



Note

Covid 19 and Digital Divide in Africa: What more needs to be done?

By Annabel Nanjira

Summary

Technological advancements brought about by globalization have eased the means of doing business in both developing and developed countries. Such advancements are being used in the trade in goods and services which is often referred to as electronic commerce (e-commerce). Covid 19 has had a great impact on not only the traditional concept of trade but also on e-commerce. The restrictions of movement and imposition of lock down increased the need for e-commerce. While the use of internet has risen in an effort to curb the negative effects of corona virus, least developed countries and developing countries are lagging behind. This Note addresses the questions of how Covid 19 has affected the digital gap between developed and developing countries in relation to e-commerce and what measures developing and least developing countries are taking to reduce the gap. It concludes by offering some recommendations to enhance the participation of developing countries in the digital economy and e-commerce.

Introduction

The World Trade Organisation(WTO) defines electronic commerce (e-commerce) as the production, distribution, marketing, sale or delivery of goods and services by electronic means.¹The Organization for Economic Development (OECD) denotes e-commerce to mean the sale or purchase of goods or services, conducted over computer networks by methods specifically designed for the purpose of receiving or placing orders. The United Nations Conference on Trade and Development (UNCTAD) adopts the definition set forth by the OECD.² UNCTAD goes further to classify e-commerce into four sub-groups; (a) Business to Business(B2B) which essentially relates to online versions of traditional transactions in the sale of goods,(b) Business to Consumer(B2C) which involves the sale by e-commerce enterprises to consumers, (c) Consumer to Consumer(C2C) that relates to online market platforms such as eBay and Jumia , and lastly, (d) Business to government(B2G) which is similar to B2B except in this case, the government is the buyer of the goods.³

The development of e-commerce can be attributed to rise in the use of internet. ⁴Initially the internet was used as a means to communication but overtime it transformed into an economic utility. This transformation occurred during the first decade of the new millennium that saw a drastic increase in the way trade and

business is conducted online.⁵E-commerce was first limited to developed countries, but the fast growth of the internet has seen its widespread to developing countries in Africa, Asia and South America. The International Trade Centre (ITC) opines that e-commerce has an untapped potential in developing countries especially in relation to micro, small and medium (MSME) enterprises.⁶

According to the latest data provided by UNCTAD, e-commerce contributed up to 25.6 trillion of global trade in 2018 with B2B amounting to 83% of this trade.⁷The number of people who transacted online across borders amounted to 1.45 billion, a 23 % increase from 2017 to 2018.⁸ However, while these figures are encouraging the number of countries dominating digital trade is mostly from the developed world with the United States of America, China, and United Kingdom topping the list. UNCTAD's statistics on B2C index which measures a country's preparedness to support online shopping indicates that the 18 of the 20 bottom positions in the index are least developed and developing countries.⁹The Middle East and Africa contributes to 2.5% of B2C global e-commerce sales while Latin America contributes 3.7 %.¹⁰

The imposition of Covid -19 containment measures such as lockdowns has seen a rise in Business to Consumers(B2C) and Business to Business e-commerce. ¹¹Dr Mukhisa Kituyi,

¹https://www.wto.org/english/tratop_e/ecom_e/ecom_e.htm

²http://www.oecd-ilibrary.org/sites/sti_scoreboard-2011-en/06/10/index.html?contentType=&itemId=%2Fcontent%2Fchapter%2Fsti_scoreboard-2011-64-en&mimeType=text%2Fhtml&containerItemid=%2Fcontent%2Fserial%2F20725345&accessItemids

³United Nations Conference on Trade and Development, In Search of E-Commerce Cross Border Trade Data Technical Note No 6 Unedited TN/ UNCTAD/ICT4D/06/April 2016 available at https://unctad.org/en/PublicationsLibrary/tn_unctad_ict4d06_en.pdf

⁴Bashari H Malkawi, July 2006 E commerce in light of International Trade Agreements The United States and Jordan Free Trade Agreement International Journal of Law and Information Technology , Oxford University Press

⁵ World Trade Organisation, e-commerce in developing countries ,opportunities and challenges for small and medium sized industries at page 2 available at https://www.wto.org/english/res_e/booksp_e/ecom_brochure_e.pdf

⁶ International Trade Centre New Pathway to E-commerce; A global MSME Competitiveness Survey 2017 available [https://www.intracen.org/uploadedFiles/intracenorg/Content/Publications/New%20Pathways%20to%20E-commerce_Low%20res\(1\).pdf](https://www.intracen.org/uploadedFiles/intracenorg/Content/Publications/New%20Pathways%20to%20E-commerce_Low%20res(1).pdf)

⁷UNCTAD estimates of global e-commerce 2018 https://unctad.org/en/PublicationsLibrary/tn_unctad_ict4d15_en.pdf

⁸ Ibid note 7 above

⁹ UNCTAD B2C E- Commerce Index 2019 https://unctad.org/en/PublicationsLibrary/tn_unctad_ict4d14_en.pdf

¹⁰ International Trade Centre, International Commerce in Africa: The Way forward 2015 available at https://www.intracen.org/uploadedFiles/intracenorg/Content/Publications/International%20E-Commerce%20in%20Africa_Low-res.pdf

¹¹ World Trade Organisation, E commerce, Trade and Covid Pandemic Information Note Issued on 4th May 2020

UNCTAD's secretary general posits that the current Corona virus crisis has accelerated the value of e-commerce and cashless payments.¹² However, while the rest of the world is quickly shifting to e-commerce as a response mechanism to covid-19, developing and least developing countries are being left behind. The digital divide that existed pre-Covid between the developed and developing countries is now widening. Indeed, both the WTO and UNCTAD opine that the pandemic has highlighted the glaring need to bridge digital divide both within and across countries.¹³

The Role of E-commerce in mitigating Covid-19 impacts

According to OECD, digital divide refers to the gap between individuals, households, businesses and geographic areas at different socio-economic levels with regards both to their opportunities to access information and communication technologies (ICTs) and to their use of the internet for a wide variety of activities.¹⁴ In the context of a country's developmental status, developing and least developed countries have limited access to ICT as compared to developed countries¹⁵. This makes e-commerce less practicable in developing and least developed countries. UNCTAD states that for many people in developing countries, the journey to e-commerce is riddled by potholes.¹⁶ Such impediments to e-commerce in developing countries include; the lack of reliable internet services, limited network coverage and lack of

electricity, etc.

Despite challenges, developing countries have managed to establish e-commerce platforms within their countries. Examples of e-commerce platforms that have grown in prominence in developing countries include; Jumia in Africa, Lazada in Asia and MercadoLibre in Latin America.¹⁷ It is worth noting that Jumia was listed in the New York stock exchange in March 2019.¹⁸ Such platforms are aimed at boosting digital trade in both goods and services within and outside their borders. Digital platforms have become more relevant with Covid-19 restrictions. In an attempt to boost and support the digital economy, developing countries have engaged in a number of initiatives that will be discussed later in this paper.

E-commerce played a central role in reducing the number and effects of Corona virus in China during the two-month lockdown.¹⁹ For example, a Chinese firm, Alibaba set aside a special fund to assist farmers market unsold agricultural produce. The World Bank in highlighting the importance of e-commerce during this pandemic has stated that e-commerce reduces the risk of infection by for example, supermarkets and other businesses offering the online delivering of goods.²⁰ Secondly, online delivery necessitates the need for online payment therefore avoiding the risk of handling cash.²¹ Thirdly, that e-commerce helps maintain jobs in certain sectors of the economy such as the food and hotel industry. Lastly, it reduces the general possibility of physical

¹² Mukhisa Kituyi, The Intricacies, impact and opportunities of e-commerce for trade and development available at

¹³ UNCTAD; Digital Economy Update The Covid 19 Crisis: Accentuating the need to bridge digital divide 6th April 2020 available at <https://unctad.org/news/coronavirus-reveals-need-bridge-digital-divide>

¹⁴ Organisation for Economic Development, Understanding the Digital Divide 2001 OECD Digital Economy Papers No 49 available at https://www.oecd-ilibrary.org/science-and-technology/understanding-the-digital-divide_236405667766

¹⁵ Ali Acilar, Exploring the Aspects of Digital Divide in Developing Countries, Issues in Informing Science and Information Technology Bilecik University Turkey Volume 8 2011

¹⁶ Mukhisa Kituyi, The Digital Divide is impeding development available at <https://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=1896>

¹⁷ UNCTAD, Can developing countries compete in a digital world available at <https://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=2021>

¹⁸ Ibid note 16 above

¹⁹ Maximo Turero Cullen, Covid 19 and the risk to food supply chains: How to respond Food and Agriculture Organisation, 29th March 2020

²⁰ World Bank Trade and Covid 19 Guidance Note Christoph Ungerer, Alberto Portugal, Martin Molinuevo, Natasha Rovo, Recommendations to leveraging E-commerce during the crisis May 12 2020 available at <http://documents1.worldbank.org/curated/en/280651589394091402/pdf/Recommendations-to-Leverage-E-Commerce-During-the-COVID-19-Crisis.pdf>

²¹ Ibid note 19 above

interaction through the creation of online classes, streaming of movies etc.

Leveraging E-commerce to combat Covid 19 impacts and beyond

In an attempt to mitigate and limit the impacts of the Covid 19 pandemic, many governments imposed lock down measures and ordered closure of non-essential businesses. ²²This has consequently caused a high demand of certain goods and services due to their insufficient supply, a concept which can be termed as “twin supply –demand shock”.²³ Such goods include medical related equipment such as: gloves, sanitisers, and personal protective equipment of which most African countries rely on imports for their supply. Dependency on imports for these products has proved problematic because of the imposition of export restriction by countries producing medical related equipment. Examples of these export restriction were witnessed in Turkey, Switzerland and the European Union which introduced an export license scheme for personal protective equipment. ²⁴

According to available data, up to 50% of these medical supplies, particularly surgical masks originate from countries that out of self-preservation placed export restrictions. ²⁵In a bid to meet the local demand of medical related equipment caused by their export restrictions, African countries have shifted to their production locally. An example is in Kenya where the textile industry has been tasked with the production of

personal protective equipment and facial masks.²⁶ Another example is in Rwanda where the local production of facial masks is being undertaken by women.²⁷

African country’s investment in the production of medical related equipment will not only enhance health security in these countries but also creates opportunities for them to be integrated in global value chains in this respect. Global value chain in this context refers to the international production, sharing which is broken down into activities distributed in different countries. Such initiatives should be sustained beyond the pandemic so as to strengthen Africa’s production and manufacturing capacity.

Other initiatives include more attention and support to the digital economy, for instance in July, 2020 Kenya in partnership with Loom which is a sister company to Goggle launched thirty-five internet enabled balloons.²⁸ These balloons will facilitate the use of 4G internet in rural parts of the country. Though the project started two years ago, it was fast tracked in order to improve communications during Covid-19 pandemic. The use of these balloons could help bridge Kenya’s digital divide with the rest of the world by creating more opportunities around e-commerce, e-government and e-learning.²⁹

Another key initiative by the Kenyan government is the partnership between the government and the largest telecommunication company Safaricom to waive transaction fees for person-to-person transactions for amounts below Ksh

²² Baker and Mackenzie, The impact of Covid 19 on Key African Sectors 10th March 2020 available at <https://www.bakermckenzie.com/en/insight/publications/2020/03/the-impact-of-covid19-on-key-african-sectors>

²³ Ibid note 19 above

²⁴ Pamela Boykoff, Claire Sebastian and Valentino Di Donata, In the race to secure medical supplies, countries ban or restricts exports March 28 2020 available at <https://edition.cnn.com/2020/03/27/business/medical-supplies-export-ban/index.html>

²⁵ Daniel Omoro Achach and Patrick Wesonga Anam, Of the global rush of personal protective equipment , Regional Value Chains and Lessons from Africa. Afronomics Law May 5 2020 available at <https://www.afronomicslaw.org/2020/05/05/of-the-global-rush-for-personal-protective-equipment-regional-value-chains-and-lessons-for-africa/>

²⁶ Kenya Ministry of Health ; Government starts manufacturing masks and PPE to prevent Corona Virus, April 3, 2020 available at <https://www.health.go.ke/government-starts-manufacturing-mask-and-ppe-to-prevent-coronavirus-nairobi-friday-april-3-2020/>

²⁷ Nation, Reprieve for Rwandan Businesswomen and Covid 19 May 12 2020 available at <https://nation.africa/gender/5362750-5550828-format-xhtml-ktvl82/index.html>

²⁸ BBC, 4G Internet balloons take off over Kenya available at <https://www.bbc.com/news/technology-53321007>

²⁹ Nixon Muganda, Kenya’s internet balloons could help bridge digital divide <https://theconversation.com/kenyas-internet-balloons-could-help-to-bridge-the-digital-divide-142565>

1,000 (USD 10).³⁰The initiative which is aimed at encouraging the use of mobile money will consequently reduce the risk of spreading corona virus through handling physical cash.³¹ The move towards encouraging the use of mobile money will also support e-commerce platforms which have traditionally been dependent on such means of payments by their customers.³²

The Republic of Uganda has also taken steps to promote e-commerce especially in relation to small and medium sized enterprises. This has been possible through a partnership between the United Nations Capital Development Fund(UNCDF) and safeboda (safe motorbikes) .³³ The two entities have come up with an e-commerce platform that will connect market vendors and customers during the Covid 19 lockdown and the ban on the use of public transport.³⁴The initiative also intends to support motorbike riders whose source of income has been affected by the government regulation on the ban of public transport. The government has also gone ahead to work with mobile phone operators to reduce the cost of digital services and offer complimentary internet data packages to consumers to facilitate cashless transactions.³⁵

In West Africa, Senegal through its ministry of trade launched an e-commerce platform called "E-commerce COVID"³⁶the portal links consumers to small and medium sized enterprises selling basic essential goods such as food and hygiene products.³⁷Senegal is also

revising its legal framework and has drafted a personal data protection bill for parliamentary review. ³⁸It has also launched the smart Senegal, an initiative that uses digital technology to promote social-economic development. Lastly, the government is supporting digital startups through the enactment of a tax exemptions scheme.

The Covid 19 pandemic situation has called for reconsideration of both tariff and non-tariff barriers on trade in essential supplies in Africa, The United Nations Economic Commission for Africa(UNECA) projected that the pandemic will result to Africa's losing half of its GDP and it also falling from 3.2% to 2% .³⁹ In response to this, UNECA in its briefing paper of March 2020 made a number of recommendations to counter this decline. It proposed that countries should immediately suspend tariffs on imports of Covid related supplies and also create customs "green lanes" for super-fast clearance of medical supplies. ⁴⁰Lastly, UNECA encouraged countries to coordinate diplomatic relations against the imposition of export limits on essential Covid 19 medical supplies. ⁴¹

The proposal by UNECA has been picked up by a number of regional economic communities in Africa. At the African Union level, there has been the establishment of African Medical Supplies Platform, an online initiative designed to help African countries efficiently purchase certified Covid 19 medical equipment .⁴²On the other hand, the Tri-partite Free Trade Area(TFTA) has

³⁰ The East African, Safaricom waives Mpesa fees in wake of Covid 19 March 16 2020, available at <https://www.theeastafrican.co.ke/tea/business/safaricom-waives-m-pesa-fees-in-wake-of-covid-19-1438778>

³¹ Ibid note 20 above

³² World Trade Organisation, E-Commerce, Trade and Covid 19 Information note at page available at https://www.wto.org/english/tratop_e/covid19_e/ecommerce_report_e.pdf

³³ UNCTAD Uganda e-commerce platform power recovery from Covid-19 crisis available <https://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=2442>

³⁴ E- Trade for All ; UNCDF and SIDA partnership looks to support last mile digital inclusion beyond Covid-19 available at <https://etradeforall.org/uncdf-and-sida-partnership-looks-to-support-last-mile-digital-inclusion-beyond-covid-19/>

³⁵ Ibid note 23 above

³⁶ E-Commerce COVID <https://ecommerce-covid.sn/>

³⁷ UNCTAD Senegal e-commerce Sector helps country cope with Covid 19 24th April 2020 available at <https://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=2342>

see also Mark Ferranati, Senegal accelerates e-commerce initiatives to combat Covid-19 April 8 2020 available at <https://www.cio.com/article/3540695/senegal-accelerates-e-commerce-initiatives-to-combat-covid-19.html>

³⁸ Ibid note 27 above

³⁹ Africa renewal; ECA estimates billion worth of losses in Africa due to Covid 19 pandemic 16th March 2020.

⁴⁰ United Nations Economic Commission for Africa(UNECA) African Trade Policy Centre Trade Policies for Africa to tackle Covid 19 27th March 2020

⁴¹ Ibid note 38 above

⁴² Africa Medical Supplies Platform available at <https://amsp.africa/>

developed an Electronic Corridor Trip Monitoring System which allows cross border road transport operators, drivers, regulators and law enforcement agencies to record and monitor driver wellness data such as Covid 19 test results.⁴³ The East African Community has also followed the same path by coming up with Administrative guidelines aimed at ensuring smooth and uninterrupted movement of goods and services through trade facilitation, encouraging local production of essential goods and facilitation of cashless payments.⁴⁴

Obstacles to implementation

The full realization of the benefits of e-commerce in developing countries is hindered by a wide range of challenges. Although each country has its own unique challenges in relation to e-commerce, there are challenges that cut across developing countries. These include: the lack of infrastructure which results to limited fast; cost efficient and reliable internet; the high costs of e-commerce which makes MSMEs unable to adapt to the use of e-commerce platforms because of lack of resources; delay or restriction of imports by member countries which has affected the supply chain of goods; the whole process of e-commerce cannot be digitalised some aspects like delivery have to be physically undertaken and this means that there still exists a certain level of exposure to the pandemic; and lack of legislation on e-commerce and data privacy in certain developing countries.⁴⁵

All these challenges can be broadly divided into

two; material access and usage access. While material access relates to the availability of electronic networks, applications, hardware, software and other necessary ICT infrastructure,⁴⁶ usage access refers to the inadequacy of the skills required to operate ICT hardware and applications in a manner that is beneficial to one self and others.⁴⁷

Lack of adequate ICT infrastructure

According to the Internet World Stats, at the end of 2019 Africa had an internet penetration rate of 39.3%.⁴⁸ This figure was the lowest as compared to Europe, Asia and North America. The low level of internet penetration can be attributed to the lack of access to network connections, devices and software applications.⁴⁹ In most African countries, there is still lack of “new- end user technologies” that are essential in the implementation of e-commerce. Internet services on the continent are characterised by low bandwidths which lead to slow or ineffective internet connection. The lack of adequate internet infrastructure can be attributed to lack of priority by African governments in funding internet related infrastructure.⁵⁰ It has been estimated that in order for Sub-Saharan Africa to continuously improve its ICT sector it needs to invest about USD 6.6 billion annually.⁵¹

High costs of transition to e-commerce on MSMEs

This challenge does not relate to availability but affordability.⁵² It relates to the higher costs of

⁴³ Trade Law Centre (TRALAC) website; <https://www.tralac.org/news/article/14866-comesa-eac-sadc-develop-electronic-corridor-trip-monitoring-system.html>

⁴⁴ Geoffrey Osoro, TRALAC EAC Regional response to the Covid 19 pandemic 25th May 2020

⁴⁵ World Trade Organization, E-commerce in Developing Countries: Opportunities and Challenges for small and medium sized enterprises available at https://www.wto.org/english/res_e/booksp_e/ecom_brochure_e.pdf

⁴⁶ Dennis Ndonga, E-commerce in Africa: Challenges and Solutions African journal of Legal Studies (5) 2012 243-268

⁴⁷ Ibid note 29 above

⁴⁸ <https://www.internetworldstats.com/stats.htm>

⁴⁹ Ben Shenglin, Felice Simionelli, Romain Bosc, Ruidong Zang and Wenwei Li Digital Infrastructure: Overcoming Digital

Divide in the Emerging Economies G 20 Insights available at https://www.g20-insights.org/policy_briefs/digital-infrastructure-overcoming-digital-divide-emerging-economies/

⁵⁰ Dennis Ndonga, E-commerce in Africa: Challenges and Solutions, African Journal of legal studies 5) 2012 243-268 at page 253

⁵¹ World Bank Working paper No. 65,15 Global Information and Communication Technologies Department, ‘Financing Information and Communication Infrastructure Needs in the Developing world: Public or Private Roles

⁵² Ben Shenglin, Felice Simionelli, Romain Bosc, Ruidong Zang and Wenwei Li Digital Infrastructure: Overcoming Digital Divide in the Emerging Economies G 20 Insights available at https://www.g20-insights.org/policy_briefs/digital-infrastructure-overcoming-digital-divide-emerging-economies/

acquiring the necessary ICT related devices and services in developing countries.⁵³ According to a study by the Alliance for Affordable Internet, the average price of 1GB prepaid mobile broadband, when expressed as a percentage per capita Gross National income varied between 0.84% and 17.49% in Africa.⁵⁴ Therefore, most MSMEs will not adopt an e-commerce platform if the costs outweigh the benefits. Although e-commerce costs are relative to each type of business, most MSMEs usually have budgetary constraints and are less sure on their return on investments.⁵⁵

Data privacy and cyber security

The rise in the use of e-commerce has also seen an increase in cybercrimes, scams and online frauds.⁵⁶ According to UNCTAD's director of digital trade, in order for e-commerce to support development, consumers and businesses must feel protected. Such protection takes the form of data privacy and cyber security.⁵⁷ Despite the global percentage of online consumer protection being at 56 %, Africa trails behind with 46%.⁵⁸ Some African countries such as Tanzania and Malawi do not have national legislation on the regulation of e-commerce.⁵⁹ The fear of cybercrimes has made many African consumers and businesses become wary about venturing into e-commerce. Most consumers only consult e-commerce platforms to compare the price of products but proceed to purchase the goods physically.⁶⁰

Supply chain disruptions

Restrictions on movement as a result of Covid 19 have affected the supply chain of goods which e-commerce is dependent on. The international

transport and logistics services on which cross border e-commerce and traditional trade rely on has been affected by health regulations on air, sea and land transport. This was evidently witnessed at the EAC one stop border posts where Covid 19 paralysed operations resulting to a 60-kilometre traffic snarl up in some cases.⁶¹

Potential Covid 19 related opportunities for developing countries in the area of e-commerce

Developing countries can capitalise on the prevailing Covid 19 situation in the area of e-commerce by supporting innovations in the ICT Sector. Such support can be in the form of providing tax incentives to start up ICT companies, provision of soft loans to MSMEs that intend to shift to online platforms and provision of technical training to MSMEs owners and their employees on not only the benefits of e-commerce but also how e-commerce technology operates.

A more profound problem relating to e-commerce in developing countries is the lack of an efficient method of online payment for goods and services. Developing countries need to channel more efforts towards ensuring the proper functioning of financial technology (fintech) companies. The existence of well-established fin tech companies would enhance the trust of both consumers and business owners in e-commerce.

Developing countries can also partner with private sector to ensure that the digital economy is accessed by every person. Internet service

⁵³ Ibid note 36 above

⁵⁴ David Rogerson, Alliance for Affordable Internet, Affordable Internet Access : The cost challenge available at <https://a4ai.org/affordable-internet-access-the-cost-challenge/> October 4, 2018

⁵⁵ Organisation for Economic Development , ICT , E-Business and Small and Medium Enterprises 2004 available at <http://dx.doi.org/10.1787/232556551425>

⁵⁶ UNCTAD and Data privacy unprotected in one third of countries despite progress available at <https://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=2348>

⁵⁷ Ibid note 56 above

⁵⁸ Ibid note 40 above.

⁵⁹ UNCTAD, Tanzania Malawi prepare to reap the benefits of the digital economy available at <https://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=2361>

⁶⁰ Ibid note 34 above at page 254

⁶¹ The East African, May 30th 2020 Kenya Uganda scramble to resolve Malaba border crisis available at <https://www.theeastafrican.co.ke/tea/news/east-africa/kenya-uganda-scramble-to-resolve-malaba-border-crisis--1442264>

provider and mobile network operators could be encouraged to offer special low cost mobile and fixed line internet packages⁶². Governments in developing countries can also come up with a public website to support business which would like to go online.⁶³ The website could provide information to MSMEs on how to go online and also connect consumers to businesses that have already established an online presence.

Another potential opportunity for developing countries is the digitalisation of custom clearance procedures.⁶⁴ Such measures are in line with the spirit of the WTO Trade Facilitation Agreement and generally reduce red tape in imports and exports custom procedures. The Trade Facilitation Agreement has several provisions that seek to improve export, import and transit procedures. Such provisions include; allowing the electronic payment of duties, taxes, and fees, charges collected by customs at the point of exportation or importation and allowing for advance lodging of documents in electronic format in order to allow for pre-arrival processing of such documents. DHL an export and import transport company indicated that it is saving costs of about a tonne of paper per week as a result of digitalised custom procedures.⁶⁵

In conclusion, it is clear that technology has greatly contributed to supporting countries and business during this Covid 19 pandemic. This is in terms of trade facilitation and e-commerce. Initiatives aimed at supporting trade that have been implemented during the pandemic should be maintained and built upon even after normalcy resumes.

Recommendations

Despite the existence of obstacles towards reducing the digital divide that exists between developing and developed countries, several initiatives can be taken to bridge this gap. These include:

- Increasing the funds channelled towards supporting digital economies under the Aid for Trade initiative: Aid for Trade is a support framework that seeks to technically and financially assist developing countries and LDCs. However, only 1 % of the funding from Aid for Trade is dedicated towards the support of digital trade.⁶⁶ Given the increasing necessity and benefits of digitalisation, such support should be enhanced.
- Capacity building aimed towards the development of country specific policies on e-commerce- especially in African countries that still lack the necessary legal framework to support the digital economy is a prerequisite. The enactment of e-commerce laws regulations and policies would enhance the consumers' confidence in digital trade.
- Trade facilitation initiatives that aim to support the digital economy, particularly digital trade is dependent on the existence of effective infrastructure such as swift custom facilities at borders, good road and railway transport. The availability of such would greatly enhance the performance of digital trade.
- Investment facilitation mechanisms- African countries should establish conducive businesses operating

⁶² World Bank Christoph Ungerer, Alberto Portugal, Martin Molinuevo and Natasha Rovo, Recommendations on leveraging e-commerce during Covid 19 crisis available at <https://openknowledge.worldbank.org/bitstream/handle/10986/33750/Recommendations-to-Leverage-E-Commerce-During-the-COVID-19-Crisis.pdf?sequence=1&isAllowed=y>

⁶³ Ibid note 44 above

⁶⁴ World Trade Organisation, E-commerce, Trade and Covid 19 Pandemic Information note available at

https://www.wto.org/english/tratop_e/covid19_e/ecommerce_report_e.pdf

⁶⁵ DHL Paper Less Trade

https://www.dhl.co.uk/en/express/customs_support/customs_paperwork/paperless_trade.html

⁶⁶ WTO Aid for Trade available at

https://www.wto.org/english/tratop_e/devel_e/a4t_e/aid4trade_e.htm

environment so as to encourage flow of foreign investments especially in the information communication technology sector. Such investments will greatly boost digital trade.

- Establishment of a Digital Free Trade Area(DFTA) under the African Continental Free Trade Area(AfCTA) -Although negotiations for an e-commerce Protocol under the AfCTA are still yet to commence, such an Agreement should establish a DFTA on the continent as this will not only assist e-commerce platforms effectively operate within the continent but can also solve problems relating to inter-country taxation of the digital economy.

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37-39, Rue de Vermont, 1202 Geneva, Switzerland

geneva@cuts.org • www.cuts-geneva.org

Ph: +41 (0) 22 734 60 80 | Fax: +41 (0) 22 734 39 14 | Skype: cuts.grc

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