

Pan-African e-Commerce Initiative

Boosting African Digital Trade

The challenge

Electronic Commerce, also known as e-Commerce, is an increasingly important procurement and sales channel in emerging African economies. However, the prerequisites that would enable African companies to participate in cross-border e-Commerce are not yet in place. These include the availability of electronic payment systems, consumers' and companies' trust in e-Commerce, and supportive regulatory frameworks. The coronavirus pandemic has strengthened the global significance of digital trade and, at the same time, increased the pressure on governments to improve the conditions for this.

To date, African producers and traders are barely represented in e-Commerce for business customers (Business-to-Business, B2B). Due to this limited integration of African firms within regional and international value chains, the potential for scaling up has not yet been harnessed. However, this is essential for making African products more competitive at both national and international level. Cross-border payment systems are currently almost exclusively available via the traditional banking system or international money transfer services. Small and Medium-sized Enterprises struggle not only with the high costs of these channels, but also with currency exchange restrictions. Logistics and transport are further challenges, with inadequate or incomplete address systems being one manifestation of these challenges. Although the legal basis for e-Commerce is in place in many African countries, it often needs further development and more effective implementation. Barriers to women's participation in e-Commerce include their greater difficulty in accessing internet-enabled devices, frequently leading to lower digital literacy. Moreover, consumers have little trust in e-Commerce. They have doubts regarding the quality of the goods, misuse of customer data and the lack of functioning complaints mechanisms.

Our approach

PeCI aims at improving the preconditions for companies in selected African countries to participate in cross-border e-Commerce.

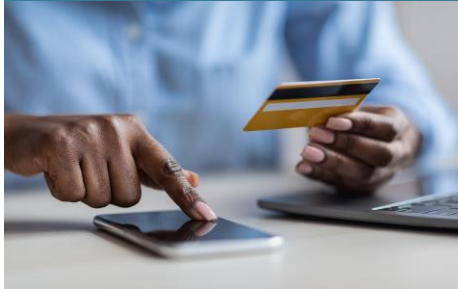
Project name	Pan-African e-Commerce Initiative (PeCI)
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Project region	Kenya, Rwanda, East African Community
Lead executing agency	Ministry of Industrialization, Trade and Enterprise Development (MoITED) in Kenya, Ministry of Trade and Industry (MINICOM) in Rwanda, East African Community Secretariat
Duration	01.01.2020 – 31.12.2022

The project first enhances the framework conditions for e-Commerce. To this end, it is advising the East African Community on developing a comprehensive regional e-Commerce strategy. Furthermore, the project is, in cooperation with the United Nations Conference on Trade and Development (UNCTAD), supporting the Communications Authority of Kenya in developing a national e-Commerce strategy. The Smart Africa Secretariat is receiving advice on creating a roadmap (Blueprint) for improving electronic payment systems for digital trade, which will then be piloted in African countries.

In a next step, the project strengthens the capacity of Small and Medium-sized Enterprises to participate in e-Commerce. To achieve this, it is forming partnerships with the private sector. Together, they conduct practice-oriented training courses in Ghana, Kenya and Rwanda – with a particular focus on companies run by women.



L. to r.: Sustainable textile shop; Co-Creation digital capacity trainings.



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Furthermore, in cooperation with relevant associations, the project is supporting the development of a regional B2B platform for electronic trade in leather goods in Eastern Africa. In Rwanda, the project is advising the Rwanda ICT Chamber on establishing a quality trust seal for e-Commerce, with the aim of increasing consumers' and retailers' trust in electronic business.

The project is also supporting e-Commerce associations and promoting their integration into pan-African networks and structures.

In the East African Community (EAC), cross-border e-Commerce is facing various challenges ranging from regulatory, technical and institutional aspects over logistics up to infrastructure and connectivity issues. The project advises the EAC Secretariat in the development of a regional e-Commerce strategy. By improving framework conditions and the enabling environment, the project aims to unlock the potential of e-Commerce for companies that want to engage in cross-border digital trade in the EAC Partner States.

The project contributes to the achievement of a number of Sustainable Development Goals, particularly goals 8 'Decent work and economic growth' and 17 'Partnerships for the Goals'.



Activities



Improve framework conditions: PeCI supports the EAC in developing a regional e-Commerce strategy to harmonize framework conditions and to boost cross-border trade for Small and Medium-sized Enterprises.



Build capacities for growth: Companies are providing tailor-made trainings for Small and Medium-sized Enterprises to utilize e-Commerce solutions as well as to develop a B2B platform architecture.



Increase trust in digital trade: A trust seal is being established in Rwanda in-line with relevant local laws and regulations, including e-Transactions, consumer protection, and data privacy and security.



Support cross-sectoral networks: PeCI brings together public and private sector stakeholders to promote knowledge sharing and supports e-Commerce networks at the national, regional and pan-African level.

Published by

Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH
Registered offices Bonn and Eschborn, Germany

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www.giz.de/en/worldwide/93140.html

As at

March 2021

Design

Diamond media GmbH

Photo credits

List of photographers in alphabetical order
GIZ / Thomas Imo / photothek.net; GIZ / Yonas Tadesse;
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Text

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GIZ is responsible for the content of this publication.

On behalf of

Federal Ministry for Economic
Cooperation and Development (BMZ)

Division 111

Trade Policy