Final Report

September 2016 – December 2018

Promote the development and cooperation of SMEs between China and other BRICS countries through E-commerce development

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1. Executive Summary

The BRICS have been among the fastest growing economies in the world. Over the years the BRICS countries have systematically strengthened their cooperation among each other, including through the creation of the New Development Bank and through the annual BRICS Summits.

At the Fourteen Session of the General Conference of UNIDO in November 2011, senior officials from BRICS countries agreed that they should further explore project-based cooperation under the framework of UNIDO. In February 2016, Permanent Missions of BRICS countries at UNIDO Headquarters reconfirmed their commitment to develop a joint initiative on SMEs promotion and e-commerce. Thus, a project facilitating the development and cooperation between SMEs in China and other BRICS countries has been developed in consultation with various stakeholders, with a focus on e-commerce development. The Ministry of Commerce of China has committed to support a project facilitating cooperation among BRICS countries with its unutilized balance (UB) of assessment in 2011.

The main objective of the project entitled “Promote the development and cooperation of SMEs between China and other BRICS countries through e-commerce development” has been to assess the current situation of e-commerce development in BRICS and come out with a set of policy recommendations to improve SMEs cooperation on e-commerce in BRICS. Moreover, the project aimed to facilitate the exchange amongst SMEs in BRICS countries, in particular in the area of e-business development, as well as apply the experience and best practices of BRICS to other developing countries.

The project contributed to raising awareness about e-commerce through various consultations with the project counterparts, the Permanent Missions of BRICS and events organized in BRICS countries. In addition, the importance of the e-commerce as a new engine of growth for the global economy has been recognized and reflected as key pillars in UNIDO's flagship Programme for Country Partnership (PCP) in Morocco and Cambodia.

Furthermore, the project established and strengthened cooperation and partnership with International Organizations, Governments, private sector and research institutions from BRICS+ for the SMEs’ development and their access to useful information, innovative knowledge and contact with experts from BRICS countries.
2. Activities in 2016

2.1 The First Consultation Workshop on the UNIDO-BRICS e-commerce project for SMEs

UNIDO and Shanghai Academy of Social Science (SASS) co-hosted the Consultation Workshop under a project entitled “Promote the development and cooperation of SMEs between China and other BRICS through e-commerce” on 29 September 2016 in Shanghai, China. The project was approved by the Executive Board of UNIDO in July 2016 with financial support from China. The project would take phased approach with a pilot phase of two years.

The main objective of the consultation workshop was to bring together the stakeholders from BRICS countries to discuss the project work plan and to inaugurate the project office. More than 30 participants attended the workshop including the representatives from Brazil, Russia, India and China, as well as representatives of business associations engaged in e-commerce. Mr. WANG Zhan, President of SASS and Mr. Ralf Bredel, UNIDO Representative in Beijing unveiled the plate of the Project Office which will be located in SASS. The representatives from BRICS made presentations and provided constructive suggestions on how to strengthen the cooperation among BRICS in this regard.

All participants highlighted the importance of promoting SMEs development through E-Commerce and expressed support for the key targets of the project, namely the preparation of the report for the BRICS Summit in 2017 and the establishment of an Alliance of E-commerce companies among BRICS.

SASS agreed to take lead responsibility for organizing expert group meetings and preparing the report in cooperation with the experts from other BRICS and with the support from the Ministry of Industry and Information Technology (MIIT) and Ministry of Commerce (MOFCOM) of China. As for the establishment of an Alliance of E-commerce companies from BRICS, further consultation among the focal points of BRICS had been requested.

The participants suggested that UNIDO might consider taking the following activities:

(1) to prepare an annual work plan;
(2) to prepare an outline of the study and Terms of References of national experts from BRICS;
(3) to establish regular contact with the New Development Bank;
(4) to organize a meeting of focal points from BRICS; and
(5) to prepare quarterly reports in the form of newsletters.

2.2 Consultation meeting on SME cooperation through e-commerce and technology transfer

The second UNIDO Consultation Meeting on the project entitled “Promote the development and cooperation of SMEs between China and other BRICS through e-commerce development” took place at the Federation of Indian Chamber of Commerce and Industry (FICCI), Federation House, on 20 December 2016 in New Delhi, India.

The event was co-organized by UNIDO and FICCI and supported by the UNIDO’ International Centre for Inclusive and Sustainable Industrial Development (IC-ISID). The main objective of the meeting was to bring together all the main stakeholders from BRICS countries to exchange information on SMEs e-commerce and technology transfer platforms, as well as interact with industries in India and thus further promote SMEs e-commerce development. The consultation meeting contributed to the increased awareness of the e-commerce development for the benefit of SMEs of BRICS countries, as well as the importance of having a unified, multi-dimensional platform that would facilitate the SMEs to
access relevant information and enable them to exchange experiences on technology with other BRICS countries.

The consultation meeting brought together more than 60 representatives from governmental departments, diplomatic corps, research institutions and business institutions from BRICS countries.

The event was specially supported by UNIDO Centre for Inclusive and Sustainable Industrial Development (IC-ISID) and UNIDO regional office in New Delhi.

Besides the above mentioned event, the delegation from UNIDO visited “Snapdeal”, one of the largest E-commerce (B2B) companies which is based in Gurugram, India, and paid a visit to UNIDO International Centre for Inclusive and Sustainable Industrial Development (IC-ISID) in New Delhi.

The participants conveyed the confidence that the FICCI would continue to play a lead role in bringing together the business society to participate in the technology platform and SMEs E-commerce cooperation activities under UNIDO framework.

The participants suggested some follow-up activities to be considered by the focal points of BRICS and UNIDO:

1. To continue elaborating the UNIDO-BRICS Technology Transfer Platform.
2. To accelerate the establishment of the BRICS E-commerce Industry Alliance.
3. To carry out capacity building activities on e-commerce in BRICS.
4. To prepare the study reports on the cross-border e-commerce, incorporating the best practices from BRICS countries and provide a set of policy recommendations for the consideration of policymakers.
5. To develop a mechanism to provide accreditation standards and/or rating to the e-commerce entities operating in BRICS countries, so as to bring in the standardization of procedures, quality in service delivery and overall homogeneity in expectations across buyers and sellers of BRICS countries.
6. To designate a facilitating agency in each of the BRICS countries which shall create online-systems with proper forward and backward linkages to enable the adherence of BRICS model code for e-commerce.
3. Activities in 2017

3.1 UNIDO Expert Group Meeting on “Development of e-commerce in BRICS”

From 27th to 28th March 2017, UNIDO and the Shanghai Academy of Social Sciences (SASS) co-hosted an Expert Group Meeting on BRICS e-commerce development, in Shanghai, China.

The aim of the meeting was to review, analyse and share the best practices of BRICS, UK and EU in e-commerce development. Moreover, its objective was to make recommendations for conducting a joint study report on the development and policy recommendation of e-commerce in BRICS.

The meeting was participated by UNIDO & SASS officials, experts from BRICS, China, United Kingdom and the European Union, who presented their national study reports on e-commerce development in their respective countries.

The participants also provided suggestions to promote domestic and cross-border trade through e-commerce development in BRICS. They highlighted the opportunities that
e-commerce provides for small and medium-sized enterprises (SMEs) by helping them overcome logistical and geographic challenges and improve their access to global markets. Mr. Wang Zhan, President of SASS and Mr. Zhen Wang, Chief of Asia and the Pacific Division, UNIDO inaugurated UNIDO-BRICS SMEs E-Commerce Research Centre and distributed the certificates to the national experts of BRICS. The Expert Group Meeting achieved its objectives. National reports of BRICS countries, UK and EU were presented by national experts and discussed with professionals from various industries and research centers. Current status of e-commerce development, challenges and bottlenecks faced by BRICS were addressed. Comprehensive solutions and policy recommendations were provided to promote domestic and cross-border trade through e-commerce development in BRICS. Furthermore, the best practices of BRICS, UK and EU were reviewed, analyzed and shared for e-commerce development. Recommendations were made to conduct a joint study and prepare a report on e-commerce development and policy in BRICS.

In addition, BRICS E-commerce Research Center will contribute to the engagement of domestic and foreign e-commerce experts, who will be able to provide strategic advices for promotion of cooperation on e-commerce between China and other BRICS countries.

On the second day, UNIDO delegation paid the visit to the following companies:

Visit to the Cloud town in Hangzhou Cloud Computing Industry Park

On 28 March 2017, a UNIDO delegation visited Alibaba Cloud (AliCloud), a subsidiary of e-commerce powerhouse of Alibaba Group. The UNIDO delegation was received by the Ali Cloud team to be briefed on Cloud town and its operations. The Government of China constructed the town based on the concept of “Four in One: Function of industry, culture, tourism and community”. The town is a focus for cloud computing, big data and intelligent hardware industry. The aim is to construct an innovative ecosystem of “Pasture of Innovation, Nursery of Industries, Eden of Science and Technology”, gathering a large number of companies in the field of gaming, e-business, finance, app development, intelligent development and other various fields related to cloud computing.
**Visit to the China Telecom Shanghai Ideal Information Industry (Group) Co. LTD.**

On 28 March 2017, the UNIDO delegation visited China Telecom Shanghai Ideal Information Industry (Group) Co., Ltd., an internet big data engineering technology research and services center. The delegation was briefed on its operations and main products, such as data tracking and distribution to government and private sectors, institutions and research centers, and macro-economic analysis. Further, they were briefed on the carrier-class highly reliable communication system, big data (data visualization), the CAAS Cloud, the intelligent application delivery platform, and enterprise mobile device security management (MDM). China Telecom showed how big data can help SMEs in e-commerce, and provided a demonstration of analysis on internet usage, number of website visits and auto identification of websites, which could help SMEs identify and target consumers.

### 3.2 UNIDO Project Study Tour on E-commerce and SMEs in Brazil

A UNIDO project study tour to Brazil on e-commerce and SMEs took place from 25 to 30 April 2017. The delegation, headed by Mr. Genxiang Wang, Director of UN Project Office, Shanghai Academy of Social Sciences (SASS), consisted of government officials, researchers and UNIDO representatives. The delegation visited e-commerce companies, including Mercadolivre (a leading e-commerce platform in Latin America) and Enext (a consulting company for digital business). Meetings were also held with the China Trade Center, the Support Service for Micro and Small Enterprises (SEBRAE), the National Confederation of Industry (CNI), and the National Confederation of Commerce (CNC). Further, the delegation met with the Secretariat of Commerce and Services, Ministry of Industry, Foreign Trade and Services (MDIC) of Brazil, and Ms. XIA Xiaoling, Minister Counselor of Economic and Commercial Affairs at the Embassy of China in Brazil.

The study tour gave the participants the opportunity to learn about e-commerce companies’ best practices and experience, as well as to establish and enhance cooperation with governmental departments and associations. It promoted the BRICS e-commerce project among potential cooperation partners for the BRICS E-commerce Industry Alliance. Furthermore, a memorandum of understanding (MOU) between SASS and the China Trade Center was signed, which will contribute to the global networking of institutes.
Field visit to Enext (São Paulo, 26 April 2017)

The delegation visited Enext, a leader in digital business consulting in Brazil. Mr. Lima, the UNIDO National Expert and Managing Director of Enext, received the delegation and briefed on its operations. Enext is focused on supporting medium and large companies to enter the virtual retail market. It offers market management and technology consulting services, such as on digital media, digital business, CRM (email, SMS, push social), e-commerce implementation (design and development), production advertisements, conversion rate optimization, search engine optimization, user experience, among others.

Field visit to Mercadolivre (São Paulo, 26 April 2017)

The delegation visited Mercadolivre, which hosts the largest online commerce and payments ecosystem in Latin America. It focuses its efforts on enabling e-commerce, digital and mobile payments on behalf of customers by delivering a series of technology solutions across the complete value chain of commerce. It is present in 18 countries including Argentina, Brazil, Mexico, Colombia, Chile, Venezuela and Peru. Mercadolivre is the 7th e-commerce website in terms of unique visitors worldwide.

Meeting with China-Brazil Investment Development and Trade Center (São Paulo, 26 April 2017)

The delegation met with Mr. PAN Faming, Director of the China-Brazil Investment Development and Trade Center. A memorandum of understanding (MOU) was signed between UNIDO Global Innovation Network Center (Shanghai) and China
Trade Center. The cooperation areas include technological research, project cooperation, industrial matchmaking and market promotion. Mr. PAN also introduced the areas of business and services of the China Trade Center and expressed support for UNIDO’s activities.

**Meeting with UNIDO Country Office in Brazil (Brasilia, 27 April 2017)**

The delegation met with Mr. Clovis Zapata, National Programme Officer of the UNIDO Country Office in Brazil. Mr. Clovis introduced UNIDO’s achievements in Brazil and conveyed the support of UNIDO office in Brazil in follow-up activities.

**Courtesy call to the Secretariat of Commerce and Services, Ministry of Industry, Foreign Trade and Services (MDIC) of Brazil (Brasilia, 27 April 2017)**

The delegation paid a courtesy call to Mrs. Edna Cesetti, Director of International Competitiveness in Commerce and Services, Secretariat of Commerce and Services, Ministry of Industry, Foreign Trade and Services, Brazil. The delegation briefed on the current status of the BRICS e-commerce project. The discussions also explored cooperation on international fairs.

**Courtesy Call to Ms. XIA Xiaoling, Minister Counselor of Economic and Commercial Affairs, Embassy of China in Brazil (Brasilia, 27 April 2017)**

The delegation paid a courtesy call to Ms. XIA Xiaoling, Minister Counselor of Economic and Commercial Affairs, Embassy of China. The delegation introduced the UNIDO project “Strengthening the Global Innovation Network for Inclusive and Sustainable Industrial Development” and its achievements and signed agreements in the UK, USA, and Israel. Ms. Xia introduced the current environment in Brazil, particularly in the area of trade and investment. She expressed the interest to facilitate the establishment of an industrial zone.
Meeting with Support Service for Micro and Small Enterprises (SEBRAE) (Brasilia, 27 April 2017)

The delegation met with representatives of SEBRAE headed by Ms. Renata Malheiros Henriques, Manager of Access to Markets Unit.

The delegation introduced the UNIDO BRICS SMEs E-commerce project. SEBRAE informed that of its focus on international markets. In e-commerce, SEBRAE is building a SEBRAE e-market platform to link small business information, training and consultancy services.

Meeting with National Confederation of Industry (CNI) (Brasilia, 27 April 2017)

The delegation met Mr. Frederico Lamego, Executive Manager of the International Relations Unit. The delegation briefed on the UNIDO event at the China International Fair for Investment and Trade (CIFIT) and the China International SME Fair (CISMEF), and invited CNI to attend the events. CNI provided an overview of the institutions of the Social Service of Industry (SESI), the National Service for Industrial Training (SENAI), and Euvaldo Lodi Institute (IEL). CNI expressed interest to further cooperate with UNIDO in terms of both fairs and education.

Meeting with National Confederation of Commerce (CNC) (Rio de Janeiro, 28 April 2017)

The Delegation met with Mr. Rubens Torres Medrano, President of the Brazilian Chamber of Commerce (CNC). The delegation informed about the UNIDO BRICS SMEs E-commerce project (the establishment of iBRICS.com), the UNIDO event in CIFIT, the Global Innovation Network and CISMEF. In terms of e-commerce, Mr. Ruben mentioned it is a new phenomenon in Brazil and he welcomed cooperation in the area of e-commerce.
Field Visit to Osklen (Rio de Janeiro, 28 April 2017)

The delegation visited Osklen and saw a demonstration of the use of e-commerce in the company. Challenges for conducting e-commerce, such as logistic, were especially stressed.

3.3 The BRICS B2B Workshop and Matchmaking

The BRICS B2B workshop was held from 22 to 24 May 2017 in Moscow, the Russian Federation.

The event was co-organized by UNIDO, the China Council for the Promotion of International Trade (CCPIT) and the Chamber of Commerce and Industry of the Russian Federation. The delegation was headed by Mr. Genxiang Wang, Director of UN Project Office, Shanghai Academy of Social Sciences (SASS) and consisted of government officials, researchers, entrepreneurs and UNIDO representatives.

On the first day, 200 to 300 participants from China and Russia attended the forum and participated in the matchmaking event. UNIDO representatives also had a bilateral meeting with CCPIT.

During the following two days, the delegation visited the UNIDO Center for International Industrial Cooperation in the Russian
Federation, and Mr. Genxiang Wang, Director of UN Project Office at the Shanghai Academy of Social Science (SASS), on behalf of the UNIDO Shanghai Global Science and Technology Innovation Center, signed a Joint Declaration with Mr. Sergey Korotkov, on behalf of the UNIDO ITPO Russia Office. The purpose of the Joint Declaration is to provide a general description of intentions, terms and conditions of the collaboration between parties.

In addition, UNIDO delegation paid a courtesy call to the Ministry of Industry and Trade of the Russian Federation; made a field visit to the Incotex Electronic Group, a Russian e-commerce company that produces a wide range of energy meters; and visited the National Association of Mail Order and Distance Selling Trade (NAMO).

During this event, the best practices and experiences of e-commerce enterprises have been shared. In the context of BRICS e-commerce, the cooperation with government of Russian Federation has been enhanced along with the establishment of linkages with other Russian associations. The cooperation with the potential partners for the establishment of a BRICS E-commerce Alliance has been explored. Additionally, a joint declaration between SASS and UNIDO Center (Moscow) has been signed which will contribute to the global innovation network.

3.4 BRICS Plus Business Cooperation Forum

On the sidelines of the 2017 China International Fair for Investment and Trade (CIFIT), and in cooperation with the China Council for Promotion of International Trade (CCPIT) and other counterparts in China, UNIDO organized the BRICS Plus Business Cooperation Forum on 19 September 2017 in Xiamen, China.

The Forum included two sub-forums, namely the Public-Private Partnerships (PPP) Forum on BRICS E-commerce, and the Chinese Enterprises Green Investment and Financing from a Global Perspective Forum. The aim was to share the experience of Chinese green enterprises, and to promote the development of e-commerce among SMEs through public-private partnerships.
In his video address, UNIDO Director General LI Yong stated that “e-commerce is one of the world’s most dynamic areas of economic activity, offering innovative new business models and employment opportunities in all countries, including for women and youth. For SMEs, e-commerce through increased connectivity and increasing trade as envisaged by the Belt and Road Initiative offers huge potential for inclusive growth”.

The UNIDO PPP Forum brought together decision makers from 14 countries as well as representatives from the private sector, business associations and academia. The Forum launched the “E-commerce Development Report of SMEs in BRICS Countries”, which was co-drafted by UNIDO and the Shanghai Academy of Social Sciences, and adopted a joint statement on the “Establishment of E-commerce Industry Alliance of SMEs from BRICS Countries and other Emerging Economies”.

The second UNIDO Forum introduced China’s experience in green industry, also covering issues of corporate, social and environmental responsibility. The Forum was followed by a matchmaking event involving 15 international and 46 Chinese companies, thus giving participants opportunities for both group and one-on-one networking and knowledge sharing. In total, 65 matchmaking exercises were conducted.

Overall, this event further contributed to the development of cross-border e-commerce. The understanding of the status, difficulties and demands of the Russian and Chinese e-commerce market was promoted. Furthermore, a platform for further cooperation was provided.

1) The UNIDO project, i.e. Promote the development and cooperation of SMEs between China and other BRICS countries through e-commerce development, has been introduced to more government officials, business leaders and heads of associations;

2) The platform of EPEC and Alibaba has been largely promoted in the e-commerce trade market in the Russian Federation;
3) The relationships and partnerships between UNIDO and other departments, associations and enterprises in the area of e-commerce have been established and enhanced;

4) E-commerce companies’ best practices and experiences have been obtained;

5) The cooperation with the potential cooperation partners for BRICS E-commerce Industry Alliance has been explored;

6) A Joint Declaration between SASS and UNIDO Center (Moscow) has been signed which will contribute to the global networking of institutes.

In spite of the rapid development of cross-border e-commerce between China and Russia, there still exist certain obstacles. In order to further promote the cooperation and development of the cross-border e-commerce between the two countries, the following recommendations have been put forward by participants:

1) To strengthen the protection of intellectual property, and ensure arbitration;

2) To reduce tariff protection, so as to reduce the price of goods;

3) To develop more professional platforms for cross-border e-commerce, so as to ensure services are provided;

4) To provide professional technical support, ranging from the market to the software;

5) To ensure multiple language service, so as to reduce the obstacles of language;

6) To enhance the insurance of the return and exchange of goods.

7) To increase the efficiency of logistics;

8) To improve and update the online payment methods.
4. Activities in 2018

4.1 Expert Group Meeting on BRICS E-commerce Cooperation

The Expert Group Meeting (EGM) on BRICS E-commerce Cooperation was organized by UNIDO on 19 and 20 March 2018 at the Vienna International Centre (VIC), in Vienna.

The aim of the meeting was to bring together experts from BRICS countries, related international organizations (UNCITRAL, ITC and WTO), research institutions, associations and companies to discuss guidelines for governance on the e-commerce platforms, the BRICS e-commerce cooperation strategic action plan, the Charter of the International E-commerce Industry Alliance (IEIA), UNIDO’s online e-commerce training course, and the 2018 BRICS plus e-commerce report.

On 20 March 2018, participants undertook a field visit to the Handelsverband, the Austrian Retail Association, which has over 10,000 members, including Rewe Group, OBI and Zalando, and with partners such as Google, DHL and Paypal. During the EGM, it was acknowledged that e-commerce is playing an increasingly important role in promoting the growth of trade, trade transformation and job creation and that it has the potential to enable developing countries to better participate and benefit from global value chains.

BRICS members have duly acknowledged challenges that the digital divide imposes on many countries, which emphasizes the need to bridge this digital divide and address the socio-economic implications to ensure that e-commerce better contributes to inclusive growth. Finally, e-commerce is perceived as a win-win approach that can bring together not only BRICS countries but also disseminate the success stories and replicate the experiences to other developing countries (BRICS-plus). Looking to the future, UNIDO will further engage in e-commerce development, with a particular determination to:
• Expand the e-commerce project from BRICS to other developing countries and reflect it in UNIDO’s PCPs.
• Focus on fundraising activities to secure implementation of phase II of the e-commerce project on skill development.
• Establish long term partnerships with global research institutions and think-tanks. Deepen collaboration with UNCTAD, WTO, ITC, IAEA, ISO, ITU and UNCITRAL – which have proven expertise in e-commerce development.
• Convert the research done for the online e-commerce training course into an interactive and digital product.
• Explore the establishment of International E-commerce Industry Alliance in cooperation with governmental departments and business associations.

4.2 UNIDO-FICCI E-commerce Training Workshop

As part of UNIDO’s BRICS e-commerce project, the organization along with FICCI and UNIDO’s IC-ISID center organized a one day e-commerce training workshop with the objective of presenting its e-commerce achievements and training course to e-commerce and SMEs representatives in India. The event took place on 11 December 2018 in New Delhi and it was attended by 70 participants. The event’s first session aimed to introduce the achievements of the BRICS e-commerce project. This was followed by an interactive discussion among participants on the status of e-commerce in India and the recommended steps to take in order to address the e-commerce barriers in the country. During the lunch break, an informal matchmaking session was organized among participants, UNIDO and FICCI to discuss potential partnership to initiate new e-commerce projects in India. The final session introduced UNIDO’s e-commerce training course to select SMEs and Start-Ups. Participants were invited to provide their initial thoughts and suggestions on our training course.

Workshop outcomes

The main outcomes of this workshop were the following:

• Strengthened partnerships between UNIDO HQ, URO India, IC-ISID, and Indian institutions, industry bodies and SMEs1
• Supported the digital and e-commerce initiatives undertaken by the DIPP, MoMSME, MoC, NSIC, SIDBI and e-commerce/industry bodies2

1 URO – UNIDO Regional Office; IC-ISID – International Center for Inclusive and Sustainable Industrial Development
• Supplemented ongoing e-commerce development efforts conducted by the Government.

• Enabled the initiation of a country-specific analysis on India e-commerce development

• Successful presentation on the achievements of UNIDO’s BRICS e-commerce project.

• Successful pilot testing of UNIDO’s online e-commerce training course to 30 representatives of invited SMEs. Initial comments, suggestions and feedback on the training course were assimilated and would be incorporated into the training course in the future.

• A report of proceedings of the workshop was prepared by FICCI and submitted to UNIDO.

4.3 UNIDO-UNCTAD E-commerce Chapter Development for Cambodia Trade Integration Strategy Update (2019 – 2023)

As part of Cambodia’s request to international organization to promote e-commerce development in the country, UNCTAD and UNIDO’s were requested to provide e-commerce policy recommendations to the Ministry of Commerce of the Kingdom of Cambodia Under the auspices of their forthcoming Cambodia Trade Integration and Strategy Update (CTISU) 2018-2023. It is important to note that E-commerce is a pillar as part of PCP Cambodia. A field survey mission was undertaken in Phnom Penh from 1 to 8 December 2018. Based on the work plan drafted by the UNIDO consultant team, the following specific activities had been arranged during the mission including:

2 DIPP - Department of Industrial Policy and Promotion; MoMSME - Ministry of Micro Small and Medium Enterprises; MoC - Ministry of Commerce; NSIC - National Small Industries Corporation; SIDBI - Small Industries Development Bank of India
(i) Discussions with official of the Ministry of Commerce, the Ministry of Post and Telecommunication, and the Ministry of Public Work and Transportation;

(ii) Consultation workshops with CTISU Team.

(iii) Interviews with the entrepreneurs from e-commerce related industries, including e-payment, logistics, Fintech, e-market, digital advertising, trade associations and etc.

(iv) Opinion exchanges and discussions with UNIDO Country Office Cambodia.

(v) Collection of secondary data and information, such as statistical data and existing reports.

(vi) Cambodia-China Business and Investment Forum.

(vii) Other key informant interviews and field observations.

Mission findings and outcomes

- Deeply researched the e-commerce development situation in Cambodia.
- Highlighted the barriers and potentials of the e-commerce development in Cambodia.
- Strengthened partnerships between UNIDO HQ, URO Cambodia, UNCTAD, and Cambodian government agencies and private sector.
- Supported the Cambodia-China Business and Investment communication.
- Provided soundly-based e-commerce policy recommendations to Cambodian Government.
- Pointed out the e-commerce related investment opportunities and directions in Cambodia to the potential investors.

4.4 Promoting cross-border eCommerce beyond BRICS countries: The Africa eCommerce Week in Nairobi, Kenya

The echo and impact of the BRICS project lead to the invitation offered to UNIDO to become member of the E-Trade for All. UNIDO joined the initiative in 2018 and attended the key two international events on Ecommerce: Ecommerce week in Geneva and the Africa 1st Ecommerce Week.

The Africa eCommerce Week took place from 10 to 14 December 2018 in Nairobi, Kenya and it was co-organized with the African Union and the European Union, comprised more than 60 sessions convened to examine ways of enhancing the readiness of African countries to trade online and digitize their economies. Hosted by the Government of Kenya at the United Nations Office in Nairobi and financially supported by the European Union and
Germany, Africa eCommerce Week was held in collaboration with partners of the eTrade for all initiative.

More than 2,000 people from 60 countries took part, including Kenyan President Uhuru Kenyatta, Andrus Ansip, European Commissioner for the Digital Single Market, heads of international organizations, more than 800 government officials, more than 700 business leaders and representatives of the private sector, and more than 250 members of civil society, youth and academia. UNIDO delegation was also present at the event. This was a great opportunity to discuss with the local representatives of the private sector potential joint initiatives on E-commerce development in Africa, as well as promote UNIDO’s mandate on inclusive and sustainable industrial development and UNIDO’s experiences and achievements accomplished in the area of e-commerce and the evolving digital economy, which could be beneficial for Africa as well.

The first Africa eCommerce Week was concluded with UNCTAD issuing the Nairobi Manifesto on the Digital Economy and Inclusive Development in Africa, which addresses Africa’s next steps on the path to engaging in and benefitting from e-commerce.
5. Key Results

The project implementation of the events in 2016, 2017 and 2018 has led to a number of substantial and recognized outputs supported by a number of testimonials from stakeholders from BRICS+ countries: Some of the achievements could include:

1. Seven National Reports on E-commerce Development in BRICS countries
2. E-commerce Development Report of the Small and Medium Sized Enterprises of BRICS Countries jointly prepared by a research group from Shanghai Academy of Social Sciences (SASS)
3. “Status, Opportunities and Challenges of BRICS E-commerce” Report, jointly prepared by UNIDO and ITC
4. The Joint Statement on the establishment of E-commerce Industry Alliance of SMEs from BRICS Countries and other Emerging Economies (which is now the IEIA), adopted at BRICS Plus Business Cooperation Forum.
5. Seven UNIDO-BRICS COOPERATION QUARTERLY REPORTS: ‘‘Partnership for prosperity’’
7. 9 National Reports on E-commerce in BRICS+, which provide review of the e-commerce status in the countries and reporting it
8. UNIDO’s BRICS Strategic Action Plan- UNIDO has formulated a strategy to provide roadmaps which can be used by various stakeholders to address e-commerce barriers. UNIDO will use this document to determine its own e-commerce interventions.
10. The BRICS Plus E-commerce Report 2018 & E-commerce capacity index for BRICS+ countries
11. UNIDO online E-commerce training course
12. Good Governance Framework (GGF)
13. E-commerce in UNIDO Programme for Country Partnerships (PCPs):
   o E-commerce has been reflected as a strategic priority in the new PCP’s to be launched in Cambodia and Morocco.
   o During the diagnostic stage for PCP Morocco, UNIDO E-commerce Capacity Index used to assess current e-commerce status in the country – positive reception received.
14. Membership into E-trade for All:
UNIDO Director General signed a Joint Declaration to support the UNCTAD initiative on eTrade for All

This initiative proactively supports and contributes to the debate around the global development of e-commerce, e-Trade activities and strengthening partnership with other agencies

15. Partnership with Alibaba Group:

UNIDO signed a cooperation and partnership agreement with Alibaba to strengthen e-commerce development on 21st April 2018

UNIDO Director General and Mr. Jack Ma expressed each organization distinct capabilities to contribute to global e-commerce development

Additionally, UNIDO has enlarged and strengthened its cooperation framework, in particular with International Organizations, Government, private sector and research institutions, such as: SASS, Alibaba Research Institute, MercadoLivre, Enext(Brazil), WTO, UNCTAD, ITC, UNCITRAL, IAEA, Epec E-commerce Co., Ltd., Shandong Zhiyan Group Work Win Co., Ltd, Sinopec Europa GmbH, Austrian Federal Economic Chamber, Handelsverband (Retail Association Austria), National Association of Software and Services Companies (NASSCOM), Federation of Indian Chambers of Commerce & Industry (FICCI), Global Rus Trade (1st Russian B2B platform for cross-border e-commerce), Russia-OECD Centre, RANEPA, Moscow, Russia, Ecommerce Forum Africa, The South African Institute of International Affairs etc.
6. Impact of the Project

The outcomes and results of the project “Promote the development and cooperation of SMEs between China and other BRICS countries through e-commerce development” has showcased to the international community UNIDO’s contribution to the global e-commerce development agenda. To support this statement, some key impacts of the project are as follows:

1. E-commerce inclusion in UNIDO’s PCP

   The Programme for Country Partnership (PCP) is UNIDO’s innovative model for accelerating inclusive and sustainable industrial development in Member States. Aligned with the national development agenda and focused on sectors with high growth potential, the programme supports a country in achieving its industrial development goals. The PCP rests on a multi-stakeholder partnership led by the host government. It builds synergies with ongoing government and partner interventions relevant to industrial development. The PCP is also designed to leverage additional investment in selected priority sectors. As such, it is a model that facilitates the mobilization of partners and resources to achieve larger development impact. For UNIDO, the PCP serves to operationalize the Organization’s mandate and SDG 9.

   During the expansion of the PCP participating countries in 2017, both Morocco and Cambodia have requested UNIDO to include “E-commerce” as a key pillar in their PCPs. The inclusion of this sector in these new PCP’s can be ascribed to the positive results and effective advocating of this project.

   As part of PCP Morocco, UNIDO will be working with public and private stakeholders to establish a local B2B platform with the goal of establishing a B2B market in the country. The organization will also be promoting the country’s quality standard label ‘ethiq@’ among SMEs and will be encouraging digital platforms to ensure their product and services offered comply with this quality mark. UNIDO and legal partners will be collaborating to provide the Government with advice to establish a coherent regulatory framework to promote e-commerce development in the country. The Moroccan Government has also requested UNIDO to assist them in implementing their National E-commerce Strategy following its public release during 2019.

   In PCP Cambodia, UNIDO will be working with the government to convert the nation’s large informal market (in different sectors) into a formal market by advocating the importance and relevance of e-commerce along with encouraging business registrations. Further, the organization and partners will be conducting skills
development workshops to promote digital literacy in the country - UNIDO will be utilizing its online e-commerce training course support this activity. UNIDO will support the implementation of Cambodia’s E-commerce Law and will assist in the development of a pilot Ministry of Commerce digital platform.

2. **UNIDO’s Membership into UNCTAD’s E-Trade for All Initiative**

   UNCTAD’s "eTrade for all" initiative aims to improve the ability of developing countries, and particularly least developed countries, to use and benefit from e-commerce. UNIDO’s successful demonstration of tangible results in e-commerce development in the BRICS enabled the organization to gain membership into UNCTAD’s initiative. As a member of this initiative UNIDO gained significant visibility during the 2018 E-commerce Week and has been able to network with other organization to enhance to scope of its e-commerce interventions. UNIDO has been granted a session during the 2019 E-commerce Week to showcase to the participants the connection between Industry 4.0 and E-commerce. The findings of this session will be reflected in the Final Report of the Conference.

3. **China International Import Expo (November 2018)**

   In May 2017, Chinese President Xi Jinping announced at the Belt and Road Forum for International Cooperation that China would host the China International Import Expo (CIIE) starting from 2018. It was significant move for the Chinese government to hold CIIE to provide support to trade liberalization and economic globalization and actively open the Chinese market to the world. It facilitated countries and regions all over the world to strengthen economic cooperation and trade, and to promote global trade and world economic growth in order to make the world economy more open.

   The 1st China International Import Expo (CIIE) was held in Shanghai during 1st- 5th November 2018. During the CIIE, UNIDO had an exhibition booth to showcase the range of activities that the organization conducts across different sectors. It was a great opportunity to showcase the achievements UNIDO has made in facilitating global e-commerce development through the BRICS project. The signature product showcased during the exhibition was UNIDO’s and the Shanghai Academy of Social Sciences publication entitled “BRICS + E-commerce Development in 2018”.

   The official launch of the report was done by UNIDO Director General Li Yong. He stressed that the “Fourth Industrial Revolution” has called for countries and companies to formulate a digital strategy and vision for a fully integrated multi-stakeholder policy approach. He expressed his belief on UNIDO’s capacity to establish such multi-stakeholder knowledge sharing platforms; make available tools
and methods for innovation management; share best practices to support the
digitization of SMEs and increase awareness on how policy makers and can harness
the potential benefits from this era. Mr. Li further recognized e-commerce’s
contribution to the new industrial revolution and highlighted the organization’s
demonstrable experience in this area through policy advice on the integration of
e-commerce into established global supply & service chains; knowledge sharing on
E-commerce trends; advocating the importance of quality infrastructure and standards
in e-commerce; and conducting capacity building activities.

The DG noted that the “BRICS+ E-commerce Development in 2018” was a key
output the organization’s ongoing BRICS e-commerce project, and aims to provide
readers with the up-to-date information e-commerce development in BRICS, and
“plus countries”. He expressed hope that the publication would inspire e-commerce
stakeholders to find novel solutions to address their e-commerce challenges.

A novel feature of this report was the inclusion of an “E-commerce Capacity Index”
which was introduced by Professor Kaiyan Shen, the Deputy Director of the Institute
of Economics at the SASS. Professor Shen noted the three objectives of the report
were to provide an overview of global e-commerce trends, conduct country specific
e-commerce analysis and suggest policy recommendation to address e-commerce
barriers. She stressed that global e-commerce development is at a turning point and
e-commerce activity will be very prominent in emerging markets such as the BRICS.
Professor Shen covered the IT infrastructure statistics; e-commerce statistics; laws
and regulations; and MSME landscape for each country included in the report. To
promote e-commerce development in these countries she stressed that there must be
an enhancement of the business environment through dialogues; scale-up capacity
building initiatives and increase co-operation with international organization that
specialize in e-commerce. Professor Shen concluded by introducing the concept of the
e-commerce capacity index which aims to quantify e-commerce development globally
in the areas of Internet connectivity, E-commerce market and ecosystem, and
Regulatory environment.

4. Contribution to Cambodia’s Trade and Integration Strategy Update 2018 - 2023

Cambodia has been at the forefront and has been a key beneficiary of the Enhanced
Integrated Framework partnership for Least Developed Countries (EIF). Diagnostic
Trade Integration Study (DTIS) are the cornerstone of the EIF programme in terms of
mainstreaming. The DTIS and the country’s policies and action plans are the basis for
all subsequent Aid-for-Trade projects. The paramount objective of a DTIS is to
identify the constraints that are hampering the integration of a country into the
multilateral trading system and the mainstreaming of trade issues into the NSDP and national development plans.

The original DTIS of Cambodia, prepared with the support of the World Bank Group, was launched in November 2001 and put a strong emphasis on Cambodia’s reintegration to the world trade arena, paving the way for its successful accession to the WTO in 2003. There have 4 updates to the original DTIS of Cambodia known as the Cambodia Trade Strategy Integration Update with the latest iteration being CTIS 2014.

Cambodia’s Ministry of Commerce decided to update the CTIS 2014 once again with the objective of developing an up-to-date integration strategy that can be mainstreamed through the new Rectangular Strategy IV and Vision 2030 that were formulated by the Government and will serve as a basis for the design of the new National Strategic Development Plan (2019-2023).

Cambodia’s Government invited UNIDO and UNCTAD to prepare a chapter on how E-commerce can be integrated into the country’s current trading ecosystem. UNIDO sent experts to conduct a field visit to Cambodia (Phnom Penh) and gain direct insights (through interviews and site visits) on the potential and challenges of e-commerce in the country. These findings were used to develop the e-commerce chapter as well as provide the Government with concrete and practical recommendations to increase national e-commerce integration. Upon endorsement of the chapter and recommendations by the EIF, Cambodia will work together with UNIDO and UNCTAD to develop technical projects.

5. **Expansion of UNIDO E-commerce Training Course**

UNIDO’s online e-commerce training course (accessible on UNIDO TII Knowledge Hub Platform: https://tii.unido.org/) which was an output of this project was designed to provide users an overview on the e-commerce sector and how to engage with an e-commerce platform. This training course has been well received by our partners and stakeholders – as evidenced by the feedback received during the 2018 EGM and UNIDO – FICCI New Delhi Training Workshop. While spreading awareness about this course, UNIDO was approached by the United Nations Institute for Training and Research (the UN’s designated training and skills development organization) to enhance our training course, as they were very impressed with the content presented in our course. UNITAR brings with them vast experience in developing interactive courses on variety of topics and access to their global CIFAL network. UNITAR expressed a particular interest in implementing this joint e-commerce training course in Africa covering a variety of sectors. UNIDO is currently in discussion with
UNITAR on the development of project concept on the development of a global e-commerce training course which is modular to be adapted to different contexts and country requirements.

6. Development of Electronic Technology Transfer Platform

A recommendation that was provided during the 2017 UNIDO-FICCI E-commerce Project workshop was the development of an Electronic Technology Transfer Platform among the BRICS. In late 2018, The Government of Russia expressed an interest to work with UNIDO develop a project on this project to be implemented among the BRICS. The objective of this project The project objective is the establishment of the sustainable UNIDO-BRICS Technology Exchange E-Platform, aimed at creating a database of technologies to share the best technological solutions, business models and to improve the industrial production efficiency as well as to reduce environmental footprint. UNIDO’s e-commerce project was an impetus for the conception of this new project. The concept is currently under review by UNIDO senior management.
7. Financial Expenditure

The fund was provided by the Ministry of Commerce of China through its unutilized balance (UB) of assessment in 2011. Total allotment was USD 691,122.

**Total Expenditure of the project:** USD 546,684.85

The majority of the expenditures of the project since the launching in 2016 and until the end of 2018 was related to the B2B and training workshops, consultation meetings and study tours that contributed to the establishment of the partnership network on SMEs cooperation among BRICS countries and contributed to the assessment of the current state of e-commerce in BRICS countries. Furthermore, funds were also used for the recruitment of national experts from BRICS+ countries, who carried out research and analysis of their respective countries in the area of the e-commerce development (rf. Annex). Findings of their research and assessment will be published in the 2018 BRICS plus e-commerce report.

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3 An official financial statement on the project will be issued by the Financial Department of UNIDO
Annex:

Project Steering Committee
- Ms. CHEN Hongying, First Secretary, Ministry of Commerce
- Mr. ZHAO Yongli, Director, CICETE
- Ms. XIAO Ruxin, Deputy Director, SMEs Center of Ministry of Industry and Information Technology (MIIT)
- Mr. WANG Genxiang, National Coordinator, UN Project Office, Shanghai Academy of Social Science (SASS)
- Mr. Ralf Bredel, UR in China
- Mr. WANG Zhen, Project Manager (Sept. 2016- March 2018), PTC/PPF
- Mr. Raymond Tavares, Project Manager (March-Dec. 2018), PTC/TII

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