WSIS Forum 2017 OUTCOME DOCUMENT

The Contribution of Electronic Trade Platforms (e-commerce) to the Sustainable Development Goals

1) **Title of your session**

The contribution of electronic trade (e-commerce) platforms to the Sustainable Development Goals

2) **Name of Organization/s organizing the session.**

International Secure Electronic Transactions Organisation – OISTE Foundation and the
World Trade Points Federation (WTPF)

3) **Relevance with the WSIS Action Lines – please specify the Action lines C1 to C11**

Building electronic trade platforms touches upon the role of governments and all stakeholders in the promotion of ICTs. The main barrier to ecommerce is the digital-gap.

Agreed protocols of digital identity management across-borders would have a positive impact on electronic commerce. The role of governments is crucial in participating in international negotiations related to digital identity management.

Building confidence and security in the use of ICTs is paramount in electronic commerce. Technologies that create trust are at the base of electronic trade platforms: encryption needs to be legally framed in such a way that innovation and privacy are not curtailed.

4) **Main outcomes highlighting the following:**

I. **Debated Issues**

There were several standard-setting organisation seating around the table. The search for a global interoperable model to provide secure digital identities and enhance electronic commerce was the main subject discussed.

Concerning digital authentication
Standards for mutual legal recognition across borders for purely commercial applications do exist, but they do not get the attention they deserve both in enactment by legislators or in terms of awareness by the users.

Business to business transactions based on a few solid recognised principles like technology neutrality and party autonomy in choosing the right type of technology & method of authentication, find a friendlier environment in developed countries. Developing countries do not always look positively at technology neutrality.

On digital policy-making and Internet governance
Digital policy issues are moving into the e-commerce agenda. Bilateral or multilateral trade agreements have to account for new issues like network neutrality and the impact of network neutrality upon competition; or encryption and law enforcement. There will be a ministerial meeting at the end of the year in Geneva pushing forward these issues – informed discussions based on several study papers will take place. Decision makers need to be educated on Internet related issues. The Geneva based "Diplo Foundation" offers a course on the subject: (https://giplatform.org/events/just-time-course-digital-commerce)

Some of the issues to be considered are network neutrality and the impact of network neutrality upon competition; encryption and law enforcement; data flows and data localisation provisions (like obliging companies to localise data within the national territory or data to be routed through certain territories, or force companies to have national components employing national workforce). The European commission has tried to convince countries to curve data localisation provisions.

The contribution of the Universal Postal Union
The Universal Postal Union develops programmes to support e-commerce using their network of postal offices all over the world. One example is Brazil's *Exporta-facil*, which contemplates capacity building for SMEs in using the postal office to send and receive merchandise, make payments and improve entrepreneurial skills.

Postal offices will become a third trusted party to provide digital identities. Next month, a version of PostId will be launched.

The Universal Postal Union is the only UN agency that possesses a top level domain in Internet: .post. This is another advantage of their network of postal offices when it comes to acting as a third trusted party in electronic transactions.

Digital policy issues have moved into the trade agenda.

Quotes

- Please provide two important quotes from the session and the names & organization of the person you are quoting.

Carlos Moreira, OISTE Foundation

"The objective is to build a digital identity framework for interoperability, which is partly the work of UNCITRAL and other UN standard setting organisations. But for that purpose you need a CPS (Certification Practices Statement), which is a legal document. What it does, basically, is that it takes away the liability from the provider of identity. But then you still have to go one step down – and this is what we call the last mile –, to the RA, or Registration Authority. That is where SMEs could register to obtain a certified digital identity and perform transactions in a trust environment. In this sense, Trade Points and postal offices have a great potential provided that they set-up a secure communications infrastructure. The new generation of Electronic Trade Opportunities (ETO) implemented by the World Trade Points Federation is a step on that direction."

Marilía Maciel, Diplo Foundation

"What concerns us is that a lot of the negotiators that have a large knowledge of trade issues do not necessarily have a knowledge of the negotiations of digital policies in the IGF or the ITU or the United Nations Commission on Science and Technology for Development (CSTD). That is why we recently launched a course that finished recently with a large participation of negotiators that will be present at the WTO ministerial, explaining topics that can be seen as too technical, but it is fundamental to understand the implications of network neutrality or how data localization provisions impact on the architecture of the Internet and the principles that have made Internet into a space of permission less innovation and creativity where companies plug and play and put their businesses out there".

II. **Main Outcomes of the Session highlighting**
   - main conclusions reached during the discussion

   - ❖ The new generation of Electronic Trade Opportunities being implemented by the World Trade Points Federation open possibilities to walk the "last mile" and reach SMes with solutions that create trust on Internet transactions;
   - ❖ Enough weight has to be given to the needs of developing countries on the outcomes of international electronic trade negotiations;
   - ❖ Bridging the gap of the digital divide comes as a priority on the WSIS agenda: more funding has to be provided to least developed nations to allow them to improve their communications infrastructure;
   - ❖ Showing progress in international law standards concerning digital identity management and electronic signatures is of a fundamental importance to improve trust ecosystems worldwide where entrepreneurs will feel secure to make payments and transactions;
   - ❖ Showing progress on customs procedures and the reliability of logistics is also a manner to pave the way to the entrance of less developed countries into Global Value Chains exploiting their capacity to participate in e-commerce.

III. **Main linkages with the Sustainable Development Goals**

Fostering the development of electronic trade / e-commerce platforms will impact several SDGs. The most direct impact would be on promoting inclusive and sustainable economic growth, reducing inequalities within and among countries, promoting innovation and stimulating new forms of partnership. There are also interesting challenges in making these platforms accountable to its users and to society at large, contributing towards building trust in the commercial institutional framework. To a large extent, this depends on the security ecosystem that will be used.

IV. Emerging Trends related to WSIS Action Lines identified during the meeting

Blockchain technology has the potential to create a completely new paradigm where third-trusted parties will not be necessary any longer. Trust is distributed in the blockchain and, once an operation has taken place it is recorded on the ledger and cannot be altered. However, there are open questions as to the feasibility of escalating blockchain solutions, since their functioning demands a high input of energy. At the moment, the Bitcoin is saturating blockchain capacity.

V. Suggestions for Thematic Aspects that might be included in the WSIS Forum 2018

Bridging the digital gap and making large Internet monopolies accountable vis à vis small national economies and actors