These policies include innovation policies, data policies and regulations, capability support programs, and national strategies for the productive use of digital technologies across all sectors and industries. Further efforts also focus on developing more attractive applications and building the awareness and education required for productive digital technologies adoption. In Kenya, the government launched a program to train 20 million Kenyans in digital skills. Developing the country's digital skills is one of the central pillars of Kenya's National Digital Master Plan

⁴⁰ <https://riyada.iq/>, <https://cabinet.iq/ArticleShow.aspx?ID=12805>



(2022-2032). To achieve this, the government is leveraging public-private opportunities. For example, the Ministry of Information, Communications, and The Digital Economy partnered with Kodris Africa and signed a Memorandum of Understanding to pilot the implementation of the Kenya Institute of Curriculum Development approved coding content in public primary schools.⁴¹ This will accelerate the implementation of the Digital Literacy Program, as well as the Competency-Based Curriculum. Kodris Africa will also support the ministry in providing the content through which students will learn coding using a Classroom License, whereby students in one classroom share their learning experience, making the product affordable and accessible.

Countries have implemented capability support programs to enhance the productive use of available digital technologies. These programs include business advisory services, technology information and upgrading services, and manager and worker skills training, together with longer-term investments in high-quality secondary and tertiary education. In Côte d'Ivoire, the Ministry of Communication and Digital Economy, in partnership with Smart Africa Digital Academy (SADA), launched the digital skills initiative. This initiative aims to foster the development of the country's emerging digital sector by offering digital skills training and support. In line with the National Digital Development Strategy 2025, the initiative includes the implementation of various capacity-building programs on big data and Internet of Things, training of teachers, executive training, and advanced ICT trainings Côte d'Ivoire is set to host the first cybersecurity Innovation Center for youth. The Ministry of Communication and Digital Economy in Côte d'Ivoire and The Smart Africa Alliance signed a memorandum of understanding. This agreement allows SADA which is responsible for capacity building to provide targeted interventions that align with Côte d'Ivoire's ICT sector priorities.⁴² The SADA-Côte d'Ivoire partnership is one of the key vehicles for the operationalization of the 'awareness and training' projects of the fourth pillar of Côte d'Ivoire's National Digital Strategy to 2025, which has the specific objective to develop and promote digital skills.

The next steps include the establishment of a national digital academy that will support the identified digital skills priority needs at the national level. In Kenya, the Government has established several initiatives, such as the Ajira Digital Program, to raise the digital skills' profile of youth. The incorporation of digital marketing and e-commerce training modules into the program has managed to prepare over 300,000 youth people to take up opportunities in the e-commerce space.⁴³ In Bangladesh, under the Enhancing Digital Government and Economy Project the Smart Leadership Academy (SLA) was established in June 2023 to develop technologically skilled smart leadership. The SLA is being established permanently as a state-of-the-art training centre for developing technologically skilled human resources.

At the beginning of 2023, the Technical Education, Vocational and Entrepreneurship Training Authority of Zambia partnered with UNCDF and the International Business Machines (IBM) Corporation to create relevant platforms for delivering digital skills to entrepreneurs, youths, and women, particularly in the TEVET sector.⁴⁴ The courses are provided free of charge and include a variety of digital competencies and skills, such as cybersecurity analysis, artificial intelligence, cloud computing, enterprise computing, and open-source software. In the future, tailored solutions will also be developed to increase the contextual relevance and skills demanded by users. This includes meeting the different digital skills needs of citizens in the workplace, business world, and personal digital skills development.

41 https://kicd.ac.ke/in_the_press/laptops-to-be-updated-with-new-content/

42 <https://smartafrica.org/sada-boosts-digital-skills-in-cote-divoire-with-the-launch-of-its-national-digital-academy-2/>

43 Ministry of Information, Communication & the Digital Economy Score Card (July 2023)

44 <https://www.teveta.org.zm/news/read.php?ref=136>



Building public sector capacities. Key facets of Internet-era skills, competencies, and the enabling environment necessary to successfully achieve digital transformation are interlinked. Technological solutions for upgrading civil services and providing personalized and cost-effective public services are needed. However, building in-house capacity and skills for digital transformation remains challenging for many developing countries. The evolving service demand, along with capacity and capability constraints, continues to hinder the development of forward-looking strategies both internally and externally.

Papua New Guinea has adopted the Digital Government Plan 2023-2027. The policy emphasizes the need to ensure that all public servants at every level of government possess the relevant “digital skills” required to perform their work effectively. The government also aims to ensure that public organizations are adequately equipped with digital facilities, including the knowledge to utilize these facilities and deliver services to the population efficiently and effectively. The next steps involve the implementation of the national ICT cluster policy and the formulation of a national policy on digital skills and data protection.

In Cambodia, the government adopted the Cambodian Digital Government Policy 2022-2035. The policy aims to establish a smart government supported by an interoperable ecosystem of digital infrastructure and technologies that modernize governance structures. The implementation of the policy encompasses the development of a digital competency assessment framework and digital human capital management in the public sector. It also involves creating a curriculum to enhance digital literacy and basic digital skills for all public servants.

Tackling the digital divide. Country experiences demonstrate progress in ensuring fair and equitable access to digital services and devices. The examples highlighted in this review underscore the importance of reducing the digital divide by providing necessary skills and training to better equip marginalized and disadvantaged populations with digital tools and digitalization skills.

Countries have adopted policies and strategies that promote the use of digital and complementary technologies, especially affordable, skill-appropriate technologies that support productive and inclusive access. In Tuvalu, the Department of Trade, in partnership with the Pacific Agreement on Closer Economic Relations (PACER) Plus Implementation Unit, has implemented e-skills development training. This training will be rolled out across the country in 2023 to encourage individuals and businesses to make productive use of these technologies. Zambia’s eighth National Development Plan 2022-2026 reinforces digital transformation as one of the key drivers of economic growth.

The government has proposed the deployment of digital transformation centres, with wider area network coverage in all parts of the country, starting with 50 per cent of the districts situated in the remotest areas. This initiative will address issues of poor Internet connectivity, reduce the cost of connectivity, and improve access to the Government Service Bus initiative. In Cambodia, the Ministry of Post and Telecommunications has set in motion an initiative to open Community Tech Centres across the country in 2023. These centres aim to improve digital literacy and narrow the digital divide in Cambodia. They combine computer labs, multipurpose training rooms, Internet kiosks, public halls, and post offices. Overall, these examples demonstrate the commitment of various countries to bridging the digital divide and ensuring equitable access to digital services and devices.



2.7. Access to finance

In partner countries, the growth of the e-commerce ecosystem is hindered by the persistent challenge of limited access to financing, particularly through the banking system. This issue remains a significant obstacle to overcome as, the scarcity of financing hampers the growth of SMEs and discourages formalization. Alternative financing options, ranging from venture capital to crowdfunding among others, are providing a new lifeblood of businesses that otherwise will be left out of necessary financial means to thrive in the digital economy. A fresh new impetus of partnerships and cooperation with development partners should give this area more attention to provide more and better services for the needs of start-ups and innovative SMEs.

Traditional bank financing often remains prohibitive for e-commerce businesses; alternative financing options are bringing new wave of opportunities for businesses.

Young and innovative firms face significant challenges in obtaining bank credit as they often lack adequate collateral or an established credit history. Entrepreneurs who fail to secure bank funding often turn to informal businesses, or continue to, operating through social media platforms, as is the case in the reviewed countries, particularly LDCs. The eT Readies recommendations emphasize the need to scale up initiatives that focus on lending solutions and funds specifically tailored for e-commerce businesses. These initiatives can be introduced by various credit-granting entities such as banks, microfinance institutions (MFIs), government-sponsored facilities, and development agencies. By expanding the availability of such financing options, e-commerce businesses can have greater access to the capital they need to grow and expand their operations. For instance, the Government of Niger has launched a financing program specifically targeting SMEs and small-scale industries (SSI). With a total amount of over \$16.7 million, this program aims to support 109 SMEs/SSIs operating in sectors with high added value. By reducing the constraints faced by these businesses in accessing financial services, markets, and skills, the program opens up new opportunities for small ventures in the digital economy.

Promoting innovative financing business models features prominently among eT Readies recommendations. Alternative financing options can contribute to promote a more balanced and supportive entrepreneurial environment. These models can include venture capital funding, competitions, prizes, and events focused on supporting and fostering innovation among e-commerce entrepreneurs. These alternative financing mechanisms can provide opportunities for start-ups and SMEs to secure funding and accelerate their growth. For example, business angel investments can be a viable option for innovative start-ups that require both funding and expertise in business development. Similarly venture capital seems to offer promising opportunities.

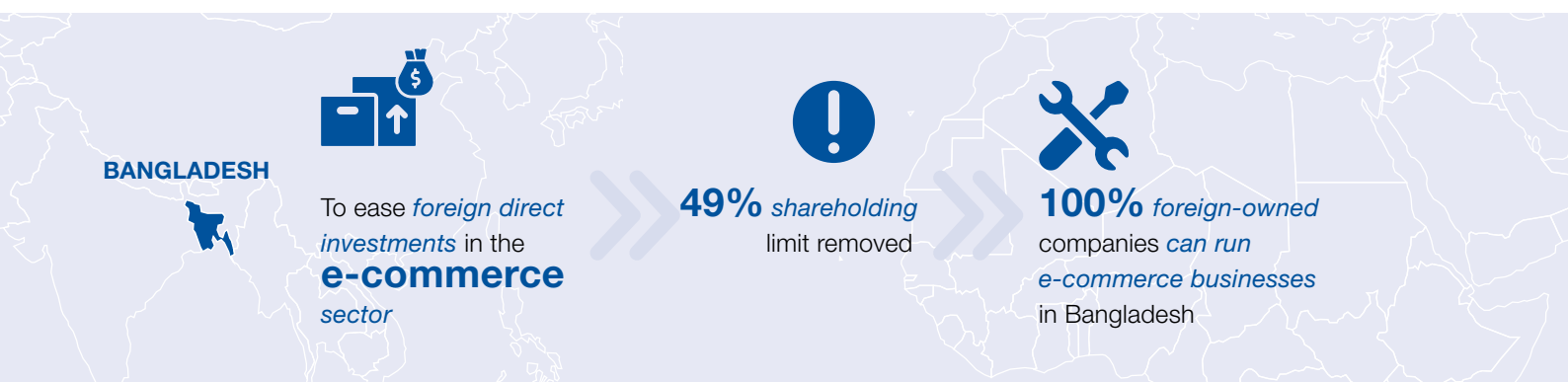
In Africa, the venture capital market has demonstrated consistent and strong growth, even in 2022 when the global venture capital landscape faced challenges. Among the countries that participated in this review, Kenya has consistently been one of the top five recipients of venture capital investments in Africa.⁴⁵ This highlights the attractiveness of Kenya's start-up ecosystem and its potential for innovation and growth. Similarly, Uganda has been successful in attracting high-profile tech programs, such as the Y Combinator accelerator and Google's \$50 million Africa Investment Fund. These initiatives specifically target early- and growth-stage start-ups, providing them with valuable support and funding opportunities.⁴⁶

45 <https://partechpartners.com/2022-africa-tech-venture-capital-report/>

46 <https://techcrunch.com/2022/03/04/uganda-in-the-spotlight-as-countrys-startups-captivate-yc-google/>



To enhance the scalability of local businesses in the e-commerce sector, governments might also consider relaxing regulations to allow higher penetration of foreign capital and mobilize resources to foster the growth of start-ups and SMEs. In Bangladesh, to encourage the formation of stronger e-commerce platforms, the Government revised the digital commerce policy in 2020 to ease foreign direct investments in the e-commerce sector. This consisted in the removal of the 49 per cent shareholding limit, thus allowing up to 100 per cent foreign-owned companies to operate in Bangladesh. This has opened the way to fresh investments into the e-commerce delivery sector in Bangladesh. For example, Ecom Express a major Indian e-commerce logistics service provider has made a second capital injection into Paperfly in 2022, consolidating a first move recorded in the previous review.



Crowdfunding also holds potential and, as a result, regulators are taking actions. For example, in Tunisia, there have been significant developments in the regulatory framework for crowdfunding. A crowdfunding law was passed in 2020, and in October 2022, three decrees were promulgated to further regulate the development of crowdfunding digital platforms. The publication of these decrees was identified as a high priority action in the eT Ready of Tunisia launched in March 2022. The decrees provide for establishing three crowdfunding business models, namely crowdlending, equity and donation-based crowdfunding to be licensed and supervised, respectively, by the Central Bank, the Financial Market Council and the Microfinance Control Authority.⁴⁷

This kind of technology-based financing solution aims to provide alternative finance opportunities for underserved firms and entrepreneurs and will help innovative start-ups and SMEs that lack collateral and credit history, raise the needed capital to expand their activities. To ensure the continued relevance of alternative funding sources, maintaining a flexible regulatory approach that adapts to the evolving needs of the market is crucial, as much as allocating adequate resources to the institutions responsible for enforcing regulations.

⁴⁷ While the Financial Market Council launched in December 2022 an online consultation on the draft implementation text for the equity crowdfunding regulatory framework, the Central Bank and the Microfinance Control Authority are still to publish circulars governing licensing conditions of fintechs to be providing crowdlending and donation-based crowdfunding services.



A collaborative approach and partnerships among various stakeholders can also be a change-maker to design innovative financing solutions for digital businesses in their early stage of development. In Tunisia, this approach has paved the way to the organization of a capacity building and training workshop aimed at strengthening the capacities of SMEs operating in the e-commerce sector, in terms of access to alternative finance mechanisms (see Box 9). In the Pacific region, the Pacific Islands Forum (PIF) has launched a regional grant scheme to support the business community, particularly MSMEs, in their e-commerce operations. This grant scheme is funded by the Republic of Korea and aims to provide small capital support to boost e-commerce activities of Pacific MSMEs. The first round of grants in 2022 awarded a total of \$60,000 to six Pacific MSMEs, and a second call for proposals was issued in April 2023, indicating ongoing support for the development of e-commerce in the region.

Box 9: Experience from a growing green e-commerce business in the Pacific

ThisNThat is a Samoa-based business founded by Agnes Fruean, specializing in handmade accessories, particularly bags, made from second-hand materials that would have otherwise been wasted. The company has gained significant visibility and attracted international clients through its strong social media presence. In 2022, ThisNThat was selected as a recipient of the Pacific MSMEs E-Commerce Grant, which proved crucial in acquiring the necessary equipment to support their online operations and enhance their online presence through the development of an online store scheduled to be launched in 2023. Additionally, ThisNThat participated in the Pacific Greenpreneurs Incubator program, a support initiative for early-stage green enterprises.

Through the program, the company had the opportunity to engage in local workshops, receive regional training, access mentoring and coaching services, and network with other entrepreneurs. As a result of their participation, ThisNThat was recognized as one of the three winners of the Business Plan Competition, securing a seed grant of US\$ 5,000. This grant will enable the company to invest in the growth of their green business. These achievements highlight ThisNThat's commitment to sustainability, innovation, and leveraging digital platforms for business expansion. The support received from the Pacific MSMEs E-Commerce Grant and the Pacific Greenpreneurs Incubator program has played a crucial role in their success and will further contribute to their growth and sustainability in the future.

Source: UNCTAD⁴⁸

⁴⁸ Based on online sources: <https://pacificcommerce.org/applications-open-for-pif-e-commerce-grant-for-pacific-msmes/> and <https://www.pacificgreenpreneurs.com/news/qx294hiwm735qfp6bu4ey2ss4so54o>



The overall access to financing situation for start-ups and nascent e-commerce ecosystems in developing countries, particularly LDCs, continues to present significant obstacles. Initiatives aimed at strengthening the overall financial sector in the reviewed countries should continue, as they can have positive spillover effects also for the digital ecosystem. This means fostering competition in the banking sector, enhancing the regulatory framework to improve the quality of financial services, creating the conditions for untapping potential of the fintech sector, advancing financial education and digital literacy to support the utilization of both traditional and digital financial services on a larger scale.

There is also an urgent need to intensify efforts towards providing advisory support to e-commerce businesses, and SMEs more broadly, on how to improve their creditworthiness. This assistance can include counselling and mentoring regarding financial management, business planning, and improving financial reporting. These services could be integrated with programs specifically designed for start-ups and SMEs and facilitated by various entities such as governments, development banks, and non-profit organizations. By enhancing their creditworthiness, e-commerce businesses can increase their chances of obtaining traditional bank financing or attracting other forms of investment.

In general, despite the magnitude of challenges faced by businesses in this policy area, there is a positive trend towards supporting financial inclusion, supported by various eTrade for all partners including ITC, UNCDF, UPU, and the WBG, among others. These organizations are contributing to fostering more favourable conditions for access to finance by e-commerce businesses. While hurdles still exist, the commitment of eTrade for all partners signals a positive trajectory and a collective effort to address the financing obstacles faced by start-ups and e-commerce businesses. Through their collaborative actions, more favourable conditions are expected to be created, enabling greater access to finance and supporting the growth of the e-commerce sector in developing countries.



Image: Adobe Stock/Wichayada



Development cooperation
in support of country
priorities

3. DEVELOPMENT COOPERATION IN SUPPORT OF COUNTRY PRIORITIES

3.1 Countries' policy priorities for the way forward

The countries under review have demonstrated keen interest in a diverse array of priority areas and projects, for which they are actively seeking support. Notably, these align with certain objectives previously outlined in past reviews, while also incorporating the latest updates. It is worth emphasizing that these priorities are often supplementary to existing initiatives. Development partners, especially those involved in eTrade for all, can utilize these priorities as a valuable reference point for identifying potential areas where expedient projects can be undertaken.

- In Bangladesh, skills development and a safer online environment for businesses have been highlighted. Support to the SMEs and MSMEs, devising adequate regulations for customer protection and fraud prevention, enforcing cybersecurity measures and monitoring online illegal activities are top priorities.
- Burkina Faso has expressed a renewed interest in formulating a comprehensive national e-commerce strategy and is actively seeking assistance to strengthen the operations of the E-commerce Development Committee. Burkina Faso is also eager to establish a mechanism for certifying companies operating in the e-commerce sector, and assistance in this area is highly valued.
- In Côte d'Ivoire, a set of prioritized projects has been identified, along with an assessment of the corresponding financing gaps. These projects encompass various aspects, including: i) development of a national e-commerce strategy (ongoing, with the support of UNCTAD), and the establishment of a consultation platform for engaging e-commerce stakeholders, ii) creation of a web platform to identify and register e-merchants and merchant sites operating within Côte d'Ivoire as well as the development of a comprehensive guide pertaining to e-commerce practices is also envisaged, and iii) enhancement of the existing legal and regulatory framework governing e-commerce activities, coupled with the establishment of a statistical information system dedicated to monitoring and analyzing e-commerce trends.
- In Iraq, the establishment of a national strategy to foster e-commerce development is deemed as a top priority. It has been emphasized that incorporating the perspectives of relevant stakeholders and conducting a comprehensive review of existing laws and legislation are crucial elements in this endeavour.
- In Kenya, priorities have been identified within the implementation plan of the national e-commerce strategy. Although no specific funds have been allocated, ongoing discussions are taking place with pre-identified partners, including with support from UNCTAD.
- In Malawi, enhancing infrastructures such as the establishment of additional data centers, deployment of fibre connectivity in remote regions, and initiatives focused on training more technical professionals and educating rural communities are deemed high-priority objectives.



- In Nepal, key priorities include the effective implementation of the Digital Nepal Framework 2019, the National e-commerce strategy, and the forthcoming E-commerce and Information Technology bills, pending approval by the parliament. The country also expresses a strong interest in receiving technical assistance to enhance capacity building for the implementation of digital and paperless trade within both the public and private sectors.
- In Papua New Guinea, there is a recognized priority in strengthening policy coordination. Assistance is sought to establish a national e-commerce committee and empower its roles and functions. The government also aims to develop a national capacity-building framework, encompassing all trade facilitation agencies and stakeholders involved in digital trade development. To facilitate interoperability and information sharing in line with e-government initiatives, a readiness assessment of existing domestic legislation is requested for trade facilitation purposes.
- In Samoa, three priority areas have been identified. These include the development of a national e-commerce policy, the conducting of a legislative gap analysis, and the identification of key areas in the e-commerce legal framework that require development. Skills training in consumer protection, competition, investigation, and law enforcement is also considered a crucial priority.
- In Senegal, the priority is to operationalize the Start-up Act, where they have identified the EU as a key partner. The government plans to establish a digital platform as a comprehensive “one-stop shop” for accessing national-level information and facilitating legal, fiscal, and customs incentives. Efforts are underway, in collaboration with partners, to mobilize support for the HUB/CLUSTER project, focused on geospatial data within the Digital Technology Park framework. Additional assistance is sought for designing and launching a national awareness and digital training campaign for rural populations. The campaign implementation will be entrusted to young individuals as part of a voluntary “digital civic service” initiative. Support is also needed for designing a digital awareness and vigilance module for elementary school curricula. The country also aims to develop a national financial inclusion strategy.
- In Togo, the primary focus lies in the implementation of the E-commerce Development Strategy 2022-2026. To support this objective, the formulation of the capacity-building project for e-commerce development in Togo (ProCET) has been prioritized, and the government is actively seeking implementing partners. Additionally, the government seeks support to consolidate the results of the 2021-2023 Strategic Plan of ARCEP previously mentioned (Section 2.2).
- In Tonga, discussions are underway with the Commonwealth, PIF (Pacific E-commerce Initiative), and the PACER Plus Implementation Unit to address priority actions. These actions include the development of e-commerce business toolkits, broader capacity-building activities for both the public and private sectors in e-commerce, and the establishment of e-commerce-related legislation.



- In Tunisia, several areas are being considered to mobilize support. These include the digitalization of foreign trade procedures to facilitate cross-border e-commerce, raising consumer awareness about e-commerce best practices and the legal framework, capacity building for governance structures responsible for the e-commerce sector, and adapting regulatory frameworks to accommodate emerging technologies.
- In Tuvalu, strengthening human resources to assist the Department of Trade in implementing eT Ready-related activities is crucial for the effective implementation of the country's e-commerce strategy.
- In Uganda, improving connectivity infrastructure and skills development remain top priorities. The government seeks increased attention and support from development partners in these areas. Trade facilitation and logistics are also emphasized, with a focus on reducing barriers for cross-border communities. Partners like TradeMark Africa (TMA) are called upon for assistance.
- In Zambia, the government prioritizes enhancing mobile connectivity in remote areas, ensuring accessibility, availability, and affordability. Efforts concentrate on building digital infrastructure, as well as promoting interoperable digital platforms and payment systems integration across sectors. The goals also include boosting digital skills, fostering innovation and entrepreneurship, particularly for start-ups, and improving digital services through coordination and interoperability of electronic payment solutions.

While this list is not exhaustive, it serves as a valuable reference for guiding multi-stakeholder discussions. The information provided offers insights that can foster collaboration among development partners and facilitate coordinated efforts to achieve common goals.

3.2 Fostering development partners' synergies

The countries that participated in this review have reaffirmed the importance of nurturing partnerships with development partners and highlighted the significant role of eT Ready assessments. Development partners are providing valuable support to countries' efforts in line with eT Ready recommendations covering, at varying degrees, all the seven policy areas. In particular, countries have indicated how eT Ready assessments are being used as a tool to inform policy dialogue, engage with development partners, and advocate for new technical assistance projects or capacity-building initiatives.

- In Burkina Faso, the eT Ready was used as an advocacy tool to engage with partners, such as GIZ, UNDP, the EU, and the EIF, which led to securing support, i.e., from UNDP and EIF for the holding of the first Inclusive Forum on Electronic Commerce (FICEL).
- In Papua New Guinea, the findings outlined in the e-commerce readiness assessment were used to develop substantive proposals to secure support from the EU to develop an e-commerce policy and strategy in 2023. Papua New Guinea leveraged assistance from UNCITRAL, and the Electronic Transaction Act was adopted in 2022.
- In Samoa, the eT Ready strongly enhanced dialogue with development partners and opened new opportunities for technical assistance and capacity building throughout the entire development process of the National E-commerce Strategy and Roadmap.



- In Senegal, as a follow-up to the eT Ready, a grant was awarded by the EIF for the implementation of phase 2 of the National Strategy for the Development of Electronic Commerce. Senegal's national e-commerce platform *eboutik221* was established through EIF project support. As of January 2023, a nation-wide MSMEs registration and enrolment campaign was ongoing in Senegal.
- In Tonga, based on the findings of the e-commerce readiness assessment, a proposal for a project was submitted to the Department of Foreign Affairs and Trade (DFAT) of Australia regarding three priority indicative actions. As a result, a Tonga E-commerce Strategy & Roadmap was formulated in 2021 and later launched in 2022. Tonga also benefited from a 6-week course training for Cross-Border Paperless Trade and capacity-building workshops, with the assistance of DFAT and TradeWorthy. Last, an options paper on e-commerce related legislations was developed, which helped to take stock of e-commerce related laws in Tonga and benchmark them against regional and international good practices, with recommendations.
- In Tunisia, the Action Plan developed following the completion of the eT Ready has been instrumental in mobilizing development partners. UNIDO, ITC, SECO, and GIZ confirmed their commitment to support a number of priority actions. Three projects of the eT Ready Action Plan are already being implemented with the technical and financial support of GIZ, with the Central Bank of Tunisia as the lead agency.
- In Tuvalu, the eT Ready paved the way for a comprehensive resource mobilization effort that led to several initiatives in line with the assessment recommendations. For example, the work on the national e-commerce strategy the establishment of the national e-commerce committee was supported by EIF and PIF. Accession to the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific, a UN treaty open to all ESCAP members, as well as The Electronic Communications Convention was accomplished in December 2022. Moreover, with the assistance of DFAT and TradeWorthy, an options paper was developed, highlighting gaps in the e-commerce legal framework. With the recommendations set out in the paper, Tuvalu leveraged assistance from UNCITRAL, and a draft electronic transactions law has been developed and will be tabled at Parliament in 2023.
- In Uganda, the eT Ready provided empirical evidence on the e-commerce landscape in Uganda. Consequently, this provided a basis for dialogue with development partners, such as UNDP and UNCDF, whose support was critical during the peak of the COVID-19 pandemic.⁴⁹ The development of the National E-Commerce strategy for Uganda is ongoing with financial support from UNDP. TMA has also been financing the e-Single Window project, and preparatory work was partly informed by the eT Ready.
- In Zambia, the government has established and enhanced partnerships with various stakeholders. They have recognized the contributions of eTrade for all partners in facilitating the implementation of digital transformation reforms. However, they acknowledge the need for further efforts to address existing gaps and streamline projects from multiple development partners, aiming for a more coordinated approach.

49 [Ugandan e-commerce platforms power recovery from COVID-19 crisis | UNCTAD](#).



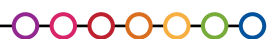
Cooperation and partnerships are crucial in unlocking financial support from development partners and transitioning from diagnostic assessments to effective implementation.

This review indicates that while development partners' efforts are crucial, there is room for improvement in the provision of technical and financial assistance. The responses gathered indicate the utilization of eT Readies as advisory tools to mobilize resources for implementation among governments, donors, and implementing partners. However, these interventions are often led by a single agency and are primarily driven by bilateral engagements with governments, perpetuating existing trends highlighted in previous reviews.

During the UNCTAD stocktaking meeting on "eTrade Readiness: From Diagnostics to Implementation," participants cautioned against the risk of fragmented interventions by development partners. Insufficient information about ongoing and planned activities in partner countries, even with a country presence, exacerbates this fragmentation. Conducting mapping exercises, particularly in collaboration with UN Resident Coordinator Offices (RCOs), can play a vital role in identifying key development partners and their digital-related initiatives. The coordination role of UN RCOs can ensure that UN agencies, funds, and programs contribute to e-commerce development and capacity building in specific policy areas. This approach promotes collaboration, minimizes duplication, and optimizes funding utilization. This is in line with the UN Secretary-General's Roadmap for Digital Cooperation and the Digital Transformation Window being developed under the umbrella of the Joint SDG Fund.

Partnerships enable development agencies to identify comprehensive solutions and effectively address the real challenges faced by developing countries, which often extend beyond the mandate of any single organization. The eTrade for all partnership, with its 35 specialized partners offering technical assistance in various policy areas, has proven to be a valuable cooperative platform for conceptualizing and implementing coordinated interventions, in addition to being a useful knowledge-hub on e-commerce and digital related news, events and publications. The responses from the eTrade for all partners through the Engagement Survey conducted in 2023 indicate a strong willingness among various partners to further engage at the country level when UNCTAD conducts a diagnosis or support ECS development projects, as well as foster new synergies at the implementation level.⁵⁰ Leveraging the in-country experience of eTrade for all partners and other development partners engaged in the digital domain can greatly facilitate the scaling up of eT Ready recommendations. Overall, strengthening partnerships, enhancing coordination, and leveraging the collective expertise and resources of multiple stakeholders will foster more comprehensive and impactful interventions in the implementation of eT Ready recommendations. Increased synergies should also be explored with the UNCTAD eTrade for Women initiative with respect to its communities, the local network of digital women entrepreneurs, which in 2023 gathers more than 240 members from 40 countries.

⁵⁰ UPU, ESCAP TIID, UNCITRAL, EIF, DCO, WCO, CUTS International, BSI, ERIA, PIF (based on responses received by end of June 2023; more partners are expected to provide feedback).



Box 10: eT Ready follow-up in Tunisia: leveraging cooperation for greater impact



The eTrade Readiness Action Plan of Tunisia was developed with UNCTAD support and launched in October 2022. This has triggered increased interest from and enhanced cooperation among development partners - including donors, UN agencies (through the UN RCO) and eTrade for all partners - to support the implementation of priority actions. Following the launch of the Action Plan for Tunisia under the auspices of the

Minister of Trade and Export Development, several bilateral exchanges were organized with development partners interested in supporting the country's efforts aimed at developing e-commerce, including the Embassy of Spain in Tunisia, the Delegation of the European Union to Tunisia, ITC, UNIDO, and SECO.

As a result, the EU has invited ITC to submit proposals aiming at promoting SME creation and development in the fields of the digital economy and e-commerce, in support of the implementation of some key actions. UNIDO will be financially and technically supporting agri-food companies through facilitating access to online marketplaces. This is in addition to SECO's financial support for a capacity-building workshop on access to finance for e-commerce SMEs to be organized by UNCTAD and to GLZ's financial and technical support for the digitalization of financial services to be provided in 2023.

The Action Plan has also helped enhance national coordination and dialogue on e-commerce and the digital economy. For instance, the Ministry of Trade and Export Development was invited to present the Action Plan during high-level inter-ministerial meetings (Ministers and Governor of the Central Bank) in the context of the preparation of Tunisia's Development Plan 2023-2025. Challenges identified by Tunisian women entrepreneurs to grow their start-ups include the lack of access to finance and e-payments solutions, as well as strict controls on foreign exchange transactions. As a follow up, UNCTAD with the support of SECO organized a capacity-building workshop (Tunis, 24 - 26 October 2023) bringing together financial service providers and e-commerce operators to explore solutions to lower SMEs barriers to access to finance. The role and future collaborations between partners were discussed in October 2023 when defining the priorities for the next Action Plan until 2025.

Source: UNCTAD



Box 11: The business journey of Soul & Planet described by its co-founder and CEO, Ms. Fatma Midani⁵¹

From a start-up to marketplace, Soul & Planet has recorded significant growth over the past 3 years. It is from the marketing that I did in social networks that Soul & Planet was born in 2020 and since then we have experienced constant growth. This has led to a 10-fold increase in revenue, and we have reached more than 1,500 individual customers, in addition to gaining the trust of large companies and renowned national and international organizations. As a testament to the commitment to the green economy, Soul & Planet received the “Tunisia Digital Summit Awards” in the Green Economy category on June 22, 2023.

The success of Soul & Planet is mainly based on strong values, a clear mission and the support of a dynamic entrepreneurial ecosystem. Our team is united and talented, and we cultivate a genuine team spirit. Each member is actively involved in recruitment, and we attach great importance to the well-being, personal development and continuous learning of each one, considering it an integral part of our work. Each member feels invested in the company and shares an entrepreneurial spirit. In addition, at Soul & Planet, we strongly believe in the customer and quality-centric approach. The support of the entrepreneurial ecosystem has played a vital role in the development of Soul & Planet, especially for me, who was a designer by training and without specific e-commerce skills in my curriculum. We are grateful to government support measures, such as the Startup Act, and to ecosystem partners such as Afkar, Impact Partner, Flat6Labs, and others who have helped us and contributed to our growth.

However, the main challenge we face is access to finance. The preparation of a fundraising requires time and financial resources, and to do well, we have a huge need for “bridge” funding such as AIR2 from Flywheel.⁵² This type of funding would play a crucial role in helping us prepare optimally for our future fundraising. This would allow us to strengthen our position in new markets and accelerate our growth. For example, building on the strengths of our B2C online marketplace, we would like to digitalize the operations of our fast-growing B2B market.

UNCTAD’s work plays a key role as a catalyst in raising the voice of businesses and helping find concrete policy solutions. As part of the activities related to the implementation of the eT Ready Action Plan of Tunisia supported by UNCTAD, a capacity building and training workshop was organized in Tunis (October 2023). We expect that this workshop will contribute to strengthening e-commerce SMEs’ capacities in terms of access to alternative finance mechanisms that are more suitable for our projects than bank funding. We also expect that the discussions held with financial service providers on barriers to access to finance for SMEs will help digital and e-commerce SMEs better meet eligibility conditions related to the existing alternative funding mechanisms.

Source: UNCTAD, based on interview with Ms. Fatma Midani

⁵¹ Tunisian company, Soul & Planet is an aggregator of green services and products whose main mission is to facilitate the ecological transition by offering quick and easily applicable solutions. By making responsible consumption and efficient management of natural resources the company’s core business, Soul & Planet’s marketplace offers a wide range of everyday products selected according to their impact on health and the environment, ranging from food products to cosmetics to home items. For more information <https://soulandplanet.tn/a-propos>

⁵² https://startup.gov.tn/en/startup_ecosystem/flywheel/air2



To effectively support implementation efforts, development partners need to prioritize the establishment of effective national coordination frameworks. These frameworks are essential for harmonizing efforts, building synergies, and scaling up implementation to achieve greater impact. The partner countries of eT Ready have reiterated in this review the importance of strengthening implementation arrangements to overcome persistent challenges and achieve tangible and sustainable results.

Discussions during UNCTAD's stocktaking meeting reaffirmed the value of UNCTAD's ISM and highlighted ways to capitalize on existing achievements. First, there is a need to empower the community of e-commerce policy practitioners, primarily comprised of in-country eT Ready Focal Points, by providing stakeholder engagement and capacity-building activities. Second, regular implementation reviews should be conducted to facilitate experience sharing and learning. Permanent Missions based in Geneva also play a crucial role in supporting the ISM and fostering ownership of the eT Ready implementation process in their respective countries. Third, the ISM should align with the demand for further in-country implementation assistance.

The objectives of UNCTAD's enhanced ISM were outlined during the meeting. These objectives include assisting countries in overall coordination and monitoring of implementation, building national capacities to operationalize e-commerce initiatives, and aligning with the country's eT Ready action matrix, action plan, and/or national e-commerce strategy. The services offered by the ISM follow a three-pronged approach:

- Providing institutional support for setting up an implementation governance structure and ensuring active engagement of all stakeholders in the implementation process.
- Strengthening operational and strategic capacities through training steering committee and technical group members on effective implementation management.
- Supporting stakeholders in building relationships with development partners and mobilizing resources for implementation.

In the subsequent discussions, participants recognized the importance of having an in-country support mechanism to strengthen capacities for effective implementation of policies and initiatives. They emphasized the need for a formalized institutional framework or governance structure within the government to ensure sustainable and impactful results. This could involve establishing a dedicated e-commerce implementation unit within the lead ministry/agency, serving as the secretariat for overall coordination.

Responding to this need, UNCTAD has included in its methodology sustained support to assist countries in moving to the implementation stage, including by strengthening the institutional coordination. A more articulated and long-term support can be extended on a demand-driven basis and based on a tailored needs assessment of the partner country. In this context, UNCTAD has also developed a web-based tool called the "eTrade Reform Tracker" to support national e-commerce committees or equivalent bodies in coordinating the implementation process. This tool will enhance transparency, empower stakeholders in functions such as multi-stakeholder dialogue, monitoring and evaluation, and resource mobilization.



Box 12: The eTrade Reform Tracker at a glance

The eTrade Reform Tracker (eTRT) serves as a valuable tool to support the effective implementation of an e-commerce strategy or similar policy document and show impacts. It provides functionalities that enable the assignment of responsibilities, tracking of task execution, and reporting on the progress of time-bound deliverables. Additionally, the eTRT allows for the recording of information related to the involvement of development partners, thereby facilitating the monitoring of resource mobilization efforts.

To enhance knowledge management, the eTRT allows for the uploading and storage of documents such as meeting minutes, work plans, and reports, promoting more efficient and transparent information sharing. It also fosters interactive and collaborative communication among users from various implementation teams. Quality control of deliverables is ensured through the eTRT, where lead agencies can notify the relevant coordination body, such as the e-commerce committee secretariat or implementation unit, of task completion and deliverable finalization, requesting a final review for endorsement. Regular usage of the eTRT and accurate data recording can greatly facilitate reporting by providing a real-time view of the implementation process's results. The platform can generate statistics, charts, and metrics related to the implementation progress and usage of the eTRT itself.

Source: UNCTAD

However, while contributing to enhance the efficiency of the implementation process is necessary to maximize the value for money invested and achieve greater and more sustainable impact, it is imperative for donor countries to increase their financial resources dedicated to assisting developing countries, especially LDCs, in meeting their growing financing needs.

The need to increase funding on a larger scale to accelerate implementation is becoming increasingly urgent. The limited financial resources provided by governments are insufficient to meet the demands of countries in this area. Donors should prioritize providing support for more effective coordination of implementation structures within countries, recognizing the crucial role that well-governed implementation processes play in achieving impact and sustainable progress in specific policy areas. At present, the international community's financial support falls short of what is required. UNCTAD's analysis, based on data from the OECD, reveals that the share of Aid for Trade resources allocated to the information and communication technology (ICT) sector has gradually increased from 1.2 per cent in 2017 to 2.7 per cent in 2019 and 2020. In 2021, this share further rose to 4.1 per cent, representing a \$300 million increase compared to the previous year. Although there is a slow upward trend, global development aid for digitalization remains insufficient when compared to the rapidly growing needs in this domain.

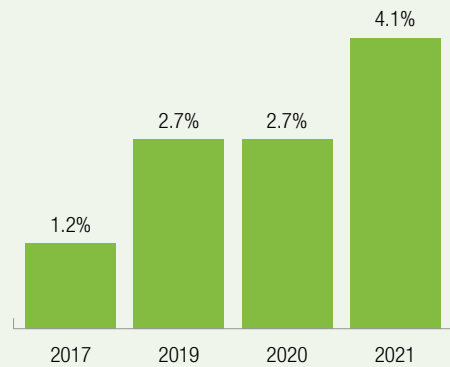




A *growing share* of **Aid for Trade** is allocated to the *ICT sector*.



In 2021, the share rose to **4.1%** representing a **\$300 million** increase compared to the previous year.



It is crucial for the international community to increase financial support and prioritize digitalization efforts in development assistance. This is particularly important as fiscal constraints and mounting debt burdens make it increasingly difficult for developing countries, especially LDCs, to mobilize domestic resources. Adequate funding is essential to ensure the successful implementation of digital transformation initiatives and promote inclusive and sustainable development in the digital age. Although more and more development partners are integrating digitalization and digital trade development in their development cooperation portfolios, some countries' responses to this review specifically highlighted that development partners are still not giving adequate attention to supporting capacity building in e-commerce sector. This should ring an alarm bell, especially in countries that are seeking to leverage the opportunities offered by a thriving digital ecosystem to support efforts towards graduation from LDC status.



Image: Adobe Stock/Armmey Picca



4

Conclusions

4. CONCLUSIONS

In most of the countries reviewed, e-commerce ecosystems are still at a nascent stage. This review reaffirms and strengthens some of the previous reviews' findings and highlights new bottlenecks that prevent countries from benefiting from e-commerce development. In particular, the report uncovers novel insights regarding the implementation processes of e-commerce policy actions and the role of eT Readies. These findings emphasize the need to further government commitment, foster stakeholder engagement, and increase support from development partners to narrow the digital divides and ensure that digitalization contributes to development goals.

The visibility of e-commerce in policymaking is steadily increasing. E-commerce is gaining more prominence in policymaking, with the majority of countries reviewed having embarked on the development of e-commerce policies, strategies and action plans. However, there is still significant scope to make the processes more inclusive and foster robust whole of government/society approaches towards mainstreaming e-commerce in national development agendas. The different country experiences presented in this report nevertheless clearly indicate a broader recognition of the importance of e-commerce at the highest government level. In a nutshell, e-commerce is no longer a marginal policy item among many, but is increasingly part of the policy mix those developing countries, including LDCs, are prioritizing to fuel their trade diversification strategies and strengthen efforts towards greater regional integration.

Nascent governance arrangements offer promise for enhanced coordination, but there is an urgent need to bolster the capabilities of implementation structures. Governance frameworks for e-commerce are being established in a growing number of countries, with the Pacific region's experience serving as a valuable source of good practices that other countries and regions can emulate. However, the review reveals that these structures are still in their early stages and encounter challenges in operationalizing their functions. Obstacles such as limited staff and/or high staff turnover and competing priorities persistently hinder progress. There is room for improvement in terms of monitoring and evaluating the implementation process. Focal Points responsible for mobilizing stakeholders continue to face difficulties in effectively engaging with line ministries, government agencies, the private sector, and civil society. Countries have clearly expressed the need to prioritize capacity-building efforts in strategic planning, results-based management, stakeholder engagement, monitoring and evaluation, as well as raising awareness of e-commerce and the digital economy. This also entails embracing web-based solutions to address some of these objectives and maximizing their benefits. Achieving this necessitates the development, sharing, and retention of knowledge and capacities across multiple ministries and agencies.

Despite progress in the implementation of specific e-commerce policy actions, their impact is difficult to measure. The success of e-commerce policy actions and experiences varies from country to country, often depending on the support of development partners. In every country, it takes time to achieve substantial and sustainable impact. Assessing the impact is challenging due to limited data availability and inadequate capabilities to measure e-commerce and the digital economy. It is crucial to enhance the capacity to measure and evaluate the impact of policy actions undertaken by countries. Nevertheless, this alone cannot address the issue of insufficient resources allocated to countries most in need. The rapidly evolving nature of the digital economy, coupled with the scale of challenges faced by the reviewed countries (many of



which are LDCs), surpasses the capacity of existing efforts undertaken by both the public and private sectors to generate widespread benefits.

The importance of extending the scale and scope of development partners' engagement cannot be overstated, particularly in terms of enhancing their support for governments' coordination efforts in implementing e-commerce policy actions. Development partners are demonstrating increased attention to e-commerce as a way to diversify economies and create jobs, and resources are gradually being allocated. However, the pace of resource allocation falls short of meeting the actual needs. Interventions in the e-commerce field by development partners could benefit from better coordination. The eTrade for all partnership is playing a significant role in promoting more effective cooperation and coordination. Additional efforts are required to strengthen synergies and empower governments with the capabilities to lead the implementation process of e-commerce policy actions, in line with eT Ready recommendations. This entails enhancing the capacities of, and resources available to, coordinating structures and entities responsible for implementation, such as e-commerce implementation units, departments, and committees. It also involves supporting governments in actively coordinating the fragmented interventions of development partners and advocating for more integrated approaches.



ANNEX 1: OVERVIEW OF eT READY PARTNER COUNTRIES' PARTICIPATION IN IMPLEMENTATION REVIEWS

	eT Ready (publication year)	Done by UNCTAD or based on UNCTAD methodology	1st IR	2nd IR	3rd IR	Country reviewed at least once
Africa						
Benin	2020	UNCTAD				
Burkina Faso	2018	UNCTAD	√	√	√	√
Côte d'Ivoire	2021	UNCTAD		√	√	√
Kenya	2022	UNCTAD			√	√
Lesotho	2018	UNCTAD	√			√
Liberia	2019	UNCTAD				
Madagascar	2018	UNCTAD	√	√	√	√
Malawi	2020	UNCTAD		√	√	√
Mali	2020	UNCTAD			√	√
Niger	2020	UNCTAD		√	√	√
Senegal	2018	UNCTAD	√	√	√	√
Tanzania	2020	UNCTAD				
Togo	2018	UNCTAD	√	√	√	√
Tunisia	2022	UNCTAD			√	√
Uganda	2018	UNCTAD	√	√	√	√
Zambia	2018	UNCTAD	√	√	√	√
Asia						
Afghanistan	2019	UNCTAD				
Bangladesh	2019	UNCTAD			√	√
Bhutan	2017	UNCTAD	√	√		√
Cambodia	2017	UNCTAD	√	√		√
Iraq	2020	UNCTAD			√	√
Jordan	2022	UNCTAD				
Lao PDR	2018	UNCTAD				
Myanmar	2018	UNCTAD	√			√
Nepal	2017	UNCTAD	√	√	√	√



	eT Ready (publication year)	Done by UNCTAD or based on UNCTAD methodology	1st IR	2nd IR	3rd IR	Country reviewed at least once
Pacific						
F.S. of Micronesia	2020	UNCTAD-based				
Fiji	2020	UNCTAD-based				
Kiribati	2019	UNCTAD				
Nauru	2021	UNCTAD-based				
Niue	2020	UNCTAD-based				
Papua New Guinea	2020	UNCTAD-based			√	√
Samoa	2017	UNCTAD	√		√	√
Solomon Islands	2018	UNCTAD		√	√	√
Tonga	2020	UNCTAD-based			√	√
Tuvalu	2019	UNCTAD		√	√	√
Vanuatu	2018	UNCTAD	√			√
Total	36 countries		13	14	20	25



