

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 safe and affordable electronic payment systems, consumers' and companies' trust in e-Commerce, digital capability of Micro, Small and Medium-sized Enterprises (MSMEs), and supportive regulatory frameworks. Since the coronavirus pandemic, the global significance of digital trade has strengthened and, at the same time, increased the pressure on governments to support an enabling environment for such trade.

To date, African producers and traders are underrepresented in e-Commerce. As there is little integration with regional and international value chains, the potential for scaling up is still limited. 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. MSMEs struggle not only with the high costs of these channels, but also with currency exchange restrictions. Logistics and transport are further challenges that are manifested amongst other factors in inadequate address systems. Although the initial legal basis for e-Commerce is in place in many African countries, it needs to be further concretised and implemented more effectively. Barriers to the participation of women in e-Commerce include their greater difficulty in accessing the internet and digital devices accompanied by lower levels of digital literacy. Moreover, consumers have little trust in e-Commerce. They have doubts regarding the quality of the goods, misuse of customer data, and a lack of functioning complaint mechanisms.

Our approach

The Pan-African e-Commerce Initiative (PeCI) aims at strengthening an enabling environment for cross-border digital trade in selected countries of the African Continental Free Trade Area (AfCFTA), especially for Micro, Small and Medium-sized Enterprises (MSMEs).

Project name	Pan-African e-Commerce Initiative (PeCI)
Commissioned by	Federal Ministry for Economic Cooperation and Development (BMZ)
Project region	Ghana, Kenya, Nigeria, Rwanda, East African Community
Lead executing agency	Ministry of Finance (MoF) in Ghana, Ministry of Investments, Trade and Industry (MITI) in Kenya, Federal Ministry of Finance, Budget and National Planning (MoFBNP) in Nigeria, Ministry of Trade and Industry (MINICOM) in Rwanda, East African Community (EAC) Secretariat
Duration	1 st phase: 01/2020-12/2022 2 nd phase: 01/2023-12/2025

The project focusses on improving the framework conditions for e-Commerce. To this end, it is advising the East African Community (EAC) Secretariat on implementing its regional e-Commerce strategy. The project is also supporting the Smart Africa Secretariat in the development and implementation of the *Blueprints* on e-Commerce and on cross-border electronic payment systems for digital trade, which are being piloted in African countries.

The project supports MSMEs to participate in e-Commerce. To achieve this, it is forming partnerships with private companies and intermediary institutions in Ghana, Kenya, Nigeria and Rwanda to deliver practice-oriented training courses for MSMEs. The project has a particular focus on companies led by women in all of the training measures it supports. In cooperation with relevant stakeholders, it is also exploring innovative ways along the e-Commerce value chain to reduce negative impacts on the environment ("greening e-Commerce"). In Ghana, for instance, the project partnered with a



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



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Photos: PeCI



private company to develop reusable textile delivery bags with a barcode for traceability, thereby replacing plastic packaging.

In Rwanda, the project has supported the ICT Chamber to establish a trust seal for e-Commerce companies, with the aim of increasing consumers' and retailers' trust in electronic business. It continues to advise the chamber on the implementation and is supporting interested institutions in other African countries to develop a similar system.

Project countries

- Ghana
- Kenya
- Nigeria
- Rwanda

EAC

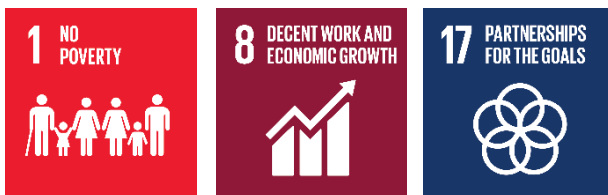
Further activities

- Côte d'Ivoire
- South Africa

Project locations



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: National and regional e-Commerce strategies; *Blueprints* on e-Commerce and on e-Payments for the facilitation of digital trade



Build capacities for growth: Tailor-made trainings and coaching for MSMEs to apply e-Commerce solutions, offered by intermediary institutions



Increase trust in digital trade: Trust seal on e-Commerce established in Rwanda in line with relevant laws and regulations, replicated in Ghana and Kenya



Support e-Commerce networks: Capacity building and knowledge sharing for national, regional and Pan-African e-Commerce associations and networks

Achievements so far

- EAC e-Commerce strategy developed; implementation started
- EAC framework and regulations for consumer protection in e-Commerce developed
- e-Trade Readiness Assessment for Kenya launched; national e-Commerce strategy developed and implementation started
- *Blueprint* on e-Payments adopted by Smart Africa Alliance and *Blueprint* on e-Commerce developed by Smart Africa Secretariat; implementation started
- Over 1500 MSMEs trained on e-Commerce topics (of which around 70 % women-led or women-owned)

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