



E-Commerce Strategy for CFTA (Concept Paper)

TABLE DES MATIERES

1. Introduction	3
2. Project Justification	4
3. Project Objectives	Erreur ! Signet non défini.
4. Scope of work and Deliverables	Erreur ! Signet non défini.
5. How AAEC can contribute to the development of E-commerce	Erreur ! Signet non défini.
6. Key stakeholders	6
7. Roadmap for project implementation	Erreur ! Signet non défini.

I. Introduction

The African Continental Free Trade Area (AfCFTA) is an initiative, outlined in the African Continental Free Trade Agreement among 54 of the 55 African Union nations. The free-trade area is the largest in the world in terms of participating countries since the formation of the World Trade Organization.

The agreement was brokered by the African Union (AU) and was signed by 44 of its 55 member states in Kigali, Rwanda on March 21, 2018. The agreement initially requires members to remove tariffs from 90% of goods, allowing free access to commodities, goods, and services across the continent.

The United Nations Economic Commission for Africa estimates that the agreement will boost intra-African trade by 52 percent by 2022. The agreement went into force on May 30 and entered its operational phase following a summit on July 7, 2019.¹

From the Africa Union perspectives, the objectives of the CFTA are to:

- Create a single continental market for goods and services, with free movement of business, persons and investments, and thus pave the way for accelerating the establishment of the Continental Customs Union and the African customs union.
- Expand intra African trade through better harmonization and coordination of trade liberalization and facilitation regimes and instruments across RECs and across Africa in general.
- Resolve the challenges of multiple and overlapping memberships and expedite the regional and continental integration processes.
- Enhance competitiveness at the industry and enterprise level through exploiting opportunities for scale production, continental market access and better reallocation of resources.²

AfCFTA has five operational instruments namely the rules of origin, the tariff concessions, Online mechanism for monitoring NTBs, the PanAfrican payment and settlement systems, and the African Trade Observatory³.

On the other hand, there are many initiatives to develop e-Commerce in Africa. With the development of technologies in the continent, many actors are intending to play a key role. As an example, Universal Postal Union had recently launched Ecom@Africa. And according to Director-General Bishar A. Hussein, it is a new free-of-charge initiative to create a one-stop shop for e-commerce delivery in Africa. With this strong positioning of postal services as a backbone for delivery of all kind of goods, the e-Commerce industry in Africa is provided a robust infrastructure for pertinent deployment within the African countries.

Consequently, AAEC is also willing, in line with the main activities of its members that are involved in trade facilitation, to develop activities that will boost crossborder e-Commerce in the context of CFTA. AACE aims to be a key contributor in this grand African agenda by proposing a crossborder e-Commerce strategy as its contribution to this initiative.

¹ https://en.wikipedia.org/wiki/African_Continental_Free_Trade_Area

² <https://au.int/en/ti/cfta/about>

³ Source: AU Website

2. Justification

During the International Single Window Conference held in Accra under the theme 'How SW can support the Trade Facilitation', The AUC recommended and agreed in principle that a framework for co-operation on e-Commerce will be introduced as a subject during the second phase of CFTA negotiation.

AAEC believes that in order to leap frog and make this idea a reality, its expertise in some core related areas will be successful to the execution of the CFTA to boost trade within Africa.

Indeed, it is clearly identified that trading across borders in Africa is cumbersome and moreover impossible when it comes to run e-commerce. AAEC believes there is an opportunity, by a better use of technology, to develop an environment that will contribute to unlock the existing barriers and hence allow the e-Commerce in Africa to boost intra-Africa trade.

3. Scope

The key areas covered by this concept paper are:

1. Crossborder e-Commerce Guidelines in the context of the CFTA;
2. Proposal for Implementation of a Crossborder e-Commerce platform.
3. Proposal for the enhancement of existing Single Windows to facilitate Crossborder E-Commerce;

4. Brief of each identified area

a) Crossborder E-Commerce Guidelines in the context of the CFTA.

The guidelines will seek to follow the model of the AEC guidelines for SW implementation for Africa by documenting best practice to do adopted in this implementation.

Key areas to cover are:

- I. Background of Crossborder Ecommerce in Africa – survey
- II. Definitions, typology and review of best practices in the area of Crossborder Ecommerce
- III. Data models and harmonization.
- IV. Language Translation
- V. Practical steps of implementing Crossborder Ecommerce
- VI. Strategic choices, at institutional, organizational, legal, regulatory and technological levels, and types of business models
- VII. Core components of crossborder e-Commerce;
- VIII. Ideal Architecture

- IX. Payment facilities
- X. Logistics considerations

b) Proposal for Implementation of a Crossborder E-Commerce platform.

Without an all-inclusive digital E-commerce platform, Crossborder trade will not grow as anticipated given the mobile penetration in Africa and anticipated growth. Some key features of the All Africa E-Commerce Environment will:

- The creation of an Open source platform and community at the country level
- B2B & B2C portals for connecting African businesses and to African manufacturers and goods.
- Ecommerce Factory to allow for the creation of Webstores within a free market place by SMEs.
- Open access to all with 54 Countries embedded with Exchange Capacity.
- Mobile enabled user platform.
- Organize the Africa E-commerce Challenge for IT entrepreneurship to develop the Engine and own it.
- Create a Repository for buyers and sellers their Business and Products and Origins.
- The reduce the cost of hosting and reduce the entry level of players, the AU and RECs are challenged set aside budget and to procure Cloud resources to host the environment.
- Integrate with payment channels such as the Pan African Payment Gateway from Afrixim Bank and possible integration of Pan African mobile payment Exchange in the foreseeable future,
- Link platform to existing country specific digital address systems and goods delivery and collection points such as courier and Post offices.
- Sharing of data with African brands to increase their market share.
- Leverage on large data advantage to benefit partners
- Secure and protect the intellectual property of African brands in the market place,

c) Proposal for the enhancement of existing Single Windows to facilitate Crossborder E-Commerce.

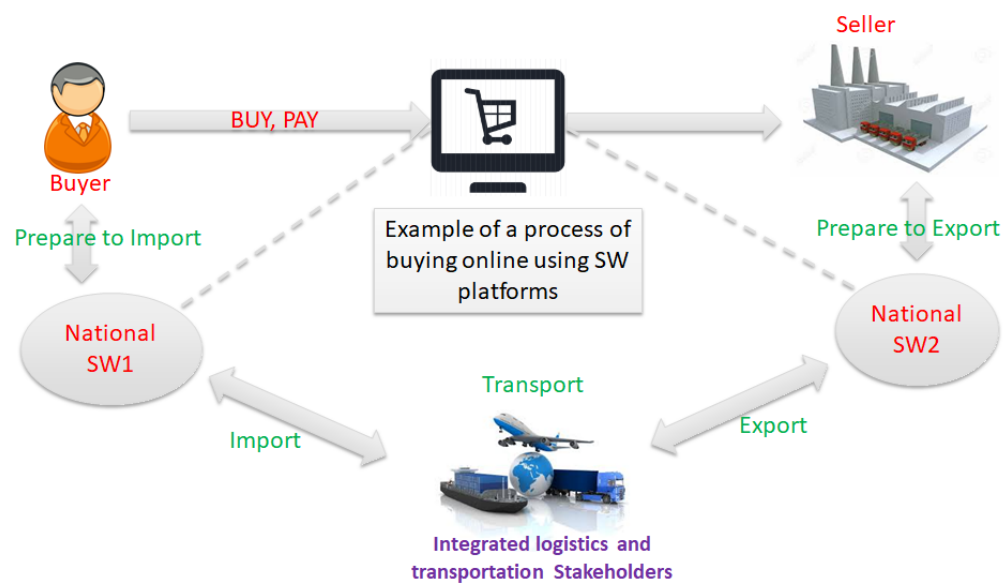
SW are mainly implemented to facilitate the borders procedures and thus they act as a great enabler for Crossborder E-Commerce.

Single window systems have a key role to play in the implementation of the AfCFTA Agreement, notably in relation to cross-border customs procedures and logistics, including facilitating and fast-tracking formalities, such as for rules of origin, SPS other standards e-certification, e-notification and e-validation and Other Regulatory requirements.

By their nature and design, most Single Window platforms in Africa are more inclined towards regulatory and few towards the logistics supply chain. There is need therefore to complement existing SWs with Crossborder E-commerce functionality.

In this regard, the following issues to be addressed:

- a. Definition of Standards for Crossborder Ecommerce in Africa,
- b. Interoperability between Ecommerce and SW systems where available.



5. Key stakeholders

The potential stakeholders are mainly:

- AAEC Members,
- African Union Commission (AfCFTA Secretariat),
- RECs,
- Donor Partners (EU, AFREXIMBANK, WB, ADB, Etc.)
- ATPC/UNECA,
- Ministries of Trade;
- PACCI;
- Business Communities (SMEs, MSMEs, etc.).

6. Next Steps

1. Review and validation of concept paper by the President of the EXCOM (31st December 2019);
2. Preparation of Project Charter by TECHCOM (29th February 2020);
3. Identification of key donors by the VP in charge of resource mobilization (29th February 2020);
4. Submission of Proposal to donors by the President of the EXCOM (31st March 2020);

5. Follow up by the Chairman of the TECHCOM (Continuous).

Done on December 4, 2019.

Contributors:

- Jonathan OFORI, MCNet, Mozambique;
- David NGARAMA, KENTRADE, Kenya;
- Mor Talla DIOP, GAINDE 2000, Senegal;
- Amadou Mbaye DIOP, GAINDE 2000, Senegal;
- Tarik NACIRI, PORTNET, MORROCCO;
- Abdoullahi FAOUZI, GUCE, Cameroon.