

NATIONAL INCEPTION WORKSHOP ON **E-commerce in Afghanistan بررسی وضعیت تجارت الکترونیکی در افغانستان** د افغانستان د برېښنايي سوداګرۍ حالت ته کتنه 28th January 2021 Kabul Start Hotel

1. Introduction

The world has witnessed the rapid emergence of electronic commerce (e-commerce) that is the buying and selling of goods and services over the internet. This has brought about significant changes in the way business is conducted across the globe. The COVID-19 crisis and the lockdown further accelerated expansion of e-commerce & use of digital platforms towards new firms, customers and types of products. This was equally witnessed in Afghanistan during the first wave of Covid-19 in summer 2020.¹

The South Asia region is also experiencing substantial growth through e-commerce platforms. However, e-commerce is still at a nascent stage in most LDC members including Afghanistan. Despite security challenges and political uncertainties, digital niche market such as online shopping and delivery of food, selling books, clothing & home appliances are growing in major cities such as Kabul, Herat and Mazar-e-Sharif.²

The early wave of e-commerce in Afghanistan is driven by young entrepreneurs and IT talents familiar with the steadily growing IT ecosystem at home and beyond. This is also indicative of the fact that development of e-commerce and IT industries is intertwined and goes hand in hand.

As a landlocked country, Afghanistan pays a high price to neighboring countries for international bandwidth and as a result, fixed broadband penetration remains low at less than 1% of households. In 2019, over 90% of Afghanistan's population had mobile network coverage and 14% of country's population used internet services.

Some government and private sector services have also begun to go digital: about 11% of the country's population has made a digital payment in 2017, and digital government services (e-governance)– while nascent – are being rolled out across the country. This is in line with President Ashraf Ghani's vision to promote and adopt e-governance practices across the public

¹ "Business Pulse Survey: The Impact of Covid-19 on Businesses in Afghanistan", IFC: August 2020.

² UNCTAD report 2019

sector³. He tasked several working teams from within the government agencies including National Statistics and Information Authority (NSIA), Ministry of Communication and Information Technology (MoCIT), Da Afghanistan Central Bank (DAB) & Ministry of Commerce among others to coordinate efforts to improve payment systems, IT infrastructure, data safety issues and build capacity.

The challenges however remain enormous. The overall unsatisfactory economic performance in the country coupled with inadequate infrastructure, quality and cost of internet, lack of access to finance, lack of secure online payment methods impedes the private sector growth including online businesses.

Afghanistan can do more to capture the potentials of digital networks and services to support economic development. To help build the market in Afghanistan, the government envisions a growth agenda that is anchored around the private sector, aid effectiveness, and regional connectivity⁴. To help Afghanistan expedite and regulate its digital transformation ambitions, the Government has successfully passed the regulatory framework entailed "Law on Electronic Transactions and Electronic Signatures".⁵

E-commerce is one such area that can empower micro, small and medium enterprises (MSME) and women entrepreneurs, to grow their businesses domestically and facilitate the economic integration of landlocked Afghanistan regionally and internationally. Examples from other developing countries illustrate that women entrepreneurs using ICT technologies find new export markets and reach a significant number of customers, secure a higher number of orders, and significantly cut setup and overheads costs. Also, the use of ICT ensures efficient business practices, and allow for flexible working arrangements, e.g. work from home, etc. Therefore, e-commerce can be a powerful tool for bringing in greater gains to women entrepreneurs since it addresses the outmoded barriers of geographic isolation and limited access to information and financing.

Therefore, a public private dialogue is needed in Afghanistan to increase awareness and equip women entrepreneurs with knowledge and skills in using e-commerce platform that can facilitate business opportunities and assist them in becoming a part of domestic, regional or global supply chains.

In this connection, Biruni Institute, in partnership with UNESCAP, aims to enhance women's economic empowerment and entrepreneurship as a strategy for poverty reduction, social wellbeing and sustainable economic growth, thereby achieving the SDG 5 on Gender Equality and other related goals of the 2030 Agenda for Sustainable Development.

2. Aim and objectives

³ <u>https://president.gov.af/da/?p=25341</u>

⁴ Reference is made to <u>Afghanistan's National Peace and Development Framework (ANPDF-II)</u> recently launched and endorsed at the <u>Afghanistan 2020 Geneva Conference</u>.

⁵ The Law has been drafted in light of relevant international documents, including the UNCITRAL Model Law on Electronic

Commerce and UNICITRAL Model Law on Electronic Signatures and United Nations Convention on the Use of Electronic Communications in International Contracts.

The overall aim of the program is to enhance the knowledge and capacity of entrepreneurs, particularly female entrepreneurs, in the application of e-commerce platforms to expand their business exports and participate in local, regional and global supply chains.

The objective of this program is to bring all the concerned stakeholders - women entrepreneurs, Government Departments/Ministries, Chambers of Commerce, experts to evaluate the status of e-commerce in Afghanistan, challenges and opportunities, and take stock of the potential needs for future engagements in term of capacity building and knowledge transfer.

3. Tentative program (Hybrid mode. Meeting will be held at Kabul Star with international experts joining through video conference)

28 th January 2021	
08.30 - 09.00	Registration, Tea and Coffee
09:00 - 10.00	 Welcoming Remarks (5 minutes each) Mr. Nazir Kabiri, Executive Director, Biruni Institute, Afghanistan Dr. Nagesh Kumar, Head ESCAP.
	Inaugural address • H.E. Minister of Commerce (10-15 minutes)
10.00 - 11.30	Panel Discussion: E- commerce in Afghanistan
	Assessing the current status of the e-commerce industry in Afghanistan, panellists will discuss the prospect of this industry in Afghanistan. The panel will explore the challenges & opportunities of the e-commerce industry in Afghanistan. This panel discussion will also bring out the experience of women e-commerce entrepreneurs in Afghanistan. The panel will explore how the women entrepreneurs can be empowered by the e-commerce platforms. The Audience will have the opportunity to share their insights and expectations from e-commencers.
	Moderator: • Ms. Manizha Wafeq, Afghanistan Women Chamber of Commerce &
	Industry (TBC)
	Panelists:
	 Chief Advisor, Ministry of Commerce CEO, click.af
	 Da Afghanistan Bank
	• Afghan Post
	• Woman e-commerce entrepreneur Intervention and takeaway messages by:
	• CEO, ICC
	• CEO, Harakat
	Open Discussion with the audience

11:30 - 12:00	UNESCAP/EIF project on "E-Commerce Capacity Building for Women-led SMEs in South Asia" • Dr. Rajan Sudesh Ratna, ESCAP-SSWA, New Delhi O&A
12:00 - 12:45	
13:00 - 14:00	Lunch and Networking