

World Trade Agenda

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Advance briefing on issues, negotiations and disputes affecting global trade

ITU bets on co-operative venture to bridge the developing countries' "digital divide"

- ◆ **The need to get poorer nations on-line to benefit from the potential of E-commerce in world trade is already recognized and the object of several UN initiatives**
- ◆ **The International Telecommunications Union has got together with the private sector to provide a system guaranteeing transaction security and trust**
- ◆ **Private companies and World Trade Centres have donated to a project trust fund to get the programme off the ground**

International organizations within the United Nations system have become almost obsessive about technical assistance aimed at breaching the so-called "digital divide" between industrial and developing countries. The United Nations Conference on Trade and Development, the United Nations Development Programme and the International Trade Centre are just three such institutions (see previous editions of World Trade Agenda for details). The one organization able to provide solid backing on a technical level is the International Telecommunications Union (ITU) which has established an E-business infrastructure program in more than 80 countries.

The Electronic Commerce for Developing Countries (EC-DC) project, mandated after the ITU World Development Conference in Valletta (Malta) in 1998, brings together the ITU, the World Trade Centre Geneva and WISEKey, a private company based in Switzerland specialized in Internet certificates.

In September last year, during the Telecom 99 conference and exhibition, the ITU signed a trust fund partnership

agreement with the World Trade Centre and WISEKey to open E-commerce to developing nations and help them access a wide range of new applications and services in a secure environment. The aim is not only to provide an easy and affordable solution to firms engaged in interna-

Product presently covered by the Internet certification system

Animals & animal products	Vegetable products
Animal or vegetable fats	Prepared foodstuffs
Chemical products	Plastics & rubber
Hides & skins	Woods & wood products
Wood pulp products	Textiles & textile articles
Footwear, headgear	Instruments – measuring, musical
Base metals & mechanical appliances	Transportation equipment
Articles of stone, plaster, cement, asbestos	
Pearls, precious or semi-precious stones, metals	

Source: ITU

tional trade but also to enable financial transactions, procurement, asset management and other means of trade facilitation across the globe.

Fundamental to the system is the concept of transaction security and trust through Internet certificates which guarantee that people undertaking transac-

tions on a network or on the Internet itself are who they say they are. All certificates are now based on the international standards set by the ITU, notably ITU-T X.509. The certificates are renewed each year, providing a revenue stream for the Registration Authority.

By the end of 2001, if all goes

About WISEKey

WISEKey operates a "common root certificate" service on behalf of the International Secure Electronic Transaction Organization. The common root certificate provides a service to certificate authorities world-wide and for the World Trade Centres global infrastructure. WISEKey provides a high-level certification service with global recognition and trust and is open for use by any certificate authority complying with its certification practice statement.. Through its partnerships with leading companies, it also develops digital certification and electronic commerce services for a wide range of international and national organizations and promotes the use of digital certificates for both authentication and authorization.

About the World Trade Centre, Geneva

World Trade Centres (WTC) bring together business and government agencies involved in international trade, provide essential trade services and seek to stimulate the economy of the region they serve. The Centres put all the support services associated with global commerce under one roof. The World Trade Centre, Geneva is a member of the World Trade Centre Association (WTCA). The World Trade Centres Association (WTCA) is a non-for-profit, non-political association that fosters the WTC concept and develops inter-WTC co-operative programmes. WTCA membership includes 329 WTCs in about 100 countries. Over 500,000 companies are affiliated with WTCA members world-wide.

Source: ITU

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smoothly, over 20 million Internet certificates will be available in developing countries generating over 200 million E-commerce transactions.

Moreover, under the "Public Key Infrastructure (PKI)", participants in the project can benefit from a further four technical safeguards when conducting e-business:

- mutual authentication by means of certificates, passwords and electronic tokens;
- data confidentiality and data integrity through encryption mechanisms; and
- non-repudiation, meaning that transactions cannot be denied after their conclusion on an electronic platform.

The trust fund partnership should also add considerable value to the project by harnessing the World Trade Centres' global E-commerce network (gecportal.com) and its worldwide infrastructure of more than 300 centres in more than 100 countries. E-business infrastructure is currently under development in more than 80 countries.

A lump sum of US\$2.7 million will be channelled to the fund every year for the next three years. The origin of the funds is 100 percent private, consisting of donations from members of Geneva-based WTC, WISEKey as well as its associated partners such as UUNet and Oracle. The private sector partners will be granted a percentage of certificate revenues from developing countries. The funds raised are intended to cover the costs of experts made available to set up electronic commerce centres and implement E-commerce solutions in developing and least developed countries.

According to WISEKey project management plans, however, it is believed that a further three months will be needed to have the infrastructure in place, with the appropriate training and installation support, before revenues can be generated to begin to pay back the EC-DC Trust Fund in order to finance further projects. This will require an additional expenditure of approximately US \$1.5 million bringing the firm's total investment to approximately US\$4 million. However, as more companies and organizations increasingly show interest in participating in the project, WISEKey expects to see contributions increasing.

To speed up implementation, many leading multinational IT companies have joined the project. These include Oracle, Baltimore Technologies Ltd, Entegriy Solutions, Rainbow Technologies, Datamatics, NCP, ValiCert, WorldCom, Vitress AG and Celo Communications. However, it is recognized that bringing together so many technologies and people is itself a challenge.

Under the EC-DC project, participating countries can benefit from first-class security, trust and services for E-business transactions under affordable conditions by pooling and sharing available resources. While an Internet certificate might normally cost up to US\$800 on the market, pooling could drag the price down to a mere US\$100.

In developing economies, small and medium-sized enterprises are often not connected via the Internet and lack access to more advanced technologies. Further, banking services are not extensive and financial services network infrastructures, which play the essential role of intermediary between the seller and

the buyer, are either unavailable or ineffective.

Broadly speaking, the EC-DC project aims to develop infrastructure; promote human resources development; assist in the evolution of policies and strategies; and encourage partnership with industry. At the practical level the work falls into the following main areas:

Infrastructure Development - Through the collaboration of World Trade Centres Geneva and WISeKey, together with the participation of many private sector information and communication technologies companies, many projects are being deployed to build business-to-business E-commerce. There are already several continuing projects in Brazil (for more than 60,000 businesses), Cameroon, Cape Verde, Venezuela, Trinidad and Tobago and Iran with others are to follow.

Assistance to LDCs - Nearly 20 out of 48 least-developed countries benefit from the assistance provided by the ITU and its industry partners during various workshops and seminars, to establish E-commerce networks. In September, the ITU will assist the Nigerian Communications Commission (NCC) to organize an E-commerce workshop in Abuja during the AFRINET2000 convention.

Human Resources Development - Training workshops have also been organized widely, notably in Chile (for the Mercosur countries), Venezuela, Brazil, Cameroon, Mali, Malaysia and the United Arab Emirates. A workshop for 100 country participants, sponsored by industry partners, is scheduled for 27-29 November at the ITU in Geneva. As part of an agreement with Fundandina, more than 27 courses and seminars have been given in Latin

America and a centre for training and development has been created.

Gender Equality - The ITU is currently providing technical and financial assistance to a 3500-member association of African women entrepreneurs (ASAFE). This activity is being undertaken with the financial support of the Government of Japan and the collaboration of other United Nations agencies to empower women entrepreneurs as active players in the digital economy.

Policies and Strategies - An adequate policy base and appropriate legal infrastructure are crucial. Thus, the project aims to assist policy-makers in understanding the opportunities presented by E-commerce and the kind of policies that will ensure the development of an adequate national infrastructure.

"By bringing together the relevant players from the public and private sectors to create the conditions for sustainable development and access to new technologies, EC-DC has shown that the ITU is playing a leading role in assisting developing countries to bridge the digital divide" Mr. Hamadoun Touré, Director of the ITU Telecommunication Development Bureau said.

According to sources inside the organization, there is concern that, since the ITU is seen only as a standards setting body, its technical assistance programs are often ignored by other UN organizations working in the same fields. In other words, the development of E-commerce in developing countries is a further area in which a lack of coordination among UN bodies is leading to wasted resources and inferior results.

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