



DRAFT CONCEPT NOTE

AU E-COMMERCE CONFERENCE - 2022

THEME: DIGITAL ECONOMY FOR DEVELOPMENT IN AFRICA

15 – 18 NOVEMBER 2022, HARARE, ZIMBABWE

INTRODUCTION

1. The digital economy in Africa presents an opportunity for the continent to accelerate economic growth and development. The African Union's Agenda 2063: "The Africa We Want", envisions Africa as a continent on equal footing with the rest of the world as an information society, an integrated digital economy where every government, business and citizen has access to reliable and affordable ICT services by increasing broadband penetration and providing venture capital to young ICT entrepreneurs and innovators.
2. Digital technologies and e-commerce are transforming trade and other social and economic aspects of people globally. The digital economy presents new opportunities for businesses and contributes to the creation of much-needed jobs, and the achievement of the Agenda 2063 as well as the Sustainable Development Goals. During the times of crises, like the covid19 pandemic, digital technologies and e-commerce have managed to secure business processes, keeping people and businesses connected. Digital technologies enables individuals, businesses, and Governments to unlock innovative solutions to several complex development challenges, and African countries have the opportunity to leapfrog the conventional stages of development and slingshot their economies into in the fourth industrial revolution.
3. Whilst the opportunities from the digital economy are great, such that the digital economy is expected to contribute over US\$750 billion to the Africa's GDP, the continent has to find solutions to a myriad of challenges to reap the benefits. These

challenges include connectivity, policy, and regulatory challenges. Finding solutions to these challenges will ensure that people and businesses participate in domestic and cross-border e-commerce as a key aspect of the implementation and the success of the African Continental Free Trade Area (AfCFTA), as well as building resilient economies.

4. The hurdles that the African continent has to overcome include access to internet which remains out of reach for most people, growing digital divide, cybersecurity, limited payment systems that lack interoperability, limited policies and regulations that support the e-commerce ecosystem and data governance.
5. If these challenges are solved, there are several opportunities associated with e-commerce and digital trade, including: reduced transaction costs, shorter customs clearance times, better supply chain management, the possibility of integrating into value chains and reaching new markets and new customers and enhanced productivity. MSMEs are expected to be the main beneficiaries of a robust e-commerce and digital economy ecosystem. From this perspective, e-commerce has the potential to boost intra-African trade in support of the AfCFTA.
6. Despite the above potential gains and the fact that e-commerce continues to grow exponentially (\$25 trillion in 2015, up from \$16 trillion in 2013 according to UNCTAD, 2017), the participation of developing countries, in particular African countries, in e-commerce remains limited although it has been growing recently. McKinsey and Co, 2013, estimated e-commerce in the African continent at US\$8billion in 2014 and predicted that it could reach US\$75 billion by 2025, with Nigeria as the leader of e-commerce on the continent. McKinsey and Co, 2013, also show that e-commerce now contributes to more than 1% to the GDP of a number of African countries: Senegal (3%), Kenya (2.9%), Morocco (2.3%), Mozambique (1.6%), Nigeria (1.5%), South Africa (1.4%), and Ghana (1.1%). The top seven are followed closely by Egypt, Tanzania, and Cameroon, where e-commerce contribution to the national GDP is around 1%. Hence, it appears that even in Africa, e-commerce is dominated by a handful of countries.
7. The limited participation of the African countries, is attributed to the challenges stated above. This situation is exacerbated in the case of African Least Developed Countries and Landlocked Developing Countries. There are also regional and continental issues in the case of Africa, which are likely to hinder the development of cross-border e-commerce across Africa, including the lack of continental policy, strategy and legal frameworks to facilitate digital trade, despite some isolated initiatives as those of ECOWAS on electronic transactions, cybercrime and the

protection of personal data and the AU Convention on cyber security and personal data protection adopted in 2014).¹

8. In order to further enhance understanding of e-commerce ecosystem, the AU Commission convened the 1st AU E-commerce Conference in Nairobi, Kenya, from 23-25 July 2018 and subsequently the 2nd AU E-commerce Conference was held in Dakar, Senegal, whilst the 2020 installment was held virtually due to the covid 19 pandemic. These three past events have produced useful recommendations which include among others the development of an African Union E-commerce strategy which would be built from a situational analysis of the state of digital economy in Africa and the establishment of multistakeholder groups at member state level which focus on the development of national e-commerce strategies.
9. The Situational Analysis of Digital Trade in Africa as well as the African Union E-Commerce Strategy have been developed. The African Union Commission has also developed the Continental Data Policy Framework as a key document to strengthen data governance on the continent.

OBJECTIVES

10. The 2022 AU E-commerce Conference seeks to continue the current discussion on how the Digital Economy can facilitate development in Africa as well as help support the implementation of the AfCFTA. This will serve as a strong foundation in the support to the BIAT Action plan as well as supporting the implementation of the AU E-Commerce Strategy. The conference will include sessions on the following topics:

- Digital Inclusion and E-commerce in Africa
- WTO E-Commerce Moratorium – What it means for Africa
- Digital Infrastructure in Africa – Universal access and affordability
- Capacity development for digital economy development in Africa
- Data Governance and cross-border data flows in Africa's e-commerce ecosystem
- Creating enabling policies and regulations for e-commerce development in Africa
- Youth participation in Africa's digital economy
- Digital finance and payment systems in Africa

¹ ECOWAS community rules on electronic transactions, cybercrime and the protection of personal data adopted through Supplementary Act A/SA.2/01/10, Directive 1/08/11, and Supplementary Act A/SA.1/01/10. AU Convention on cyber security and personal data protection available at https://au.int/sites/default/files/treaties/29560-treaty-0048-african_union_convention_on_cyber_security_and_personal_data_protection_e.pdf; Addis Ababa Declaration on the Harmonization of Cyber Legislation in Africa

- Consumer Protection in a digital economy
- Cybersecurity – towards a safe digital economy and digital trade in Africa
- Role of Postals in e-commerce development and financial inclusion in Africa
- Digital Economy and Sustainable Development Goals in Africa
- Digital Currencies and Blockchain - the future of e-commerce payments in Africa
- Investments and Innovative financing for digital economy and e-commerce growth in Africa
- MSMEs, E-Commerce, and the Digital Economy in Africa

EXPECTED OUTPUTS

11. The main expected outputs of this Conference are:

- Participants' knowledge of e-commerce, and digital economy in Africa strengthened;
- Policy recommendations for digital economy development in Africa

PARTICIPANTS

12. AU Member States, Regional Economic Communities, businesses and representatives of regional and pan-African private sector associations, civil society organisations, African Union Commission, UNECA, AfDB, Afreximbank, UNCTAD, ITC, ITU, UPU, WBG, WTO, Academia and Think Thanks. Representatives from other Regional Integration Organizations (ASEAN Secretariat, European Commission, and MERCOSUR) as well as countries that are leading the e-commerce global landscape (EU, Germany, Korea and PRC, etc).

VENUE, DATES, AND WORKING LANGUAGE

13. The Conference will take place in **Harare, Zimbabwe** from the **15 to 18 November 2022**, and will be conducted in English and French.

ORGANIZATION

14. The Conference will be structured around interactive panel discussions. There will also be opportunities for demonstration/exhibition by African start-ups.

INFORMATION

15. The following people can be contacted for further information relating to this Conference: Mr. Tapiwa Ronald Cheuka, Email: Cheukat@africa-union.org ; Mr. Brian Mureverwi, Email: MureverwiB@africa-union.org and Ms. Meaza Tezera, E-mail: Meazat@africa-union.org.

