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INDUSTRIAL DEVELOPMENT ORGANIZATION

UNIDO-BRICS COOPERATION QUARTERLY REPORT

Partnership for prosperity

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INDUSTRIAL DEVELOPMENT ORGANIZATION

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I. FOREWORD

The 7th Quarterly UNIDO-BRICS Cooperation Report provides an overview of activities that have taken place from April to June 2018, and gives an overview of the work plan for the remainder of 2018.

During the second quarter of 2018, several events continued to mark the successful implementation of the project “*Promote the development of SMEs between China and other BRICS countries through e-commerce development*”, as highlighted in the Report.

II. HIGHLIGHTS OF UNIDO-BRICS COOPERATION

❖ The 2-year anniversary of Epec's commercial operation

The 2-year anniversary of Epec's commercial operation and the announcement of the Epec Standard (ES) took place on 18 April 2018 at the Beijing Conference Center in Beijing, China. The event brought together more than 600 participants from the public and private sector.

Since the beginning of the UNIDO-BRICS SMEs E-commerce project implementation, UNIDO has established strong bonds with Sinopec Group, and therefore was invited to participate and provide support at the Epec's conference.



Ms. Dragana Marusic, Project Associate from UNIDO's Asia and the Pacific Division, delivered a speech on behalf of the Organization, where she introduced UNIDO's mandate, focused on

the inclusive and sustainable industrial (ISID) and Programme for Country Partnership (PCP) approach while emphasizing the importance of SDG9 on industrialization and SDG17 on partnerships. Ms. Marusic also referred to the UNIDO-Sinopec Group cooperation, as well as UNIDO's role and added value within the e-commerce sector.

Epec strives to become an explorer, practitioner and promoter of high-quality economic development. In 2017, the BRICS Business Council designated Epec to become the e-commerce platform of industrial products for BRICS countries. Since last year, with a user-oriented approach, Epec continued to improve the platform functions and enrich products variety, successively launched services such as exclusive trading areas, online payment, commercial factoring and integrated connection, that enabled its members to generate more value from supply chain.

The morning session was followed by the official launch of the Epec Standard, which will help establish a careful product selection through an accurate evaluation and portrait of members and industrial products. Epec will select companies with great credit record, excellent product quality and strong dynamic performance, establishing industry benchmarks, product standards and market benchmark. By using this standard, Epec can help relevant parties improve in terms of standardization, business integrity and digitalization.



All participants agreed that e-commerce is a new engine for economy, which offers considerable opportunities for firms to expand their customer base, enter new product markets and rationalize

their businesses. Some concrete achievements that contributed to the UNIDO-BRICS SMEs E-commerce project are:

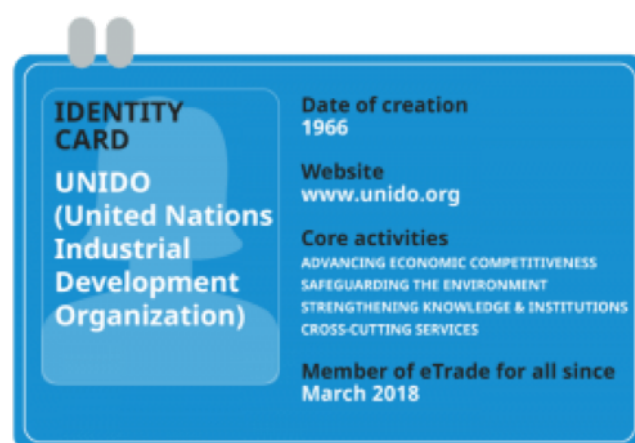
- ❖ Publication of the Epec Standard (ES), which is crucial to ensure the healthy and sustainable development of e-commerce. Being committed to solving practical problems in the industry, the ES will ensure product quality, improve service level, protect intellectual property rights, and establish industry integrity. Therefore, the ES can help SMEs from China and other BRICS to continuously improve their management and services, and increase product quality.
- ❖ Strengthened cooperation with Epec, which also focuses on the development of small, medium and micro enterprises. Through its collaboration with Epec, UNIDO could strengthen the cross-industry cooperation and enhance the cooperation level related to industry's chain among BRICS+, thus contributing to a faster and improved e-commerce development in China and beyond.
- ❖ Epec expressed strong interest in cooperating with UNIDO, especially on the UNIDO Training manual of E-commerce, as well as the B2B Matchmaking and Training Workshop on E-commerce in South Africa, showing additional eagerness to be part of future UNIDO's activities related to e-commerce and trade promotion between China and other countries.

❖ **UNIDO joins the UNCTAD-led “eTrade for all” initiative entitled**

A recent initiative by UNCTAD, eTrade for All, encompasses the idea that E-commerce is a powerful driver of economic growth, inclusive trade and job-creation across the developing world. It is a programme that aims to improve the ability of developing countries, and particularly Least Developed Countries (LDCs), to use and benefit from the digital economy.

In March 2018, UNIDO Director General LI Yong signed a Joint Declaration to support this UNCTAD initiative and to deepen the multi-stakeholder partnership. In an exclusive interview with UNCTAD, Director General of UNIDO, Mr. LI Yong mentioned the following:

- ❖ “E-commerce has the potential to transform a nation’s development pathway. UNIDO stands ready to collaborate with all stakeholders and partners to improve quality infrastructure, strengthen capacity building, and foster innovation of SMEs for E-commerce as part of its support for Inclusive and Sustainable Industrialization.”



UNIDO firmly believes that the 2030 Agenda for Sustainable Development will only be achieved through collective actions, i.e. through partnerships. This recognition is what prompted UNIDO to join the “eTrade for All” initiative. UNIDO Director General LI Yong expressed his full support for this cooperation and the Organization expects that it would be available to:

- ❖ Raise awareness of opportunities, challenges and potential solutions, including best practices related to leveraging E-commerce;
- ❖ Mobilize and make more effective use of financial and human resources to implement E-commerce projects; and
- ❖ Strengthen coherence and synergies among partners’ activities to increase impact and enhancing aid efficiency.

❖ UNIDO joins the UNCTAD-led “eTrade for all” initiative entitled

UNIDO Director General LI Yong and Jack MA, Founder and Executive Chairman of the Alibaba Group, met on 21 April 2018 in Hangzhou to discuss expanding the cooperation between UNIDO and the Electronic World Trade Platform (eWTP).



UNIDO and Alibaba Group share common goals that include support for small businesses and sustainable development through e-commerce. The meeting that took place at Alibaba Group's headquarters in Hangzhou, and focused on how to expand cooperation on eWTP. The discussions also looked at joint support for China's innovation agenda as another possible area for cooperation.

Alibaba Group, the world's largest online and mobile commerce company, with a culture of championing small business, is also one of the initiators of the eWTP, an initiative supported by UNIDO that promotes the development of e-commerce and SMEs. Cooperation on eWTP would dovetail with the new China-UNIDO Strategic Cooperation Framework 2018-2021.

The eWTP initiative is very much in line with UNIDO's mandate of inclusive and sustainable industrial development and has the potential to contribute to the Sustainable Development Goals of the UN's 2030 Agenda for Sustainable Development. UNIDO's and Alibaba's shared vision of disseminating good practices and capacity-building in support of e-commerce development in SMEs, with a particular focus on youth and women, could further contribute to eWTP.

The purpose of eWTP is to help SMEs, youth and women to achieve global purchase, global sell, global payment, global logistics, and global tourism. The cooperation with UNIDO is in particular valuable as the technological aspects will be combined with manufacturing and traditional industry.

The eWTP is a private sector-led, multi-stakeholder initiative for public-private dialogue to share best practices and foster a more integrated, inclusive, effective and efficient policy and business environment for the development of e-commerce, trade and the digital economy. It achieved international recognition with its inclusion in the 2016 G20 Hangzhou Summit Leaders' Communique. In 2017, the eWTP, the World Trade Organization (WTO) and the World Economic Forum (WEF), jointly launched a trilateral collaboration entitled “Enabling E-commerce”, to drive public-private dialog-ue on e-commerce.

❖ The UNCTAD's E-Commerce Week

Mr. Raymond Tavares, Industrial Development Officer of UNIDO's Business Environment, Cluster and Innovation Division and project manager of the BRICS e-commerce project, attended the UNCTAD's E-Commerce Week from 16 to 20 April 2018 in Geneva.



The event served as the leading forum for Ministers, senior government officials, CEOs and other business representatives, international organizations, development banks, academics and civil society to discuss the development opportunities and challenges associated with

the evolving digital economy. Under the theme “Development Dimensions of Digital Platforms”, E-Commerce Week 2018 explored the growing role of digital platforms and concrete steps to harnessing these evolving technologies for sustainable development.

Highlights included the High-level Dialogue on the Development Dimension of Digital Platforms and two Ministerial Roundtables. This year’s E-Commerce Week also featured the second session of the Intergovernmental Group of Experts on E-commerce and the Digital Economy as well as many sessions organized by and with eTrade for all partners covering a wide spectrum of topics.

III. UPCOMING EVENTS IN 2018

- To facilitate the establishment and launching of the Charter of the International E-commerce Industry Alliance (IEIA)
- To finalize the e-commerce training manual, which will be tested first in-house before being piloted in South Africa.
- To organize B2B Workshop on Promoting E-commerce Development in South Africa, to be held in November in Johannesburg:
 - ❖ The workshop aims to bring together leading e-commerce associations, e-commerce companies and experts from South Africa and China to interact and share their experiences of e-commerce, thus taking their business to the next level. The goal of the workshop is for companies to carry out B2B e-commerce matchmaking exercises for the development of collaborative relationships and partnerships.
- To prepare the 2018 BRICS Plus E-commerce Report in cooperation with SASS
- Looking to the future UNIDO will further engage in e-commerce development and will expand the scope of its e-commerce project from BRICS to other developing countries and reflect e-commerce in future

Programme’s for Country Partnerships (PCPs).

- UNIDO will continue to establish long term partnerships with global research institutions and think-tanks. In particular, the Organization will deepen collaboration with UNCTAD, WTO, ITC, IAEA, ISO, ITU and UNCITRAL – which all have proven expertise in e-commerce development.
- To organize an Expert Group Meeting, nationally or internationally (to be defined) on the e-commerce impact in the BRICS+ countries.

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