

Agarwal, Prachi; Mba, Sand Kalu; Tayo, Teniola; Oladapo, Adetutu

Research Report

Developing a digital trade strategy in Nigeria

ODI Global Report

Provided in Cooperation with:

Overseas Development Institute (ODI), London

Suggested Citation: Agarwal, Prachi; Mba, Sand Kalu; Tayo, Teniola; Oladapo, Adetutu (2025) :
Developing a digital trade strategy in Nigeria, ODI Global Report, ODI Global, London

This Version is available at:

<https://hdl.handle.net/10419/319291>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.



<https://creativecommons.org/licenses/by-nc-nd/4.0/>



ODI Global



SITA

Supporting Investment
& Trade in Africa



**AFRICA
INTERNATIONAL
TRADE & COMMERCE
RESEARCH**

Report

Developing a digital trade strategy in Nigeria

Prachi Agarwal, Sand Mba-Kalu, Teniola Tayo and Adetutu Oladapo

April 2025

Abstract

This report develops a comprehensive national digital trade strategy for Nigeria aligned with the African Continental Free Trade Area (AfCFTA) Protocol on Digital Trade (DTP). The AfCFTA aims to enhance economic integration and intra-African trade, and Nigeria, with its growing digital economy, stands to benefit significantly. Three key questions are explored in this study: how can Nigeria align its digital trade strategy with AfCFTA? What barriers exist in its digital economy?, and what policy interventions can drive digital trade growth, particularly in business process outsourcing (BPO), e-commerce and the inclusion of women and youth? This study used a mixed methods approach combining rigorous desk-based research with extensive stakeholder engagement and key informant interviews with government ministries, regulatory bodies, and private sector players. Findings emphasise the need for a national digital trade policy, enhanced infrastructure, regulatory alignment, and digital inclusion strategies. By implementing these strategies, Nigeria can maximise AfCFTA benefits, drive sustainable economic growth, and enhance its role in Africa's digital economy.



Readers are encouraged to reproduce material for their own publications, as long as they are not being sold commercially. ODI Global requests due acknowledgement and a copy of the publication. For online use, we ask readers to link to the original resource on the ODI Global website. The views presented in this paper are those of the author(s) and do not necessarily represent the views of ODI Global or our partners.

© ODI Global 2025

This work is licensed under CC BY-NC-ND 4.0.

How to cite: Agarwal, P., Mba-Kalu, S., Tayo, T., and Oladapo, A. (2025) *Developing a digital trade strategy in Nigeria*. ODI Global Report. London: ODI Global (www.odi.org/publications/developing-a-digital-trade-strategy-in-nigeria)

Acknowledgements

About this publication

The Supporting Investment and Trade in Africa (SITA) programme, funded by the Foreign, Commonwealth & Development Office (FCDO) of the Government of the United Kingdom to support the negotiations and implementation of the African Continental Free Trade Area (AfCFTA), is being implemented by the International Economic Development Group at ODI Global.

The main aim of this phase (Phase 2) in supporting the implementation of the AfCFTA Protocol on Digital Trade (DTP) in Nigeria in FY 2024–2025 is to create a comprehensive digital trade strategy for Nigeria. The aim of this report is thus to develop a comprehensive national digital trade strategy for Nigeria that aligns with the AfCFTA framework and the text of the DTP.

The authors thank Max Mendez-Parra and Alberto Lemma (ODI Global) for comments on an earlier draft, and Dr Raymond Onuoha for providing a thorough peer review of the report. The authors also acknowledge research inputs by Saaesha Bhimjiani (ODI Global Intern, Stern School of Business, New York University).

Authors also express immense gratitude to Dr Salihu Dasuki at the Office of the Vice President, Federal Government of Nigeria, and all public and private sector stakeholders that provided valuable insights.

About the authors

Prachi Agarwal is a Research Fellow in the International Economic Development Group at ODI Global.

Sand Mba-Kalu serves as the Executive Director of the Africa International Trade and Commerce Research.

Adetutu Oladapo is a Legal Practitioner and Faculty Member at the International Trade and Research Centre Digital Economy Centre.

Teniola Tayo is a Research Fellow with the West African Think Tank.

Contents

Acknowledgements.....	3
Abbreviations and acronyms.....	5
Executive summary.....	7
1 Introduction and methodology.....	11
1.1 The African Continental Free Trade Area and digital trade .	11
1.2 Nigeria's digital economy and the need for a national digital trade strategy.....	12
1.3 The response: objectives of this study.....	12
1.4 Project methodology	14
1.5 Report outline	15
2 Mapping the Nigerian digital trade ecosystem	17
2.1 Current Nigerian priorities.....	17
2.2 Key stakeholder mapping	21
2.3 Existing policy initiatives	23
2.4 Regulatory oversight.....	26
2.5 Existing challenges in digital trade.....	27
2.6 How can the DTP work for Nigeria?	28
3 Positioning Nigeria as a BPO hub under the AfCFTA.....	30
3.1 Nigeria's BPO industry.....	31
3.2 Stakeholder consultation insights	33
3.3 Potential impact of the BPO industry	38
3.4 Policy recommendations for the BPO sector	45
4 Supporting e-commerce in Nigeria under the AfCFTA.....	52
4.1 Nigerian e-commerce ecosystem	53
4.2 Successful cases of e-commerce in Africa	62
4.3 General trends/key findings from consultations.....	64
4.4 Recommendations for Nigeria	66
5 Championing women and youth in digital trade under the AfCFTA	69
5.1 AfCFTA protocols and their relevance for Nigeria	70
5.2 Experiences of Nigerian women and youth in digital trade..	78
5.3 Policy recommendations.....	85
6 Conclusion	93
References.....	94
Appendix 1 Top BPO firms in Nigeria.....	100

Abbreviations and acronyms

3MTT	3 Million Technical Talent
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
AI	artificial intelligence
B2B	business-to-business
B2C	business-to-consumer
BPO	business process outsourcing
C2B	consumer-to-business
C2C	consumer-to-consumer
CBN	Central Bank of Nigeria
DTP	Digital Trade Protocol
ECOWAS	Economic Community of West African States
EU	European Union
FCCPC	Federal Competition and Consumer Protection Commission
FDI	foreign direct investment
FMCIDE	Federal Ministry of Communication, Innovation and Digital Economy
FMITI	Federal Ministry of Industry, Trade and Investment
FMWA	Federal Ministry of Women Affairs
GDP	gross domestic product
IBPAP	IT & Business Process Association of the Philippines
ICT	information and communication technology
iDICE	Investment in Digital and Creative Enterprises
ILO	International Labour Organization
IoT	Internet of Things
IPR	intellectual property rights
IT	information technology
IT-BPM	information technology and business process management
ITC	International Trade Centre
ITIDA	Information Technology Industry Development Agency
KII	key informant interview
MCIT	Ministry of Communications and Information Technology, Egypt
MSMEs	micro, small and medium enterprises
NACO	Nigeria AfCFTA Coordination Office
NBS	National Bureau of Statistics
NCC	Nigeria Communications Commission
NCS	Nigeria Customs Service
NDCC	Nigeria Digital Chamber of Commerce
NDEPS	National Digital Economy Policy and Strategy
NDPA	Nigeria Data Protection Act
NDPC	Nigeria Data Protection Commission

NDPR	Nigeria Data Protection Regulation
NEPC	Nigerian Export Promotion Council
NGCERT	Nigerian Computer Emergency Response Team
NGO	non-governmental organisation
NIN	National Identification Number
NIPC	Nigeria Investment Promotion Commission
NIPOST	Nigerian Postal Service
NITDA	National Information Technology Development Agency
NOTAP	National Office for Technology Acquisition and Promotion
NOTN	Nigerian Office for Trade Negotiations
PAPSS	Pan-African Payment and Settlement System
PPP	public–private partnership
R&D	research and development
SITA	Supporting Investment and Trade in Africa
SMEs	small and medium enterprises
SMEDAN	Small and Medium Enterprises Development Agency of Nigeria
STEM	science, technology, engineering and mathematics
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development
UNICEF	United Nations Children’s Fund
US	United States
WCCIMA	Women Chamber of Commerce, Industry, Mines and Agriculture

Executive summary

The African Continental Free Trade Area (AfCFTA), launched in 2018, aims to enhance the integration of the African economies and increase intra-African trade and investment. This initiative is expected to contribute to the transformation of the economies of Africa, sustainable economic growth and address historical obstacles such as fragmented markets and inadequate infrastructure.

The AfCFTA Protocol on Digital Trade (DTP) seeks to promote the use of digital technologies, fostering inclusion and innovation, particularly among women, youth and micro, small and medium enterprises (MSMEs). Nigeria, with its dynamic digital economy, stands to benefit significantly from the implementation of the DTP, potentially increasing its income, employment and exports.

Over the past two years, under the Supporting Investment and Trade in Africa programme, ODI Global has engaged with the Office of the Vice President of Nigeria on the readiness of Nigeria's public and private sectors to adopt the DTP. This work has also provided initial estimates on the impact of the DTP on Nigeria's income, employment and trade, as well as highlighting the infrastructural and regulatory gaps that exist in the digital ecosystem and inhibit the growth of the digital economy. This has led to the identification of policy options and prospective pathways on how Nigeria could overcome these barriers and reap benefits to its full potential. Three pivotal areas of the digital economy that were identified as having the potential to drive Nigeria's success are business process outsourcing (BPO), e-commerce, and the empowerment of women and youth.

The aim of this report is to develop a comprehensive national digital trade strategy for Nigeria that aligns with the AfCFTA framework and the DTP. The study has reviewed existing policies, national efforts and the regulatory ecosystem, identifying bottlenecks and challenges. It has engaged with relevant stakeholders, including government ministries, regulatory authorities and the private sector, through stakeholder engagement, key informant interviews and consultations. This participatory approach has ensured the collection of in-depth insights and actionable recommendations, culminating in a strategy that can spur growth and position Nigeria as a digital leader in Africa.

Developing a national digital trade strategy

Nigeria can reap substantial benefits by developing a national digital trade strategy that fosters public–private collaboration, aligns regulatory frameworks and builds robust digital infrastructure. This strategy should prioritise digital inclusion and trust, facilitating cross-border trade and promoting digital payment systems. Leveraging the AfCFTA market will enable Nigeria to enhance its global presence and economic growth.

The business process outsourcing sector

To position Nigeria as a competitive BPO hub, it is essential to develop a comprehensive national BPO strategy and a yearly outsourcing destination guide for Nigeria. This needs to cover regulatory alignment, infrastructure development, skill enhancement, profiling opportunities and domestic BPO. By conducting regulatory audits, harmonising laws with AfCFTA protocols and investing in high-speed internet and reliable electricity, Nigeria can attract investment and multinational enterprises. Additionally, connecting with the education sector to launch national skill development programmes will ensure a skilled workforce ready to meet the demands of the BPO industry. Furthermore, leveraging AI to create niche services like data quality assurance, AI governance, data integration, and Data Security as a Service (DSaaS) will position Nigeria as an innovation leader. Clear policies, robust AI governance, and investments in cloud infrastructure and skills development are essential to drive this transformation and maintain a competitive edge.

The e-commerce sector

The e-commerce sector in Nigeria can thrive by developing a robust regulatory framework aligned with AfCFTA protocols. Enhancing data and consumer protections, strengthening logistics and broadband infrastructure, and promoting digital literacy are crucial steps. Equipping MSMEs, especially those led by women and youth, with the necessary skills and resources will drive inclusive growth. Ensuring financial inclusion and supporting innovation in secure and encrypted digital payments platforms will further bolster the e-commerce ecosystem. Facilitating cross-border e-commerce through streamlined customs processes will enhance Nigeria's trade capabilities. Additionally, building trust through data privacy and security measures, leveraging digital identities for verification, transparent communication, responsive customer support, reliable product information, and a user-friendly website will create a trustworthy environment for consumers and sellers alike.

Empowering women and youth in digital trade

Empowering women and youth in digital trade is vital to achieving equitable economic growth. Nigeria can harness the AfCFTA market

by combining digital inclusivity and empowerment. Developing a national women digital inclusion strategy, removing barriers to participation and providing reliable and affordable digital skills and infrastructure are key steps. Ensuring equal opportunities for MSMEs run by women through trade incentives and connectivity will catalyse business growth. Financial incentives, access to inclusive finance and digital skills training will further empower women and youth entrepreneurs.

Policy implementation and capacity-building

Strengthening policy implementation and capacity building across various sectors, including Business Process Outsourcing (BPO), e-commerce, and the empowerment of women and youth is crucial to the success of Nigeria's digital trade strategy. This involves several key actions:

- **Developing a National Digital Trade Strategy and Regulatory Alignment**
 - Formulate a comprehensive national strategy to guide digital trade initiatives, ensuring alignment with AfCFTA protocols and international standards.
 - Foster public-private collaboration to leverage expertise and resources, incentivising partnerships for infrastructure development, including high-speed internet, reliable electricity, and telecom.
 - Conduct regulatory audits and harmonise laws to support BPO companies and e-commerce, enhancing data and consumer protections to build trust in digital transactions.
 - Leverage the AfCFTA market to expand trade opportunities, promoting export policies to match high-demand markets in Africa and organising trade missions
- **Building Trust, Digital Inclusion and infrastructure**
 - Promote digital inclusion through cybersecurity and data protection measures, launching national awareness campaigns to prevent fraud and build trust in digital transactions.
 - Facilitate cross-border trade and promote digital payment systems, ensuring financial inclusion and making digital payments safer.
 - Boost infrastructure through public-private partnerships, tax incentives, and investments in high-speed internet, electricity, and telecom.

- Skill Development and Capacity Building
 - Launch a national skill development program to upskill the workforce, connecting with the education sector and promoting digital literacy and e-skills, especially for SMEs and women entrepreneurs.
 - Establish a Women & Youth Digital Trade Mentorship Programme and industry-focused AfCFTA training, providing reliable and affordable digital skills and infrastructure.
 - Increase awareness and capacity-building through sensitisation workshops, community advocacy, and simplified trade toolkits.
- Supporting SMEs, Women and Youth
 - Ensure equal opportunities for SMEs run by women through trade incentives and connectivity, catalysing business growth for women and youth through financial incentives and inclusive finance.
 - Create accessible platforms, such as one-stop digital portals and community centres with internet connectivity, to support SMEs, women, and youth.
 - Promote gendered trade facilitation and develop gender-friendly trade corridors, ensuring gender-responsive trade policies and enforcing mandatory gender inclusion in trade governance bodies.

The successful implementation of these policy recommendations will require coordinated efforts from all stakeholders, including government ministries, regulatory authorities, the private sector and civil society. By addressing infrastructural and regulatory gaps, promoting digital inclusion and leveraging the AfCFTA framework, Nigeria can unlock the full potential of its digital economy. This comprehensive approach will position Nigeria as a digital trade leader in Africa, driving sustainable economic growth and inclusive development.

1 Introduction and methodology

1.1 The African Continental Free Trade Area and digital trade

The African Continental Free Trade Area (AfCFTA) was signed in 2018 in Kigali and operationalised in July 2019 in Niamey. It seeks to create a single continental market for goods and services by eliminating tariffs on 97% of products traded within Africa. This will enhance intra-African trade and contribute to sustainable economic growth, job creation and poverty alleviation (World Bank, 2020).

The AfCFTA has the potential to completely change Africa's economic system and establish the continent as a major player in international trade by harmonising trade laws and eliminating barriers to trade. It will be particularly important in overcoming the historical obstacles that have prevented African countries from reaching their full economic potential, such as fragmented markets, inadequate infrastructure and inconsistent regulations. Furthermore, the AfCFTA provides a systematic framework for economic cooperation among African nations through improved measures on intellectual property rights (IPR), investment, trade in goods and services, competition law and dispute settlement, among others.

Digital trade, which includes the exchange of goods and services through digital platforms, has been found to influence economic growth significantly. This is especially true with regard to promoting inclusion and innovation among women, young people, and micro, small and medium enterprises (MSMEs) (UNCTAD, 2022, WEF, 2023). The AfCFTA Protocol on Digital Trade (DTP) is a proactive and strategic effort within a broader framework that seeks to promote the use of digital technologies in shaping modern economies and to institute a unified regulatory context that promotes the expansion of digital trade throughout the African continent. It aims to tackle the issues that have hindered the development of digital economies in many African countries, including deficiencies in digital infrastructure, inconsistent regulations and data protection concerns.

Africa stands to gain enormously from implementation of the DTP in terms of improving its digital connectivity by developing key public infrastructure and maximising the potential of its digital economy (Stuart, 2024, Lemma, et al., 2022, Agarwal, et al., 2024).

Outsourcing business processes, e-commerce and digital trade expansion could lead to a gain of \$74 billion in Africa between 2023 and 2040, significantly amplifying Africa's global presence (WTO, 2023; Agarwal et al., 2024).

1.2 Nigeria's digital economy and the need for a national digital trade strategy

In recent years, Nigeria has emerged as one of Africa's most dynamic and promising countries for digital trade. It is a leading destination in Africa for foreign and domestic investment in digital infrastructure and creating an enabling environment where private sector firms, large and small, led by men, women and youth, can thrive and grow. Nigeria has recently been endorsed by the African Union as a champion in digital trade (Statehouse Nigeria, 2025).

Nigeria's digital economy has experienced significant growth in the past few decades, driven by reforms in telecommunications and fintech. The digital economy has transformed the way millions of Nigerians shop, bank and communicate, reshaping the country's trade landscape and unlocking new pathways to economic growth.

With its large pool of young, English-speaking and skilled population, Nigeria is well placed to benefit from this expansion. Early estimates show that adoption of the DTP, coupled with enhancements in digital connectivity, could increase Nigeria's gross domestic product (GDP) by 11.72% to 12.79%, employment by 15.4% to a remarkable 40.9% and exports by 16.92% to 59.79% over current levels.

While implementation of the AfCFTA is ongoing, there is a need to develop a national digital trade strategy and framework to help build capacity; coordinate national efforts to bolster available infrastructure; develop an enabling environment for private sector firms; aid MSMEs and women and youth exporters; and address regulatory barriers around data governance, cybersecurity, e-transactions and e-contracting, among others.

1.3 The response: objectives of this study

Under the Supporting Investment and Trade in Africa (SITA) programme, ODI Global has engaged with the Office of the Vice President of Nigeria on the readiness of Nigeria's public and private sectors to adopt the DTP. This work has also provided initial estimates on the impact of the DTP on Nigeria's GDP, employment and trade, as well as highlighting the infrastructural and regulatory gaps that exist in the digital ecosystem and inhibit the growth of the digital economy. This has led to the identification of policy options and prospective pathways on how Nigeria could overcome these barriers and reap benefits to its full potential (Agarwal et al., 2024).

Some of the recommendations included the need to:

- Develop a broad-based digital trade policy through a collaborative process involving all relevant stakeholders (public, private, civil society, academia and MSMEs). Such a policy or strategy, based on the DTP, will focus on the country's development priorities, creating a shared understanding for all stakeholders.
- Harness the demographic dividend in Nigeria and promote digitally enabled and delivered services that include business process outsourcing (BPO), professional and other business services.
- Prioritise women's entrepreneurship under the DTP and encourage increased participation in digital trade in Nigeria, through training and capacity-building at all levels – public, private and non-governmental organisation (NGO).

An event, 'Digital Trade in Africa: The Renewed Hope, Strategy', in July 2024, headed by Vice President Senator Kashim Shettima, gathered over 100 representatives of multiple agencies and ministries of the Federal Government of Nigeria and the private sector. SITA findings and policy recommendations were disseminated to a large audience of stakeholders who would participate directly in Nigeria's digital economy.

These outputs recognised the importance of creating an umbrella National Digital Trade Strategy to coordinate efforts and address bottlenecks, while highlighting two main themes: promoting and building the BPO sector in Nigeria and supporting the participation of women and youth entrepreneurs in digital trade.

The main aim of this next phase (Phase 2) in supporting the implementation of the AfCFTA DTP in Nigeria in FY 2024–2025 is thus to create a comprehensive digital trade strategy for Nigeria.

The aim of this report is to develop a comprehensive national digital trade strategy for Nigeria that aligns with the AfCFTA framework and the text of the DTP. To this end, the study reviewed existing policies, national efforts and the regulatory ecosystem, as well as bottlenecks and challenges previously established in Agarwal et al. (2024) on digital trade under the AfCFTA.

The study also engaged with all relevant stakeholders, government ministries and regulatory authorities to find ways to collaborate through information-sharing and the establishment of joint committees. These consultations will culminate in actionable policy recommendations for the Federal Government of Nigeria and relevant departments to help them develop a cohesive policy that can spur growth and position Nigeria as a digital leader in Africa.

1.4 Project methodology

The study used a qualitative and participatory approach, combining stakeholder engagement, key informant interviews (KIIs) and consultations with a review of policy documents and industry reports. This approach ensured the collection of in-depth insights and actionable recommendations from participants across the digital trade ecosystem.

1.4.1 Stakeholder engagement and roundtable discussions

As part of the project, the research team conducted two virtual roundtables with the key stakeholders to solicit their views on digital trade in Nigeria. They focused on the BPO and e-commerce sectors and served as a platform for structured open discussions involving stakeholders from the government, the private sector, civil society and industry. Participants, including regulators, fintech leaders and e-commerce platform representatives, contributed real-world experiences, challenges and recommendations.

Discussions were supplemented by keynote presentations and expert interventions, offering high-level perspectives on e-commerce regulation, logistics and cross-border trade. Existing documents, such as the AfCFTA DTP and Agarwal, et al. (2024), were referenced to guide discussions in evidence-based research. The roundtable encouraged experiential sharing, enabling participants to highlight practical issues, such as customs bottlenecks, consumer trust and the role of fintech in solving payment challenges.

1.4.2 Key informant interviews

In-depth interviews were conducted with senior executives from key organisations to capture expert insights into Nigeria's digital trade environment. These semi-structured interviews allowed flexibility, ensuring specific topics were covered while encouraging open, in-depth responses. For instance:

- Interviews with senior leaders explored themes such as the role of digital payments, cross-border trade opportunities under the AfCFTA and initiatives to empower small and medium enterprises (SMEs), women and youth. Innovative tools like Nightguard and solutions for rural financial inclusion were highlighted.
- The interviews also focused on the infrastructure enabling digital trade, the role of data protection and cybersecurity, and strategies to support cross-border e-commerce. The discussions emphasised the importance of public–private collaboration and leveraging cloud services to reduce operational costs for SMEs.

1.4.3 Consultation of existing research and policy frameworks

To validate findings, participants referenced existing policies, such as Nigeria's Readiness and Strategic Roadmap for Digital Trade Revolution Under AfCFTA, the Nigeria Financial Inclusion Strategy, Nigeria Payment System Vision 2025 (NPSV 2025), Cybercrime Prohibition Prevention Act 2024 and the Nigeria Data Protection Regulation (NDPR), as well as global best practices. Industry reports on e-commerce growth, digital payment adoption and cross-border trade challenges informed the discussions. These materials provided a foundation for understanding the regulatory environment, infrastructure gaps and opportunities for aligning Nigeria's digital trade strategy with AfCFTA protocols.

1.4.4 Collaborative and thematic analysis

Data collected through questionnaires, roundtable discussions, KIs and document review were analysed qualitatively and quantitatively. Key themes, including logistics challenges, digital inclusion and the role of emerging technologies, were identified. This multilayered approach enabled the synthesis of insights from diverse stakeholders, ensuring a comprehensive understanding of Nigeria's digital trade experiences and actionable recommendations for SMEs, women and youth entrepreneurs.

This methodology, grounded in collaborative dialogue, expert analysis and evidence-based research, ensures the development of a holistic digital trade strategy that tackles Nigeria's challenges while leveraging opportunities for growth in the evolving digital economy.

1.5 Report outline

The report is structured as follows.

Section 2 provides a mapping of firms and initiatives in the Nigerian digital space. This section introduces the AfCFTA DTP and highlights the current priorities of the Nigerian government on promoting digital trade. It conducts an initial mapping of existing policies, initiatives and regulatory requirements while also identifying challenges to trade that are restricting participation and growth. This mapping serves as a basis for the remaining sections of this report.

Section 3 reviews the potential to position Nigeria as a BPO hub under the AfCFTA. This includes lessons from other successful cases where the BPO industry has spurred overall economic growth, in India, the Philippines and Egypt. Nigerian BPO industry.

Section 4 looks at ways to support e-commerce in Nigeria under the AfCFTA. The section, highlights the current status of e-commerce, including e-payments gateways, platforms and protection in Nigeria, as well as shedding light on issues and barriers to expanding e-

commerce. It draws examples from successful government initiatives in other African countries to promote e-commerce for SMEs.

Section 5, on championing women and youth in digital trade under the AfCFTA, reviews opportunities to support their participation in formal digital trade and e-commerce across the continent. It determines the current landscape of support available and provides policy recommendations on how to champion women and youth participation based on overlaps between the two relevant AfCFTA protocols (the DTP and the Protocol on Women and Youth in Trade).

2 Mapping the Nigerian digital trade ecosystem¹

This section provides a comprehensive overview of Nigeria's digital trade ecosystem in the context of the AfCFTA and its DTP. It examines Nigeria's national priorities under the AfCFTA, while mapping key stakeholders and existing policies of various government bodies. Additionally, it explores regulatory requirements and current challenges in digital trade, and outlines how a digital strategy can maximise the benefits of the DTP for Nigeria.

Section 2.1 highlights current Nigerian interests under the AfCFTA DTP. Section 2.2 maps key public and private sector stakeholders involved in the current digital ecosystem. Section 2.3 then describes the existing network of policy initiatives to promote digital trade, while Section 2.4 highlights the much-needed regulatory oversight available in Nigeria. Section 2.5 underlines the existing challenges in the digital space in the country based on previous SITA work on Nigeria's digital trade (Agarwal et al., 2024). Finally, Section 2.6 suggests ways in which the DTP can work for Nigeria to promote various aspects of digital trade and lead the country on a path to becoming a continental leader.

2.1 Current Nigerian priorities

2.1.1 National interests

Nigeria's national priorities on digital trade are centred on promoting economic diversification, enhancing digital infrastructure and creating an enabling environment for innovation, (Lemma, et al., 2022; Bassey, et al., 2024) Recognising the important role digital trade plays in modern economies, the Nigerian government has developed policies aimed at strengthening the digital economy. This includes the Nigerian National Broadband Plan 2020–2025, which aims to improve internet penetration and provide affordable access, especially in underserved areas, promoting inclusivity in the digital space. Furthermore, Nigeria's government seeks to leverage its youthful population, investing in digital literacy and entrepreneurship programmes to stimulate economic growth in fintech, e-commerce and other tech-driven industries. These initiatives are essential to positioning Nigeria as a leader in the African digital economy, further

¹ This section was written by Prachi Agarwal and Sand Mba-Kalu.

promoting employment, innovation and sustainable development (Agarwal et al., 2024).

In addition to the Nigerian National Broadband Plan, the government has rolled out other initiatives aimed at promoting digital transformation. One such programme is the National Digital Economy Policy and Strategy 2020–2030, which provides a roadmap for making Nigeria a key player in the global digital economy. This strategy focuses on improving digital skills, strengthening cybersecurity, promoting digital innovation and creating a legal framework that supports digital transactions and services (NCC, 2020; NITDA, 2023). According to the World Bank (2020), Nigeria's efforts to diversify its economy, particularly as it moves away from an excessive reliance on oil exports, are greatly aided by the country's expanding tech sector, which is supported by policies that promote investment and innovation. Furthermore, the strategy aims to create 5 million jobs by 2030 through digital entrepreneurship, thereby further contributing to economic growth and poverty alleviation.

2.1.2 Priorities under the AfCFTA

In order to improve its trade capabilities and economic influence, Nigeria is prioritising the integration of its digital economy into the broader African market as part of the AfCFTA DTP (Statehouse, Nigeria, 2024; NITDA, 2024a). The DTP provides a framework for tackling key challenges such as those related to cross-border data flows, cybersecurity, digital infrastructure deficits and regulatory barriers. Nigeria aims to ensure that its domestic regulations align with the AfCFTA's provisions, which focus on reducing trade barriers and improving digital trade ecosystems. Key areas for Nigeria include improving digital literacy, electronic communication, enforcement of electronic contracts, enhancing cybersecurity measures and promoting inclusivity, particularly for women and youth entrepreneurs, (NITDA, 2024a; NITDA 2020). Nigeria is poised to take advantage of the expected growth in intra-African digital trade, potentially increasing its GDP and export capacity (Agarwal et al., 2024).

In line with the AfCFTA's objectives, Nigeria has prioritised focusing on its regulatory environment in order to promote cross-border digital trade (CBN 2022a; NITDA, 2020). The country is working to implement policies that will simplify digital payment systems, harmonise data protection regulations and reduce e-commerce barriers, (NITDA 2020; CBN 2020a; AU, 2020).

At the core of simplifying the payment system in Nigeria is the CBN Nigeria Payments System Vision 2025 (NPSV 2025), which serves as the blueprint for driving innovation and interoperability in the payments ecosystem. This policy document provides guidelines and standards for electronic payments and collections across various sectors, including e-commerce, real-time payments, and a Know-Your-Customer (KYC) framework that reduces barriers for financially

excluded populations. A harmonised data governance regime is indispensable to building a resilient digital economy. The enactment of the Nigeria Data Protection Act (NDPA), 2023 and the establishment of the Nigeria Data Protection Commission (NDPC) to oversee data protection compliance represents a watershed moment in the country's digital transformation agenda.

The NDPA introduces obligations for appointing Data Protection Officers (DPOs), conducting Data Protection Impact Assessments (DPIAs), and implementing lawful cross-border data transfers—key enablers for digital services and e-commerce.

Importantly, Nigeria is actively engaging in continental harmonisation through platforms such as the Smart Africa Alliance and the African Union's Digital Transformation Strategy (2020–2030). These regional efforts aim to establish interoperability of data governance frameworks, reducing fragmentation and enabling seamless digital trade across African markets.

The reduction of E-commerce Barriers is supported by the Startup Act 2022, which aims to create an enabling environment for startups in Nigeria, including those operating in the e-commerce sector, by providing incentives and support for startups, such as tax breaks, access to funding, and regulatory sandboxes.

Nigeria's holistic approach to simplifying digital payment systems, harmonising data protection, and facilitating e-commerce reflects a growing recognition that digital infrastructure and governance are key pillars of economic transformation. The ongoing convergence of national strategies, regional and continental obligations such as NPSV 2025, NDPA 2023, NDEPS 2020–2030, the Startup Act 2022 and the DTP illustrates a deliberate commitment to building a competitive digital economy anchored on inclusivity, innovation, and regional integration.

According to the United Nations Conference on Trade and Development (UNCTAD, 2021), one of the key catalysts of digital trade in Africa is the establishment of legal frameworks that promote cross-border digital services while ensuring confidence and cybersecurity. For Nigeria, this includes full implementation of its data protection laws and establishing a more coherent approach to IPR in the digital space.

The recent enactment of the Copyright Act 2022, which was signed into law on 17th March 2023, signifies a notable advancement in Nigeria's legal approach to digital content governance. This legislation confronts the issues surrounding online copyright infringement by acknowledging the realities of digital distribution, online violations, and technological advancements. The Act includes key provisions with significant digital implications:

- Expanded definition of “Copy”: The Act broadens the definition of “copy” to encompass digital reproductions, thereby enhancing the protection of works distributed via online platforms and electronic devices.
- Mechanism for addressing online infringement: The legislation grants competent authorities the power to issue takedown notices and facilitates the initiation of legal proceedings against repeat digital infringers, establishing a statutory framework for content owners to enforce their rights in digital contexts.
- Safeguards for encrypted content: Provisions have been included to protect encrypted digital works, acknowledging their increasing importance in intellectual property-intensive sectors such as film, software, broadcasting, and telecommunications.
- Strengthened investigative and enforcement mandate: The Nigerian Copyright Commission (NCC) has been given an increased prosecutorial mandate and investigative powers, particularly with regard to infringements occurring in digital and online environments.

Despite the advancements represented by the Copyright Act 2022, the Nigerian intellectual property system remains asymmetrical and lacks development in critical areas, particularly concerning the integration of digital considerations across the spectrum of intellectual property rights. The absence of a harmonised and digitally responsive legal framework for other aspects of IP, including trademarks (currently governed by the Trademarks Act of 1965), patents and industrial designs (regulated by the Patents and Designs Act of 1971), as well as geographical indications, poses a significant challenge, especially in Nigeria's efforts to harness the benefit of IP assets through AfCFTA DTP.

Establishing an integrated national IP policy that encompasses various aspects of intellectual property—including copyright, trademarks, patents, designs, and geographical indications—will provide comprehensive protection of intellectual property in Nigeria under the DTP. However, for Nigeria to fully capitalise on its creative economy and effectively engage in digital trade under the AfCFTA, it is imperative that a coordinated, modernised, and technology-sensitive intellectual property regime be urgently developed and implemented.

However, potential areas for improvement in the Copyright Act 2022 include:

Clarity on AI-generated content: The Act should provide clear guidelines on ownership and copyright protection for works generated by artificial intelligence.

Challenges in implementation: Effective enforcement of the new provisions, especially against cross-border infringement, may require the development of better mechanisms and international collaborations. Such reforms are crucial to improving Nigeria's digital trade infrastructure, which can lead to increased participation in regional and global value chains.

2.2 Key stakeholder mapping

An in-depth comprehension of the stakeholders involved in digital trade is vital to the successful implementation of the AfCFTA DTP in Nigeria, as this will require multisectoral and institutional collaboration among various public and private sector stakeholders. These stakeholders are divided into four broad categories: public sector, private sector, regulatory authorities, and research and development (R&D) institutions. Their contributions and collaboration are critical in shaping the ecosystem, promoting policy implementation and tackling challenges associated with digital trade (Agarwal et al., 2024).

2.2.1 Public sector stakeholders

Public sector actors play an important role in setting policies, regulations and standards for digital trade. Key stakeholders in Nigeria include the Federal Ministry of Communication, Innovation and Digital Economy (FMCIDE), the Federal Ministry of Industry, Trade and Investment (FMITI), the Nigeria Communications Commission (NCC), the Nigeria AfCFTA Coordination Office (NACO), the Nigerian Office for Trade Negotiations (NOTN), the Central Bank of Nigeria (CBN), the Federal Competition and Consumer Protection Commission (FCCPC), the Nigerian Postal Service (NIPOST) and the Nigeria Customs Service (NCS). These institutions are responsible for creating an enabling environment, formulating digital trade policies and ensuring regulations align with international standards, particularly under the AfCFTA framework. Their collaboration is essential to dealing with challenges such as infrastructure deficits, cybersecurity risks and digital literacy gaps.

2.2.2 Private sector stakeholders

The private sector in Nigeria has been instrumental in driving the digital economy, with firms in sectors like fintech, logistics, telecommunications, e-commerce and technology contributing significantly to digital trade. Private stakeholders include leading firms such as MTN Nigeria, Interswitch, MainOne, Galaxy Backbone and Paystack, among others, which have enhanced financial inclusion and digital trade by providing digital payment solutions, e-commerce platforms and broadband services. These entities have important roles to play in implementing the DTP by bridging gaps in digital infrastructure, promoting innovation and improving service delivery.

2.2.3 Non-governmental stakeholders

Non-governmental stakeholders are instrumental in terms of shaping Nigeria's digital trade landscape, by providing training, advocacy and support to various stakeholders, thereby contributing to the development of a comprehensive digital trade strategy. Examples are Tech Herfrica, Ingressive for Good, Nigeria Digital Chamber of Commerce (NDCC), Africa Digital Skills Hub, SME100 Africa, Paradigm Initiative, and different state and city chambers of commerce and business membership associations. They advocate for an inclusive and enabling environment for the digital economy by seeking an increase in the country's digital market share in Africa, while promoting financial inclusion for women and girls, literacy training and the supply of resources that improve livelihoods and bridge the digital divide.

2.2.4 Regulatory bodies

Regulatory bodies such as NCC, FCCPC, CBN, the National Information Technology Development Agency (NITDA), the Nigeria Data Protection Commission (NDPC), the Standards Organisation of Nigeria, the Nigeria Investment Promotion Commission (NIPC), the Nigerian Export Promotion Council (NEPC), the Commercial Law Department of FMITI and the Nigerian Copyright Commission are central to formulating policies that will increase investment, enforce compliance, support consumers' rights and create an enabling environment in the digital economy ecosystem under the AfCFTA. They are responsible for policies and laws pertaining to intellectual property, data protection and international digital transactions. Building consumer confidence and advancing digital inclusivity under the AfCFTA depend heavily on the role they play in maintaining safety and confidence in digital trade.

2.2.5 Research and development institutions

R&D institutions and local innovation hubs contribute to digital skills development, technological advancement and capacity-building in Nigeria's digital ecosystem. They work closely with both public and private sector organisations to promote innovation and close the skills gap in digital technology. Local government agencies are also involved in community-level digital trade promotion; this is especially true for programmes that aim to improve internet access and increase digital literacy in regions with limited resources.

Table 1 Key stakeholders in digital trade in Nigeria under the AfCFTA, and their roles

Category	Stakeholders	Roles/responsibilities
Public sector	<ul style="list-style-type: none"> • FMCIDE • FMITI • NCC • CBN • NOTN • NCS • NITDA • NACO • National Office for Technology Acquisition and Promotion • Economic and Financial Crime Commission • Corporate Affairs Commission of Nigeria and other security agencies 	<ul style="list-style-type: none"> • Formulating and implementing digital trade policies • Regulatory oversight • Facilitating cross-border transactions
Private sector	<ul style="list-style-type: none"> • MTN Nigeria • Interswitch • Paystack • MainOne • Konga • Jumia • Opay • Flutterwave • Galaxy Backbone • Paga • Nigeria Internet Governance Forum • Nigeria Fintech Association 	<ul style="list-style-type: none"> • Providing digital infrastructure and payment solutions • Promoting e-commerce • Driving innovation and investment
Regulatory bodies	<ul style="list-style-type: none"> • NDPC • Standards Organisation of Nigeria • NCC • FCCPC 	<ul style="list-style-type: none"> • Enforcing data protection and privacy laws • Ensuring compliance with digital trade regulations
R&D institutions	<ul style="list-style-type: none"> • Digital Bridge Institute • Local innovation hubs • NITDA • Africa International & Commerce Research 	<ul style="list-style-type: none"> • Researching and developing digital skills and technology • Promoting innovation in the digital economy
Local authorities	<ul style="list-style-type: none"> • Local government authorities • Community centres • Universities digital trade centres 	<ul style="list-style-type: none"> • Promoting digital literacy • Increasing access to digital infrastructure in underserved areas

2.3 Existing policy initiatives

2.3.1 Office of the Vice President

The Office of the Vice President plays a crucial and strategic role in advancing Nigeria's digital economy by overseeing and coordinating the implementation of national policies and frameworks designed to align with the country's broader economic objectives. The vice president chairs the National Economic Council and reports to the president, who is responsible for providing overall strategic vision, policy direction and general oversight of policy implementation.

One of the key responsibilities of the Office is guiding the execution of initiatives like the Nigeria Economic Sustainability Plan,

established in March 2020 in response to the challenges posed by the Covid-19 pandemic, and the National Digital Economy Policy and Strategy (NDEPS). These initiatives are geared towards integrating technology into governance, economic activities and business processes to enhance the country's overall digital trade capacity. The aim is to accelerate Nigeria's transition to a more technologically driven economy by promoting innovation, improving financial inclusion and expanding critical digital infrastructure. In particular, NDEPS sets ambitious targets, such as expanding broadband penetration, which is crucial for facilitating digital transactions and promoting e-commerce growth.

Furthermore, the programmes initiated by the Office, including Investment in Digital and Creative Enterprises (iDICE),² FMCIDE's 3 Million Technical Talent (3MTT) initiative³ and the Outsource to Nigeria Initiative, are important drivers of Nigeria's digital economy. These interventions play a key role in promoting innovation, building technical capacity and helping Nigeria become a key player in the global digital landscape (Ekhtor, 2022).

The Office of the Vice President is positioning Nigeria to take full advantage of emerging digital opportunities while aligning the country's efforts with global digital trade trends and the AfCFTA objectives by focusing on infrastructure and policy reforms (Anam et al., 2023; Agarwal et al., 2024; Ekhtor, 2024).

2.3.2 Federal Ministry of Industry, Trade and Investment

FMITI is central to driving Nigeria's trade and economic growth by integrating digital solutions into trade processes. Its efforts align closely with international frameworks, particularly the DTP. FMITI is the parent ministry of NACO, set up by the president of Nigeria, and the only recognised government institution for coordinating the implementation of Nigeria's commitments under the AfCFTA.

One of the major policy documents FMITI has released in recent times is the Nigerian Industrial Revolution Plan. This positions digital trade as a critical factor in modernising the economy and enhancing global competitiveness. Moreover, the National Trade Policy 2023–2027 underscores the importance of creating a business-friendly environment through regulatory reforms that support SMEs. This policy framework not only enhances market access for local businesses but also promotes e-commerce as a key driver of economic diversification. In tandem, these initiatives aim to support Nigeria as a leader in Africa's evolving digital economy by promoting a more inclusive, technologically driven trade environment. The alignment of these national policies with the AfCFTA's digital

² iDICE is a strategic initiative aimed at fostering investment in the nation's digital technology and creative industries. It is a key component of Nigeria's efforts to promote sustainable job creation and economic diversification.

³ 3MTT, executed by NITDA, is a federal initiative to train 3 million Nigerians in technical skills like software development and IT services, enhancing workforce capacity and industry growth.

economy vision highlights the ministry's strategic role⁴ in advancing regional integration and boosting Nigeria's participation in digital trade (Africa International Trade, 2023; Agarwal et al., 2024).

2.3.3 Federal Ministry of Communications, Innovation and Digital Economy

FMCIDE plays a vital regulatory and strategic role in advancing Nigeria's communication, digital infrastructure, innovation and economy through the formulation of key policies and initiatives. Central to its efforts are the NDEPS 2020–2030 and the Nigerian National Broadband Plan 2020–2025, both of which aim to enhance internet connectivity, digital literacy and data protection, all critical for the expansion of digital trade. These initiatives reflect the ministry's broader goal of integrating digital technologies into Nigeria's economic framework to promote sustainable growth. In addition, the NDEPS outlines measures to position digital trade as a cornerstone of the country's economic development, aligning with broader national goals. The ministry's work also includes enhancing broadband connectivity, promoting innovation hubs and implementing robust cybersecurity frameworks, all of which are essential for secure and efficient digital transactions. The ministry seeks to create an enabling environment that supports the growth of Nigeria's digital economy and enhances its participation in global digital trade by focusing on these areas (NITDA, 2020; Agarwal et al., 2024).

2.3.4 Nigeria AfCFTA Coordination Office

NACO plays a crucial role in coordinating Nigeria's implementation of the AfCFTA Agreement, particularly the DTP. It ensures Nigeria's digital trade ecosystem aligns with continental initiatives aimed at promoting e-commerce, digital financial services and the digitisation of cross-border trade. NACO has focused on integrating Nigeria's national trade policy with AfCFTA protocols to promote an enabling environment for digital trade. Key areas of focus include enhancing e-commerce readiness, advancing digital financial services, creating awareness of the AfCFTA, stakeholder engagement and supporting initiatives that will develop policies to increase cross-border data flows, all of which are essential for modernising trade and boosting Nigeria's participation in the AfCFTA's digital economy. NACO seeks to position Nigeria as a key player in the digital transformation of trade across Africa, supporting broader economic growth and regional integration by aligning national efforts with continental objectives (NACO, 2023; Agarwal et al., 2024).

2.3.5 Other government departments

Regulatory bodies like NCC, CBN, NCS, NITDA, the National Office for Technology Acquisition and Promotion, the National Bureau of Statistics, the Corporate Affairs Commission, the Small and Medium

⁴ The ministry's initiatives focus on integrating digital solutions to enhance trade efficiency and promote economic growth in Nigeria.

Enterprises Development Agency of Nigeria (SMEDAN), the Bank of Industry, the Nigeria Startup Act Secretariat, the Federal Inland Revenue Service, the Bureau of Public Procurement, Nigeria Internet Governance Forum and the Economic and Financial Crimes Commission play an important role in shaping the digital trade ecosystem by implementing policies that promote financial inclusion, streamline digital payments, support mobile money operations and ensure the compliance and security of online transactions. These systems are essential to the growth of digital trade by ensuring seamless transactions, expanding access to financial services and supporting e-commerce platforms. For example, CBN's regulatory oversight enhances trust and efficiency, creating a robust enabling environment for Nigeria's digital economy (Agarwal et al., 2024).

2.3.6 State government departments

At the state level, policies to promote digital innovation and infrastructure investment differ, but proactive states like Lagos (CNBC Africa, 2024), Rivers (Techblit, 2023) and Kaduna (Nwokoma, 2023) have made significant strides in promoting environments conducive to digital entrepreneurship and trade. These efforts include facilitating tech hubs, supporting and domesticating the Nigeria Startup Act 2022 and investing in digital infrastructure. State governments play a critical role in shaping local ecosystems by creating the conditions necessary for innovation and competitiveness in the digital economy (Agarwal et al., 2024).

2.4 Regulatory oversight

Nigeria has established several legal, regulatory and policy frameworks to foster digital trade, covering areas such as data protection, e-commerce, cybersecurity, IPR, fintech and digital payments. These regulations align with the AfCFTA DTP.

Starting with the central regulatory component, the NDPR is a central framework of the NDEPS, signed into law as the Nigeria Data Protection Act (NDPA) 2023. NITDA initiated the framework. It is essential for data protection and privacy standards for digital transactions, ensuring secure online activities. The NDPA established the NDPC, whose mandate is, among other things, to oversee its implementation. Compliance is mandatory for all companies handling personal data in Nigeria's digital economy, making the NDPA crucial for the safe growth of e-commerce and cross-border trade. The NDPA positions Nigeria to meet international standards and engage competitively in the global digital economy by aligning with global best practices (NITDA, 2019; NDPC, 2023; Agarwal et al., 2024).

Zooming into e-commerce in Nigeria, the Electronic Transactions Bill provides a legal framework for e-commerce and electronic transactions, recognising the validity of digital contracts, signatures and payments. It will be an essential regulatory foundation in support

of the AfCFTA DTP. It is supported by the Electronic Transactions Act, which governs the legal recognition of electronic documents, signatures and contracts. It is essential to support Nigeria's growing e-commerce sector by providing a legal framework for online transactions (Gyankovandar, 2021).

The National Identity Management Commission Act mandates the issuance of National Identification Numbers (NINs), which play a key role in verifying digital identities. This is a critical component in e-commerce and secure digital transactions in Nigeria.

Another component of digital trade is services that are delivered digitally. The Nigerian Communications Act provides NCC with the authority to regulate telecommunications and information and communication technology (ICT), creating a framework for competition and investment in digital infrastructure essential for expanding digital trade capacities.

Ensuring the protection of buyers and sellers, as well as their private data, the Cybercrimes Act 2015 regulates cybersecurity measures to combat cybercrime. This is a critical regulatory requirement for a secure digital trade environment. The Act deals with issues like online fraud, hacking, online identity theft and data breaches that can affect cross-border transactions (NGCERT, 2015).

To guarantee that digital trade benefits all sections of the society in urban and rural areas of Nigeria, CBN's Financial Inclusion Strategy promotes mobile payments, digital financial services and fintech innovations, all of which are vital for driving digital trade, particularly in rural areas (CBN, 2022a).

2.5 Existing challenges in digital trade

Nigeria faces several critical challenges that restrict participation and growth in digital trade.

First, inadequate infrastructure poses a significant barrier. Although Nigeria has invested in fibre-optic cables for international connectivity, middle-mile infrastructure is underdeveloped, limiting internet access in rural areas. The country lacks a national backbone to support effective broadband distribution, hindering trade activities that rely on high-speed internet. The focus on mobile broadband rather than fixed broadband, which offers stronger and more reliable connections, exacerbates these infrastructure deficiencies.

The second major challenge is the regulatory environment, which includes outdated and restrictive policies that complicate digital trade. Nigeria ranks among the most restrictive nations in Africa regarding digital trade, particularly in areas such as tariffs, data policies and IPR. This restrictiveness hampers the country's ability to fully participate in the digital economy, as well as its exports of ICT goods and services. Inconsistencies in implementing electronic customs

and paperless trade also place a heavy burden on businesses, particularly SMEs, which struggle with compliance costs.

A third challenge is the skills gap and digital literacy. While Nigeria's internet penetration has grown, digital literacy remains low, particularly in rural areas. Stakeholders report insufficient skilled labour to support the digital economy, with many citizens using the internet primarily for social activities rather than professional or commercial purposes. This limits the country's ability to leverage digital trade opportunities under initiatives like the DTP, further stifling economic participation and growth (Agarwal et al., 2024).

2.6 How can the DTP work for Nigeria?

The establishment of a robust and comprehensive digital trade strategy is essential for Nigeria to effectively engage with the DTP and realise its potential as a leader in digital trade across Africa. Stakeholders identified important areas that need to be tackled in Nigeria's strategy, as follows.

2.6.1 Developing a national digital trade strategy

A central recommendation is the creation of a national digital trade strategy that aligns with the AfCFTA protocols, incorporating key sectors such as BPO, e-commerce and digital payment systems. Stakeholders emphasised the need for clear policy goals and actionable steps to streamline digital trade, ensuring the country's regulations support the seamless flow of goods and services across borders. Stakeholders further stressed the importance of harmonised regulations to ensure a cohesive digital trade ecosystem.

2.6.2 Public–private collaboration

A successful digital trade strategy requires collaboration between the government, the private sector, academia and SMEs. Public–private partnerships (PPPs) are important to drive the necessary infrastructure and policy implementation. Stakeholders also supported the establishment of facilitation committees to deal with sector-specific challenges and promote effective collaboration.

2.6.3 Regulatory alignment and infrastructure development

For Nigeria to fully benefit from the DTP, regulatory reforms are necessary. These include aligning national regulations with AfCFTA standards, especially regarding data protection and cybersecurity. Some stakeholders advocated for standardising regulations across African countries, enabling smoother cross-border transactions. Infrastructure development, particularly reliable internet access and electricity, is crucial. Other stakeholders emphasised the need for digital infrastructure hubs to support emerging technologies such as artificial intelligence (AI) and blockchain, to further boost digital trade.

2.6.4 Building trust and digital inclusion

Building public trust is vital for the success of the DTP. Stakeholders highlighted the importance of strengthening data protection laws and a transparent regulatory environment. Additionally, digital literacy and skills development are important for enabling SMEs, youth and women to participate in digital trade. Other stakeholders called for increased government investment in capacity-building initiatives, particularly in rural areas, to promote inclusive digital participation.

2.6.5 Facilitating cross-border trade

The DTP's primary objective is to simplify cross-border digital trade. Stakeholders noted that streamlining customs procedures and reducing bureaucratic barriers would facilitate smoother trade between Nigeria and other African countries. Other stakeholders further recommended reducing regulatory hurdles for digital services to encourage intra-African trade, which would increase Africa's GDP by making commerce more seamless across the continent.

2.6.6 Promoting digital payment systems

Digital payment systems are at the heart of the DTP. Stakeholders highlighted the importance of developing interoperable digital payment systems that allow businesses to operate efficiently across African borders. Similarly, stakeholders advocated for clear regulatory frameworks that encouraged financial inclusion and ensured consumer protection.

2.6.7 Leveraging the AfCFTA market

The DTP allows Nigeria to tap into the AfCFTA's vast market of over 1.4 billion people. Nigeria can become a central hub for digital trade in Africa, attracting foreign investment and promoting economic growth by aligning digital trade practices with AfCFTA protocols. Stakeholders noted that Nigeria's role as a digital trade catalyst could be enhanced by creating digital trade hubs and establishing national innovation funds to support startups and entrepreneurship.

3 Positioning Nigeria as a BPO hub under the AfCFTA⁵

Nigeria's BPO sector has garnered increasing attention as the country seeks to diversify its economy and leverage its growing digital capabilities (Falaiye, 2024). Despite its relatively nascent stage, it has the potential to become a significant player in the global BPO industry, given Nigeria's large, youthful population and the government's focus on expanding digital trade. Challenges include inadequate infrastructure, a fragmented regulatory framework and a skills gap that must be dealt with if the sector is to maximise its full potential.

Box 1 What is BPO?

BPO refers to the practice whereby organisations contract specific business functions or processes to external service providers, often located in different regions or countries. This approach allows companies to focus on their core activities while outsourcing tasks such as customer service, human resources, payroll, accounting or IT services.

BPO is typically classified into two categories: front-office outsourcing, which deals with customer-facing activities like support and marketing; and back-office outsourcing, which includes internal operations such as finance and data management. The primary motivation behind BPO is cost efficiency, as companies can leverage the lower operational expenses of service providers in regions with favourable economic conditions. Additionally, outsourcing enables access to specialised expertise, enhanced service quality and scalability of operations. As technology advances, the BPO sector has increasingly adopted automation and AI to improve efficiency and reduce costs further.

Source: Conduent (2024)

Section 3.1 introduces the Nigerian BPO industry and Section 3.2 reviews insights from the stakeholder consultations. Section 3.3 looks at the potential impacts of the BPO industry, including through the

⁵ This section was written by Sand Mba-Kalu, Prachi Agarwal and Alberto Lemma.

lens of case studies from India, the Philippines and Egypt. Section 3.4 present policy recommendations for Nigeria's BPO sector.

3.1 Nigeria's BPO industry

Nigeria's priorities for BPO align with its broader economic goals of job creation, foreign exchange earnings and diversification away from oil dependence. The sector has significant potential to drive economic growth and digital transformation, particularly if supported by an appropriate enabling environment. The government recognises the sector's potential to absorb a large portion of its youthful, tech-savvy workforce, thereby alleviating unemployment and addressing inflation while attracting foreign direct investment (FDI).

Moreover, the adoption of e-governance and robust data protection frameworks will increase confidence in Nigeria's ability to manage sensitive client information. This is essential for attracting international clients seeking outsourced services, and will contribute to overall economic stability. Furthermore, the sector has created opportunities for SMEs within the outsourcing ecosystem, fostering innovation and entrepreneurial growth.

Initiatives like the NDEPS aim to promote a business environment conducive to outsourcing by enhancing digital infrastructure, regulatory clarity and data protection laws. However, substantial gaps in these areas persist, limiting the sector's ability to compete globally (NITDA, 2020; Workforce Africa, 2023).

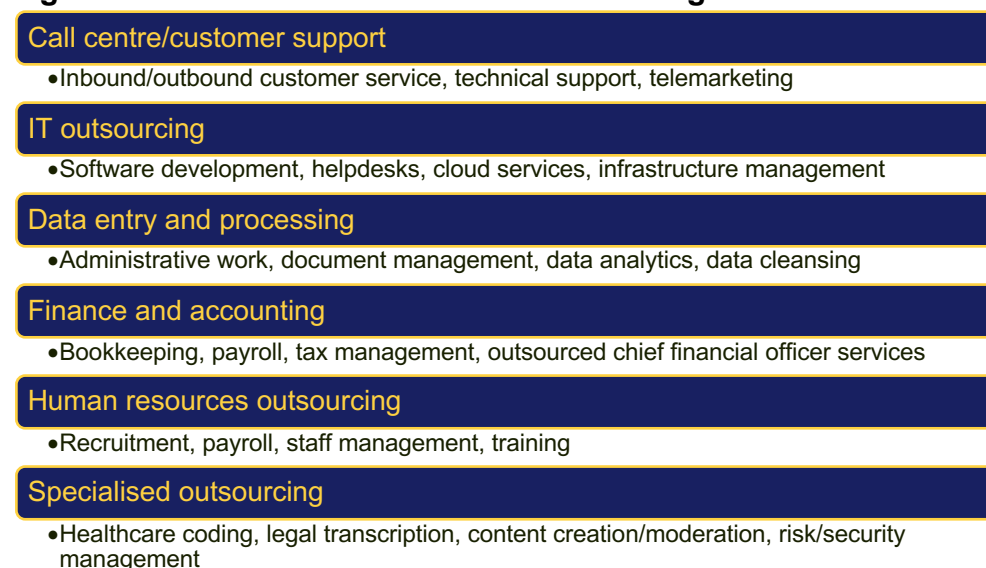
Although still in its infancy, Nigeria's BPO sector has shown promising signs of growth. Companies such as Andela, Global Outsourcing Partners and Tech Experts have successfully penetrated international markets, particularly in the tech sector, underscoring Nigeria's potential to expand its BPO offerings globally. Andela specialises in sourcing and training top-tier software developers for international firms, while Global Outsourcing Partners provides tailored business solutions across multiple industries. Tech Experts focuses on IT support and digital transformation services. These companies have created thousands of jobs, enhanced Nigeria's digital capabilities and attracted foreign investment (Applied Worldwide Nigeria, 2023; Naija Trends, 2024).

3.1.1 Domestic BPO services in Nigeria

Nigerian banks and telecom companies like Interra Networks, Chams PLC and many others are already undertaking significant BPO functions, such as customer support and back-office processes. This domestic success provides a strong foundation for further expansion into the global BPO market. Companies like Consol have effectively managed back-office and customer call support for local institutions, showcasing Nigeria's capability for effective BPO operations. Appendix 2 provides a mapping of the top BPO firms.

The main BPO services offered in Nigeria include customer support, data entry, bookkeeping and specialised outsourcing (Figure 1).

Figure 1 Main BPO services offered in Nigeria



3.1.2 Economic contribution

The economic contribution of the BPO sector in Nigeria remains modest compared with its global counterparts. Estimates suggest that Nigeria's BPO industry contributes less than 1% to the country's GDP (Itsede, 2024). This contrasts with countries like India and the Philippines, where BPO accounts for a substantial portion of GDP. Nevertheless, the sector has shown encouraging growth, particularly in customer service, IT support and digital services.

In terms of employment, the sector is regarded as a potential job creator, especially for Nigeria's youth, with an estimated tens of thousands of jobs created. However, this is only a fraction of its potential, given the country's high unemployment rate and its growing pool of educated, English-speaking graduates. Trade in outsourced services is also increasing, with Nigeria aiming to expand its BPO exports under the AfCFTA. However, current trade volumes remain limited, owing to infrastructural constraints (GBS World, 2021; Workforce Africa, 2023).

3.1.3 Major players

Nigeria's BPO sector is dominated by a mix of domestic firms and multinational companies with operations in the country. Local companies such as iSON Group and CcHub are notable players, offering outsourcing services in areas like customer service, IT and financial services. Global firms, including Microsoft and IBM, have partnered with local businesses to tap into Nigeria's talent pool for specific outsourcing needs. However, the sector remains fragmented, with many smaller firms struggling to scale as a result of inadequate infrastructure, limited access to capital and a lack of regulatory incentives to promote the growth of indigenous BPO companies.

Addressing these challenges through targeted government policies and investments in infrastructure will be critical for Nigeria to position itself as a competitive BPO destination in Africa under the AfCFTA and globally (Outsource Accelerator, 2021; Statista, 2024b).

3.2 Stakeholder consultation insights

Nigeria's BPO industry is yet to make significant inroads into international markets. Expanding BPO operations beyond Nigeria presents a valuable opportunity for the country to become a leading exporter of outsourcing services, especially within the framework of the AfCFTA. This section presents key insights drawn from the stakeholder consultations, which provide a comprehensive analysis of Nigeria's BPO industry trajectory, offering strategic insights into its potential for international expansion, competitiveness within the AfCFTA framework and deeper integration into global value chains.

3.2.1 Comparative advantages

Stakeholders believed Nigeria had a unique combination of strengths that positioned it as a promising destination for BPO growth. They affirmed that Nigeria's comparative advantages were rooted in several key attributes that create a compelling business environment for BPO development.

One prominent industry leader stated:

Nigeria's status as an English-speaking nation is a significant advantage. It allows us to communicate effortlessly with global clients and seamlessly integrate with other AfCFTA State Parties, thereby enhancing our service delivery.

This viewpoint reflects a consensus among experts that Nigeria's linguistic capabilities not only facilitate clear communication with international partners but also serve as a cornerstone for providing high-quality outsourcing services. With a strong command of the English language, Nigerian service providers are well equipped to handle complex business processes and technical support operations, making the country an attractive destination for global outsourcing.

A senior government official highlighted the strategic importance of Nigeria's favourable time zone:

Our time zone overlaps with major outsourcing markets in Europe, Asia and the Americas, which allows Nigerian BPO firms to offer round-the-clock service delivery.

This advantage is particularly crucial in an industry where timely support and continuous service are essential.

Furthermore, stakeholders pointed to Nigeria's demographic profile as a key driver for future growth in the BPO sector. A representative from a leading outsourcing firm explained:

With approximately 60 million young people aged between 15 and 35, Nigeria has a vast and dynamic labour pool. This youthful demographic is not only tech-savvy but also adaptable and eager to learn, which is critical for the fast-paced BPO industry.

This perspective emphasises the potential of Nigeria's labour market to meet the evolving demands of the digital economy and the BPO sector. The availability of a large, energetic and increasingly well-educated workforce is a significant asset that can be leveraged to drive innovation, efficiency and competitiveness in service delivery.

3.2.2 Government and strategic initiatives

Stakeholders underscored the critical role of complementary infrastructure, robust government support and strategic initiatives in advancing Nigeria's BPO sector. Many experts emphasised that government investments in digital infrastructure – such as expanding broadband connectivity and accelerating ICT development – were essential for sustaining industry growth. Under the Tinubu administration, concerted efforts are underway to position Nigeria as Africa's largest outsourcing hub, highlighted by key initiatives like Abuja Technology Village and the creation of ICT-free zones to foster a conducive environment for BPO operations. In addition, digital skills development programmes, notably the 3MTT initiative, were cited as pivotal in equipping the workforce with the necessary skills to remain competitive in the outsourcing market.

As one private sector consultant observed:

Government policies that promote digital transformation and ensure a stable regulatory environment are critical. They not only reduce operational costs but also attract investment into a project like the Abuja Technology Village.

This view was widely shared, with stakeholders agreeing that a supportive policy framework coupled with robust infrastructure was indispensable for leveraging Nigeria's inherent competitive advantages in the digital economy ecosystem.

3.2.3 Economic and market opportunities

Industry leaders consistently emphasised that the AfCFTA represented a transformative opportunity for Nigeria, particularly in the BPO sector. They reported that, by further integrating Nigeria into a continental market, the AfCFTA would unlock substantial opportunities for cross-border BPO services, which could significantly mitigate the nation's unemployment challenges.

Such integration was expected to generate employment in key areas including call centres, data security, legal proofreading and accounting, while also enhancing foreign exchange revenue – a trend already observed with the success of firms like Andela and Global Outsourcing. One participant remarked:

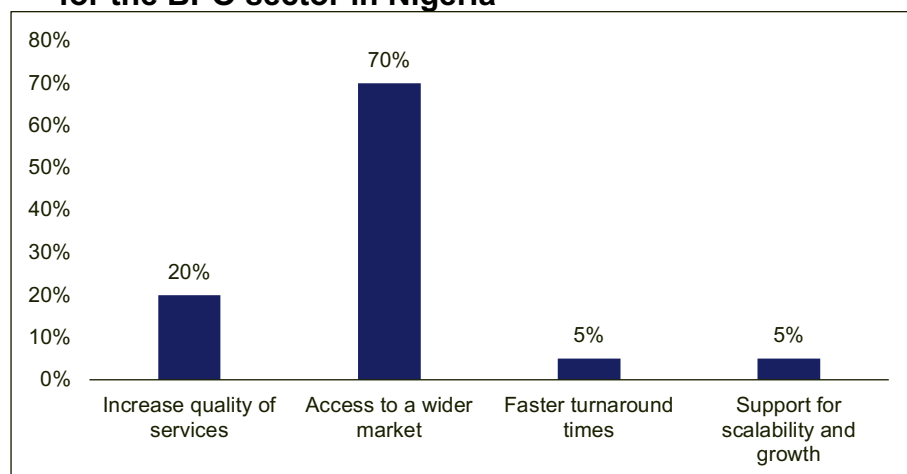
The AfCFTA provides an unprecedented opportunity for Nigeria to expand its BPO services regionally; by leveraging economic and market opportunities, we can enhance our market share within Africa.

This view was reinforced by others, who noted Nigeria's unique advantages, such as its favourable time zone and a youthful, dynamic workforce, which collectively position the country to tap into a market of over 1.3 billion people.

In summary, stakeholders agreed that the AfCFTA was more than a mere trade agreement; it is a catalytic instrument for boosting industrial competitiveness and fostering regional economic integration. The consensus is that, with targeted policy reforms and strategic investments in capacity-building, Nigeria can harness these opportunities to drive sustainable growth, diversify its economy and enhance its global competitiveness.

Figure 2 reveals that positioning Nigeria as a BPO hub under the AfCFTA is seen to offer substantial benefits to businesses, particularly by enabling access to a wider market, as highlighted by 70% of respondents. This expanded market access facilitates cross-border trade, increases revenue opportunities and promotes economic integration within Africa. Additionally, 20% of respondents noted the potential to enhance the quality of services, reflecting the capability of BPO to introduce global standards, innovative practices and competitive efficiencies. While fewer respondents emphasised faster turnaround times (5%) and support for scalability and growth (5%), these benefits remain critical for operational improvements and long-term business expansion.

Figure 2 Stakeholder insights on the benefits of the AfCFTA for the BPO sector in Nigeria



These insights underscore the importance of strategic investments in infrastructure, skills development and policy frameworks to position Nigeria as a competitive BPO hub. This aligns with this study's objective of shaping a digital trade strategy that maximises AfCFTA opportunities for Nigerian businesses.

3.2.4 Potential for domestic and global expansion

Nigeria's domestic BPO success stories, particularly in sectors such as banking and telecommunications, highlight its capacity for scaling operations to meet international demand. Opportunities extend beyond tech-focused outsourcing, with underutilised sectors like customer service and social media marketing offering untapped potential. Stakeholders pointed out that, beyond traditional BPO services, the rise of global and regional freelancing platforms is transforming the talent landscape in Nigeria. Platforms like Upwork and Fiverr have empowered Nigerian professionals to compete internationally by offering services in diverse fields such as graphic design, programming, digital marketing and content creation. Additionally, regional platforms such as AfrLancer and Kuhustle are emerging as vital conduits for connecting local talent with opportunities within Africa, with Freelancers focusing on a wide array of professional services, and African Freelancers, AfriBlocks and Kuhustle catering to creative and digital content production. These platforms not only expand market access but also help create a dynamic and competitive environment for freelancers, ultimately bolstering the overall BPO ecosystem.

Furthermore, stakeholders underscored the importance of strategic capacity-building initiatives to ensure Nigeria's workforce remains competitive in an evolving digital economy. Targeted training programmes, in both government-supported initiatives like 3TTT and private sector interventions, are vital in bridging the skills gap. Such programmes enhance digital literacy and technical capabilities, ensuring Nigerian professionals are well equipped to leverage emerging technologies and global best practices. This dual approach – harnessing established sector strengths while nurturing new skills through comprehensive training – creates a powerful synergy that can drive sustainable growth in Nigeria's BPO industry.

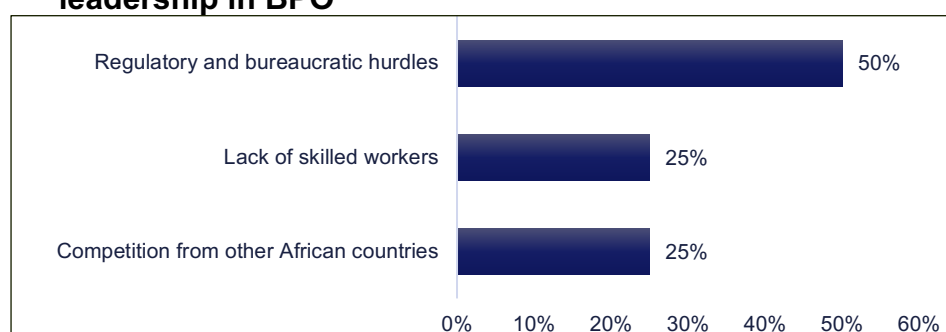
3.2.5 Challenges

Despite its potential, Nigeria's BPO sector faces several challenges. A significant skills gap persists, with many graduates lacking industry-ready capabilities as a result of outdated curricula that fail to align with market high-demand fields like software development and data science. One senior industry leader noted:

We have many bright graduates, but they often lack the hands-on expertise necessary for the digital economy, which creates a bottleneck in our BPO growth.

Figure 3 presents results from stakeholder interviews on the key barriers that will hinder Nigeria's emerging as a leading BPO hub under AfCFTA.

Figure 3 Stakeholder insights on barriers to Nigeria's leadership in BPO



The figure identifies regulatory and bureaucratic hurdles, as highlighted by 50% of respondents, as the most significant barriers to Nigeria becoming a leading BPO hub under the AfCFTA. These challenges stem from inefficient administrative processes, inconsistent policies and a lack of streamlined frameworks, all of which deter investment and impede business operations. Additionally, competition from other African countries and a lack of skilled workers, each noted by 25% of respondents, pose substantial threats to Nigeria's competitiveness. Competing nations with more advanced BPO ecosystems may attract investments, while inadequate skill development limits Nigeria's ability to deliver quality services. Tackling these barriers requires strategic interventions, including regulatory reforms, investment in workforce training and initiatives to enhance Nigeria's unique value proposition. These efforts align with this study's objectives.

Physical infrastructure deficiencies, including an unreliable and unstable power supply and limited broadband connectivity, also undermine the country's ability to deliver consistent, high-quality outsourcing services.

Regulatory and policy barriers further hinder growth. The absence of harmonised regulations for the BPO sector, coupled with frequent policy changes and excessive bureaucracy, discourages private sector engagement. Additionally, the burden of multiple taxation reduces the competitiveness of BPO firms operating in Nigeria.

Global perceptions remain another critical challenge, as concerns over cybersecurity and weak data protection measures erode trust among international clients. Negative reputational issues also persist, portraying Nigeria as a high-risk outsourcing destination and limiting its ability to penetrate global markets.

On the **skills gap**, stakeholders highlighted the need for continuous professional development and industry-relevant certification programmes. They argued that, without updated training programmes that incorporate emerging technologies and real-world applications, the sector will struggle to keep pace with global competitors. One participant stated:

Modernising our educational system and establishing robust training programmes is critical. We need curricula that integrate practical projects, internships and partnerships with industry leaders to ensure that our workforce is future-ready.

Economic and **market challenges** add to these difficulties. Nigeria faces intense competition from established BPO hubs like India, China and the Philippines, which benefit from lower costs and superior infrastructure (Odiye, 2024). Moreover, a lack of awareness among local stakeholders regarding the potential of the BPO sector further inhibits investment and broader participation.

Given the advent of new technologies, the BPO sector will also face challenges from AI advancements as AI chatbots and voice bots can increasingly manage customer interactions, reducing the need for call centres (call centres as a service or CCaaS). Moreover, AI tools can now efficiently process large datasets, diminishing the demand for offshore data entry jobs, while generative AI platforms are able to create visual and content threatening jobs in the offshore marketing and copywriting industry. Additionally, development tools enable rapid software development with minimal manual coding that will impact the software jobs too (software as a service or SaaS). Hence the Nigerian BPO sector will need to consider these challenges as they develop the nascent industry, thus offering an opportunity to leap ahead of other established global players that are still adjusting to these technological advancements. Moreover, Nigeria's BPO sector has the potential to strategically invest in AI-resilient skills training and development and establish AI-enabled BPO ecosystems that can provide sustainable, scalable, and future-oriented employment opportunities for millions of individuals within the Nigerian population, especially women and youth. Through the AfCFTA, Nigeria has the opportunity not only to compete but also to take a leadership role in shaping Africa's digital service economy. This is the time to shift to AI-assisted BPO service delivery, where Nigerian workers provide the human oversight, judgment, personalisation, and creativity that machines cannot replicate under the framework of AfCFTA.

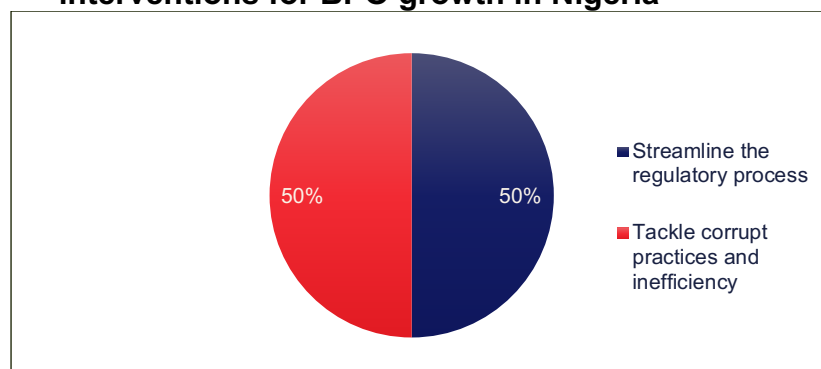
3.3 Potential impact of the BPO industry

The BPO industry holds substantial potential to drive economic growth in Nigeria by creating jobs, diversifying the economy and attracting foreign investment. The BPO sector is particularly poised to tackle the high youth unemployment rate, offering opportunities in customer service, accounting, legal services and data security. Stakeholders highlighted that Nigeria's large, youthful population could significantly benefit from BPO job creation, particularly through initiatives like the 3MTT programme. Moreover, the sector's potential to contribute to economic diversification is notable, as it provides a non-oil avenue for growth, aligning with Nigeria's broader goals of reducing dependency on oil and positioning itself as a global outsourcing hub. This transformation could be further strengthened

by the country's participation in the AfCFTA, facilitating enhanced trade and regional integration across Africa.

Figure 4 examines key expectations for government support in leveraging BPO opportunities under the AfCFTA. It highlights the urgent need for streamlined regulatory processes and combating corruption to create a transparent, efficient and competitive environment for Nigerian businesses.

Figure 4 Stakeholder insights on potential government interventions for BPO growth in Nigeria



The responses to the question demonstrate two equally significant expectations for government intervention to enable businesses to leverage BPO opportunities under the AfCFTA. Streamlining regulatory processes, cited by 50% of respondents, relates to the need for simplified, transparent and predictable regulatory frameworks to reduce bureaucratic delays and promote investor confidence. Tackling corruption and inefficiency, identified by the other 50%, points to systemic issues that undermine business operations, increase costs and discourage participation in formal trade. These findings point to a two-pronged approach that is crucial to Nigeria's digital trade policy: enacting regulatory changes that put efficiency and transparency first while battling corruption to promote accountability and trust. For Nigerian companies to take advantage of BPO opportunities and become competitive within the AfCFTA framework, it is imperative that these priorities be taken seriously.

The expansion of the BPO sector can also promote significant infrastructure development, enhance skills training and contribute to foreign exchange retention. Stakeholders noted that the growth of the BPO industry would require investments in reliable infrastructure such as power supply and high-speed internet, creating opportunities for private sector participation and improving the ease of doing business in Nigeria. Additionally, by leveraging the AfCFTA, Nigeria could increase its global competitiveness, attract FDI and become a hub for the export of services. BPO's ability to stimulate economic activity in other sectors, such as technology and training, highlights its vital role in Nigeria's economic growth, providing a path to regional development while lowering unemployment and crime rates.

3.3.1 Successful global BPO sectors and impacts

BPO has experienced notable success in several global markets, driving employment, digital trade and foreign exchange earnings and offering valuable lessons for Nigeria's emerging BPO industry.

Case study: India's IT-BPM sector

India's BPO sector generated \$240 billion in revenue between 2022 and 2023 and is projected to grow to \$350 billion by 2025. India holds a 57% market share in the global outsourcing industry, because of its large English-speaking workforce, strong digital infrastructure and significant investments in skill development and innovation. Private sector-led growth, tax incentives and the establishment of software technology parks have been pivotal to India's success.

The Indian BPO industry's transformative journey offers important lessons for Nigeria in shaping a comprehensive digital trade strategy. These insights stem from India's successful transition from a cost-driven outsourcing destination to a global leader in high-value information technology and business process management (IT-BPM) services.

Private sector leadership and PPPs: India's BPO growth has been spearheaded by the private sector, supported by strategic PPPs. This collaboration has aligned private innovation with government policies. Nigeria should empower private sector stakeholders to lead digital trade development while establishing PPPs to harmonise efforts in funding, skill development and innovation. Encouraging private sector leadership will stimulate competition, attract FDI and create a robust digital trade ecosystem.

Diaspora engagement: The Indian diaspora has played a pivotal role in connecting domestic talent with global markets, facilitating business opportunities. Leveraging the Nigerian diaspora could bridge local talent with international markets. Initiatives that connect diaspora professionals with local SMEs and start-ups could enhance Nigeria's competitiveness in digital trade and BPO services.

Investment in skill development and technological adaptation: Initiatives like Skill India have aligned education with industry needs, focusing on emerging technologies such as AI, machine learning and cloud computing. A comprehensive skill development programme should be launched, targeting digital literacy, technical skills and proficiency in emerging technologies. Aligning university curricula with industry demands and promoting vocational training will ensure Nigeria's workforce remains competitive in global digital trade.

Infrastructure development: India's success has been underpinned by investments in reliable electricity, stable internet connectivity and technology parks. Significant investments in digital and physical infrastructure are important. Establishing technology hubs in strategic regions, supported by a stable power supply and high-speed internet,

will foster an enabling environment for BPO operations and digital trade.

Policy and governance: India's government has supported the BPO sector through tax incentives, export promotion policies and simplified regulations, ensuring data security and compliance with global standards. Clear and strategic policies promoting data privacy, IPR and export incentives should be prioritised. This includes creating a supportive regulatory framework to attract global investors and foster trust among international trade partners.

Geographical specialisation: India has concentrated its BPO hubs in cities with competitive advantages, creating centres of excellence. Nigeria should identify and develop regional hubs with strong potential for digital trade, leveraging local strengths such as skilled labour and existing infrastructure. Concentrating efforts in selected regions will foster efficiency and innovation.

Cost advantage and value addition: India initially leveraged low labour costs but transitioned to high-value, judgement-based services incorporating automation and AI.

Mindset transformation and digital inclusion: India has fostered widespread digital adoption, even among small businesses, through collaborative efforts between the government and the private sector. Promoting digital literacy and promoting a culture of innovation across all sectors will be important. Campaigns to encourage the adoption of digital solutions by SMEs and individuals will drive inclusion and broaden participation in digital trade.

Emerging technology integration: The Indian BPO industry has embraced emerging technologies such as the Internet of Things (IoT), blockchain and big data to remain competitive. Centres of excellence focusing on emerging technologies should be established to promote innovation and ensure Nigerian businesses remain at the forefront of technological advancements in digital trade.

Resilience and ecosystem development: India's robust digital ecosystem has enabled the IT-BPM sector to withstand disruptions like the Covid-19 pandemic. Developing a resilient digital ecosystem with cloud-based infrastructure and flexible work models will ensure sustainability and adaptability in the face of global challenges.

Case study: the Philippines' cost-effective model

The Philippines has emerged as a key competitor of India in the global BPO market owing to its lower operational costs. The Philippines' BPO industry started in the early 1990s, gaining traction with the entry of global companies looking for cost-effective outsourcing solutions. By the early 2000s, the government had begun implementing strategic policies that facilitated rapid expansion, leading to the establishment of numerous call centres, IT services firms and back-office processing companies (Thompson, 2022). The

Philippines BPO sector contributes \$32 billion in annual revenue and employs 1.4 million people (IBPAP, 2023).

Government policies and incentives: The Philippine government has played a critical role in developing and supporting the BPO industry by offering tax incentives under the Philippine Economic Zone Authority, reducing operational costs for foreign firms. The tax incentives holiday is between five and seven years. The government has also introduced liberal investment policies allowing 100% foreign ownership of outsourcing companies, with dedicated IT and business parks to support infrastructure needed for BPO operations. The creation of the IT-BPM Roadmap has ensured continuous industry growth (IBPAP, 2023). The national outsourcing roadmap aligns industry goals with policy support.

Digital infrastructure and connectivity: Government-funded IT parks and call centre hubs have high-speed broadband penetration and data centres supporting 24/7 operations (World Bank, 2021). There have also been investments in fibre-optic broadband and networks, improving BPO efficiency and scalability (GSMA, 2024a). Cloud computing adoption enables seamless integration of remote work and business continuity solutions.

Skilled workforce and language proficiency: The Philippines ranks among the top English-speaking countries in Asia, with neutral accents ideal for customer service outsourcing. There is strong cultural compatibility with Western markets, particularly the US, owing to historical and economic ties. The country has over 500,000 graduates annually, particularly in IT, finance and business-related fields, ideal for customer support outsourcing (Magellan Solutions, 2024).

Cost-effectiveness and competitive labour market: Labour costs are low compared with Western nations (monthly salaries of \$400–\$600 for entry-level agents). Meanwhile, the BPO industry contributes nearly 10% of the Philippines' GDP. Over 1.4 million direct jobs and 2.5 million indirect jobs have been created. The sector attracts FDI from top outsourcing clients like the US, the UK and Australia. This means a high return on investment for foreign firms outsourcing customer service and tech support.

PPPs: Collaboration between government agencies, universities and private BPO firms has ensured continuous talent development. This includes the establishment of BPO training programmes in major universities to equip graduates with relevant outsourcing skills to support industry members, such as the IT & Business Process Association of the Philippines (IBPAP). Special BPO training programmes have been established to address industry demand.

While Metro Manila remains the primary outsourcing hub, cities like Cebu, Davao and Iloilo are emerging as competitive locations. These

cities offer lower operational costs, improved infrastructure and access to skilled talent pools.

Case study: Egypt's call centre industry

Egypt has emerged as a leading global outsourcing destination, particularly in the call centre industry, owing to its strategic location, multilingual workforce, cost competitiveness and strong government support. With a well-established BPO sector, Egypt has positioned itself as a preferred destination for multinational companies seeking high-quality, cost-effective call centre services.

Egypt's thriving call centre industry provides significant employment opportunities, including for Nigerian students, and has been highlighted as a model for Nigeria. The industry's success presents an opportunity for Nigeria to capitalise on similar models to enhance its domestic BPO market.

The Egyptian call centre industry began to gain traction in the early 2000s, driven by increasing FDI and the availability of a young, skilled workforce. By the 2010s, Egypt had solidified its position as a top outsourcing hub in the Middle East and North Africa region.

According to the Information Technology Industry Development Agency (ITIDA, 2023a) Egypt rose to third place on the 2023 offshore BPO Confidence Index and the sector contributes over \$4.2 billion annually to the economy, or 5.9% of the country's GDP growth (2019–2023). Cairo is ranked among the top 25 offshore outsourcing destinations globally (Kearney, 2023). The outsourcing sector is expected to grow at a compound annual growth rate of 7.9% between 2023 and 2028, indicating sustained industry expansion. Egypt's telecom sector, which supports the BPO industry, accounts for approximately 3.8% of GDP.

Multilingual workforce: Egypt has a highly educated, multilingual workforce, fluent in English, Arabic, French, German, Italian and Spanish. The availability of multilingual agents makes Egypt an attractive destination for European and Middle Eastern markets (ITIDA, 2023b). Universities and technical institutes offer specialised language and BPO courses, ensuring a steady pipeline of skilled professionals. Training programmes, often supported by the government, equip fresh graduates with customer service skills and soft skills required for BPO jobs.

Strategic geographical location: Egypt's proximity to Europe, Africa and the Middle East allows for good time zone alignment. The country serves as a regional outsourcing hub, providing seamless 24/7 customer support. International firms benefit from reduced travel costs and logistical efficiency in managing their Egypt-based call centre operations. Egypt's ports and improved transportation networks support the smooth movement of business operations, benefiting logistics-heavy outsourcing services.

Government support and investment incentives: The Egyptian government has implemented policies to attract BPO investments, including tax exemptions for outsourcing firms operating in designated IT zones; investment in digital infrastructure and technology parks; and grants and training from ITIDA to enhance workforce skills. Data protection laws and cybersecurity policies ensure compliance with international standards. PPPs encourage technology transfer and process automation in the BPO sector.

Digital infrastructure and technological readiness: While Cairo remains the primary outsourcing hub, secondary cities like Alexandria, Giza and New Cairo are emerging as competitive locations. These cities offer lower operational costs and access to untapped talent pools. Egypt's technology sector has seen major investments in increased cloud outsourcing partners. These include Fujitsu, Raya, Microsoft, Avit, Huawei and Oracle, among other multinationals that have set up data centre outsourcing and IT outsourcing companies in Egypt to service the Europe, Middle East and Africa region. The Egyptian government is making continuous efforts in investing in smart cities and regional tech hubs to diversify BPO locations beyond Cairo. This investment has seen the ICT sector develop the required infrastructure to support cloud technology in Egypt, which offers flexible office solutions and has supported the emergence of new outsourcing locations.

High-speed internet penetration and investments in data centres enable efficient remote work and cloud-based call centre solutions (World Bank, 2023). The adoption of AI, chatbots and automation has enhanced service delivery and operational efficiency (IDC, 2023).

Recently, there has been a rise in process automation activities in Egypt, along with an increasing number of local companies providing large-scale Robotic Process Automation services. Egypt has established itself as a leader in AI-driven customer service solutions, which help reduce reliance on human intervention and enhance efficiency (MCIT, n.d.). The growing adoption of cloud technology and the integration of big data analytics enable companies to offer personalised customer experiences and predictive support. Additionally, cybersecurity measures have been strengthened to protect data privacy and prevent breaches, ensuring compliance with international standards.

Contribution to employment: Egypt offers one of the most competitive operating costs per full-time employee (ITIDA, 2020; IDC, 2022). IBM has seven Centres of Excellence in Egypt, which employ a sustainable pool of talented, technologically skilled and multilingual graduates. The BPO and call centre sector employs over 270,000 students every year. Post-Covid, the demand for remote call centre jobs has surged, increasing the availability of work-from-home opportunities. As outsourcing demand continues to rise, the sector is projected to generate an additional 150,000 jobs by 2030 from a

labour pool of highly technical professional candidates, many being bilingual and trilingual

Egypt's BPO sector is increasingly incorporating gig work opportunities, enhancing workforce participation. Notably, women constitute a significant portion of the BPO workforce, promoting gender diversity. According to the International Labour Organization (ILO), digital technology has facilitated the expansion of new economic activities and shifts in work arrangements, such as freelancing, remote jobs and gig work. These developments have contributed to increased participation in the digital economy, including in Egypt's BPO sector (ILO, 2023).

Furthermore, Egypt's BPO sector is incorporating gig work opportunities, which allows for greater workforce participation. Notably, women constitute a significant portion of the BPO workforce in Egypt, promoting gender diversity (ILO, 2023). Government-supported programmes aimed at women's inclusion have expanded career opportunities in outsourcing and IT services. Special incentives for women-led startups in the BPO sector encourage increased participation of women. Additionally, training programmes focused on enhancing women's digital literacy and customer support skills are helping bridge the gender employment gap. Many call centres also provide childcare support and offer work-from-home flexibility, making them attractive employers for women.

3.4 Policy recommendations for the BPO sector

The successes of India, the Philippines and Egypt in BPO serve as a model that Nigeria can replicate and improve under the AfCFTA to position itself as a leading outsourcing hub in Africa. Nigeria's comparative advantage for growth in BPO under the AfCFTA is its large, young, English-speaking workforce. The digital ecosystem is growing, with Lagos, Abuja and Port Harcourt leading as tech hubs, and competitive labour costs are similar to the Philippines.

This section outlines a comprehensive set of recommendations to address existing challenges and unlock the full potential of the BPO industry in Nigeria to benefit from the large market under the AfCFTA. Nigeria can create an enabling environment that supports sustainable growth in the BPO sector by fostering strategic partnerships, investing in infrastructure and aligning with international standards. Achieving this vision requires a well-coordinated approach to policy-making and implementation.

1. Develop a comprehensive national BPO strategy: Create a BPO sector strategy that aligns with the AfCFTA as well as a destination outsourcing guide for Nigeria.

Strategy:

- Establish a national BPO taskforce to coordinate efforts across government agencies, the private sector, SMEs and academic institutions, ensuring alignment with AfCFTA protocols.
- Develop a destination outsourcing guide for Nigeria to serve as a strategic tool to position the country as a preferred outsourcing hub, attract foreign investment and enhance regional, continental and global competitiveness.
- Organise workshops, roundtables and public consultations to engage stakeholders in developing a strategy that includes BPO, e-commerce and digital payment systems with a focus on cross-border trade under the AfCFTA.
- Benchmark against successful digital trade models from other nations considering the AfCFTA's potential for creating a competitive, interconnected BPO ecosystem across Africa.

Implementation agency:

NITDA works across sectors, with government agencies, private businesses, SMEs and academic institutions, making it well positioned to lead the establishment of a national BPO taskforce and coordination efforts in line with the AfCFTA framework.

Other relevant agencies include:

- FMCIDE (for overall policy direction)
- NACO and NEPC (to support export-oriented BPO initiatives under the AfCFTA)
- NIPC (to attract investment into the BPO sector).

These agencies can work together to implement the strategy for developing Nigeria's BPO sector under the AfCFTA framework.

2. Regulatory alignment and reforms: Harmonise Nigeria's regulatory framework with AfCFTA and DTP requirements to create an enabling environment for BPO operations.

Strategy:

- Conduct a regulatory audit to identify gaps between domestic regulations and align them with international best practices.
- Establish a regulatory body tasked with harmonising domestic laws with the AfCFTA and international protocols, focusing on cross-border dispute resolution.
- Develop clear guidelines for BPO companies on managing regulatory environments across different African markets.

Implementation agency:

NITDA, FMCIDE and NACO are key agencies for aligning Nigeria's BPO regulatory framework with AfCFTA and DTP requirements, ensuring compliance, harmonisation and a supportive environment for growth.

3. Policy-driven infrastructure development: Invest in digital infrastructure to support BPO growth and enhance Nigeria's digital trade capacity within the AfCFTA framework.

Strategy:

- Incentivise PPPs to invest in digital infrastructure such as high-speed internet, reliable electricity and communication networks, ensuring alignment with the AfCFTA's goals of reducing trade barriers and boosting regional connectivity.
- Create a national infrastructure development plan focused on supporting BPO operations, prioritising areas with high BPO potential and ensuring infrastructure meets the needs of cross-border digital trade under AfCFTA. Introduce tax reliefs and subsidies for businesses investing in infrastructure within free trade zones, encouraging BPO investments and positioning Nigeria as a regional hub under AfCFTA's integrated digital economy.

Implementation agency:

NITDA, FMCIDE, NCC and the Nigeria Infrastructure Concession are key to driving digital infrastructure development, facilitating investment and PPPs and ensuring alignment with AfCFTA goals to boost Nigeria's BPO sector.

4. Targeted skills development: Develop a robust talent pipeline for the BPO sector through targeted skills development and capacity-building initiatives.

Strategy:

- Collaborate with universities, vocational schools and private sector partners to design and implement training programmes aligned with BPO sector needs.
- Launch a national BPO workforce development programme focused on upskilling youth and women in both tech and non-tech roles.
- Create an online platform for skill development, offering free and subsidised courses in partnership with international organisations.
- Combine Nigerian cost advantages with value creation by investing in automation technologies (AI) and upskilling its workforce. This approach will ensure long-term competitiveness in global digital trade markets.

5. PPPs: Encourage collaboration between the government, private sector and development partners to support BPO development and digital trade.

Strategy:

- Establish a PPP framework specifically targeting the BPO sector to promote infrastructure investment, skill-building and technology innovation.
- Set up a mechanism on the AfCFTA Protocol on Investment to attract private investors, including African direct investment and venture capital, to support BPO initiatives.
- Develop a PPP incubator to support innovative BPO startups and facilitate access to resources, mentorship and market opportunities.

6. Leverage the AfCFTA's market access: Capitalise on the AfCFTA's market access to expand Nigerian BPO firms' reach within Africa and beyond.

Strategy:

- Implement export promotion policies that incentivise BPO companies to expand their operations across Africa, with a focus on high-demand markets.
- Organise trade missions, conferences and business matchmaking events to connect Nigerian BPO firms with potential clients and partners within the AfCFTA region.
- Develop digital marketing campaigns targeting African businesses, showcasing Nigeria's BPO capabilities.

7. ICT free zones: Establish ICT and BPO free zones to promote growth and attract international BPO firms to Nigeria, especially to the special economic zones for BPOs and BPO IT parks in Lagos, Abuja, Umuahia and Kano. The government should also offer tax breaks and incentives for outsourcing firms setting up in Nigeria.

Strategy:

- Develop dedicated ICT and BPO zones with the necessary infrastructure, including high-speed internet, power supply and communication networks.
- Offer tax incentives, reduced customs duties and other business-friendly policies to attract BPO companies to these zones.
- Set up special economic zones in strategic locations, ensuring easy access to regional and international markets.

Implementation agency:

- FMITI, NIPC and Nigeria Export Processing Zones Authority

8. Decentralised Policy Implementation: Empower local governments to implement BPO-enabling policies and develop regional clusters.

Strategy:

- Empower state governments to regulate key BPO-enabling resources like land, electricity and internet connectivity.
- Develop a framework for states to create their own BPO clusters, focusing on local strengths and resources.
- Introduce a competitive grant system to encourage states to implement innovative BPO policies and solutions.

9. Focus on consumer protection and trust: Strengthen consumer protection frameworks to build trust in Nigeria's BPO sector and digital trade.

Strategy:

- Strengthen data protection and cybersecurity laws to ensure consumer confidence in Nigeria's BPO services.
- Implement a certification system for BPO firms that adhere to international data protection and cybercrime laws.
- Increase trust in digital transactions and prevent fraud.
- Launch a national awareness campaign on the importance of data protection and consumer trust in digital trade.

Implementing agency:

- The National Cybersecurity Coordination Centre can spearhead the efforts on the prevention of fraud and cybercrimes, as well as restoring trust in digital services.
- FCCPC and NDPC are the apex agencies that implement strategies for consumer and data protection.

10. International standards compliance: Ensure compliance with international standards in digital trade to enhance Nigeria's competitiveness in the global BPO market.

Strategy:

- Create a technical working group to facilitate the adoption of international digital trade standards, such as e-invoicing, electronic signatures and cross-border data transfer protocols.
- Work with international organisations like the WTO and the AfCFTA to align Nigerian regulations with global standards.
- Promote certification programmes for BPO firms to ensure compliance with international digital trade standards.

11. Awareness and capacity-building: Increase awareness of the BPO sector's potential and provide capacity-building opportunities for stakeholders.

Strategy:

- Organise awareness campaigns to inform businesses and the workforce about the opportunities under the AfCFTA and the DTP.
- Hold training seminars, workshops and conferences to build capacity in digital trade, particularly for SMEs and youth.
- Develop an online knowledge-sharing platform to disseminate best practices and policy updates to stakeholders in the sector.

12. Support for SMEs in the BPO sector: Provide targeted support to SMEs in the BPO sector to promote growth and innovation.

Strategy:

- Introduce low-interest loans, grants and subsidies to support SMEs in the BPO sector, reducing financial barriers to entry.
- Develop a mentoring and capacity-building programme for SMEs to enhance their competitiveness and enable them to scale within the AfCFTA framework.
- Simplify the regulatory and compliance requirements for SMEs, particularly those seeking to operate in free trade zones.

13. Youth and women empowerment: Empower youth and women to actively participate in the BPO sector through targeted initiatives.

Strategy:

- Design programmes that specifically target youth and women, providing them with the skills and resources needed to succeed in the BPO sector.
- Promote entrepreneurship in the BPO sector by offering start-up grants, mentorship and business development services.
- Collaborate with international organisations to offer specialised training and capacity-building opportunities for women and youth in digital services.

Implementing agency:

- This can be led by the Federal Ministry of Women Affairs (FMWA), in collaboration with NACO and SMEDAN.

14. Leverage new technologies: Use AI to revolutionise the BPO industry and create niche services of data quality assurance, AI governance and bias mitigation, data integration and AI adoption service, and data security as a service (DSaaS).

Strategy:

- Establish clear policies and regulations to support the integration of AI in BPO services and implement a robust AI governance framework to ensure compliance with ethical standards.
- Invest in cloud computing as infrastructure and as a skill in the young population to remain ahead of the curve and drive innovation.
- Develop a niche service to check the accuracy and integrity of data used by AI systems, providing human oversight to enhance data reliability.
- Data Security as a Service (DSaaS): Provide comprehensive data privacy and security services, ensuring robust protection against cyber threats and compliance with data protection laws.

Nigeria's BPO sector has immense potential to become a catalyst for economic transformation, job creation and global competitiveness. However, realising this potential requires a multifaceted approach encompassing robust policy frameworks, strategic investments and active stakeholder engagement. By implementing these recommendations, Nigeria can establish itself as a leading outsourcing destination in Africa, fostering sustainable economic growth and positioning itself as a competitive player in the global digital trade arena.

4 Supporting e-commerce in Nigeria under the AfCFTA⁶

Nigeria's e-commerce sector has witnessed significant growth, driven by platforms such as Jumia and Konga, alongside advancements in digital payment solutions and the increasing adoption of technology. However, the sector continues to grapple with challenges, including inefficiencies in e-payment systems, data protection gaps and limited SME integration. Leveraging successful African models and implementing targeted reforms under the AfCFTA framework will be very important to enhancing Nigeria's e-commerce ecosystem and promoting digital trade.

E-commerce, short for electronic commerce, refers to the buying and selling of goods and services over the internet. It encompasses various online transactions, including retail sales through websites or apps, online banking and digital marketplaces. E-commerce has transformed traditional commerce by enabling businesses to reach a global audience, operate without the constraints of physical locations and offer customers the convenience of 24/7 shopping. The rise of e-commerce has been facilitated by advancements in technology, particularly in internet connectivity, mobile devices and secure payment gateways.

As businesses increasingly shift online, e-commerce has become a significant driver of economic growth, contributing substantially to global GDP. The scope of e-commerce is broad, spanning several models, such as business-to-consumer (B2C), business-to-business (B2B), consumer-to-consumer (C2C) and consumer-to-business (C2B). Each model serves different market segments and operates through various digital platforms, including social media, online stores and digital auctions. In addition to convenience, e-commerce provides cost savings, access to a wider market and personalised shopping experiences through data analytics.

However, it also faces challenges, such as cybersecurity threats, regulatory issues and the digital divide that limits access in some regions. As technology continues to evolve, e-commerce is expected

⁶ This section was written by Prachi Agarwal, Sand Mba-Kalu and Alberto Lemma.

to play an increasingly important role in shaping the future of global trade (Businessner, 2024; Fanelli, 2024; Hayes and Downie, 2024).

Section 4.1 looks at the Nigerian e-commerce ecosystem, including issues and challenges, the main players and stakeholder insights into these. Section 4.2 reviews successful cases of e-commerce in Africa. Section 4.3 discusses general trends emerging from the consultations for this study. Section 4.4 presents recommendations for Nigeria in the field of e-commerce.

4.1 Nigerian e-commerce ecosystem

4.1.1 issues and challenges

Nigeria's e-commerce ecosystem has witnessed substantial growth, largely driven by increasing internet penetration, the adoption of smartphones and a growing youth population. Platforms like Jumia and Konga have become central to this growth, offering wide access to goods such as consumer electronics, fashion and home appliances. However, several challenges persist, which hinder the sector's potential and must be tackled to fully harness the opportunities in the AfCFTA and the broader global digital economy.

Regulatory gaps and frameworks

A major issue in Nigeria's e-commerce ecosystem is the lack of a comprehensive regulatory framework. As highlighted by stakeholders, platforms like Jumia and Konga have grown without a clear, structured legal environment, which has led to challenges in cross-border trade and consumer protection. Regulatory inconsistencies, such as multiple taxation and unclear laws surrounding digital trade, further hinder the growth of e-commerce. Other stakeholders also emphasise the need for a national digital trade strategy that aligns with AfCFTA protocols and facilitates smooth trade across borders.

Infrastructure and logistics challenges

Despite Nigeria's growth in e-commerce, poor infrastructure remains a significant barrier. Some stakeholders point out that logistics issues, including high delivery costs, lack of a correct house numbering system and poor connectivity, especially in rural areas, continue to discourage full participation in the digital economy. Other stakeholders highlight that internet connectivity and power supply limitations further impede the sector's growth, making efficient logistics and timely delivery difficult to achieve. Additionally, cash-on-delivery remains the preferred payment method for many Nigerians, which complicates the scalability of digital payment systems.

Cybersecurity and data privacy concerns

Cybersecurity and data privacy concerns are widespread in Nigeria's digital trade ecosystem. Some stakeholders pointed out rising

incidents of fraud and cybersecurity breaches, posing a significant threat to the growth of e-commerce. Others called for stronger enforcement of data protection laws and improved cybersecurity measures to enhance consumer trust. While Nigeria has made progress with the NDPA, stakeholders emphasised that further improvements were needed to ensure the protection and privacy of users' data within the digital economy.

Digital literacy and inclusivity

The digital divide between urban and rural areas remains a critical issue. Some stakeholders stressed the disparity in digital literacy, where rural populations, including farmers and small-scale producers, often lack the necessary tools and knowledge to engage in the digital economy. This gap hinders the inclusion of a large portion of the population in e-commerce and digital trade. Other stakeholders advocated for targeted capacity-building initiatives to equip Nigerians with the skills needed to participate in and benefit from digital trade.

Cross-border trade and AfCFTA integration

The AfCFTA DTP presents significant opportunities for Nigeria to enhance its digital trade across Africa. However, regulatory inefficiencies and bureaucratic challenges at Nigerian borders impede the smooth flow of goods and services. Stakeholders highlighted that high export duties, misclassified contraband and ineffective customs processes created obstacles for Nigerian sellers trying to access the wider African market. Stakeholders advocated for standardised regulations across African countries to facilitate easier cross-border transactions and promote intra-African trade.

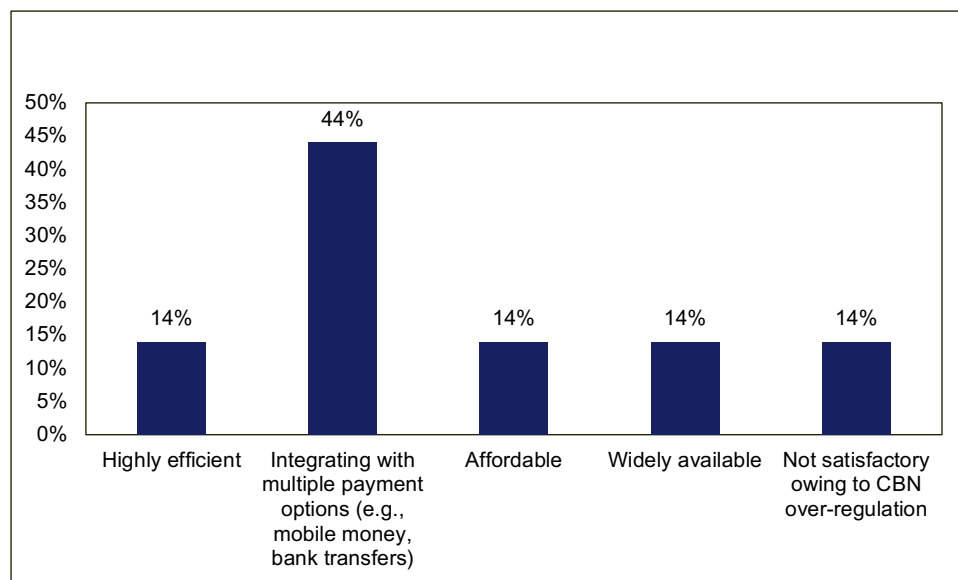
4.1.2 Stakeholders' evaluation of Nigeria's e-payment gateway challenges

Figure 5 presents the current state of e-payment gateways in Nigeria. It highlights strengths such as multi-option integration while also addressing challenges, including affordability, efficiency availability, and excessive regulation. The analysis stresses the importance of reforms to improve the ecosystem and promote growth in digital trade

The figure reveals that both strengths and challenges characterise the current state of e-payment gateways in Nigeria. Integration with multiple payment options, noted by 44% of respondents, reflects the growing adaptability of e-payment systems to diverse user needs, such as mobile money and bank transfers. However, perceptions of efficiency, affordability and availability, each rated at 14%, suggest that, while progress has been made, these aspects remain inconsistent and require further improvement. Additionally, 14% of respondents highlighted dissatisfaction owing to perceived over-regulation by CBN, which could hinder innovation and operational flexibility. These findings indicate that, while Nigeria's e-payment

terrain is evolving, targeted reforms to streamline regulations, enhance affordability and ensure widespread accessibility are crucial. This aligns with the study's objective of examining systemic challenges within the e-commerce ecosystem to create a robust digital trade strategy under the AfCFTA framework.

Figure 5 Stakeholder insights into the current state of e-payment gateways in Nigeria



4.1.3 Top platforms

Nigeria's e-commerce ecosystem is primarily driven by prominent platforms such as Jumia and Konga, which have established themselves as key players in the market. These platforms offer a broad range of products, including consumer electronics, fashion and home appliances, and operate under a marketplace model that allows third-party sellers to list and sell their products. Both Jumia and Konga have successfully capitalised on the country's growing urban and youthful population, with Jumia being particularly recognised for its logistics improvements.

However, these platforms continue to face significant challenges, such as high delivery costs, cash-on-delivery dominance and limited delivery reach, which hinder the full potential of e-commerce in Nigeria. Additionally, the growth of social commerce through platforms like Facebook, Instagram and WhatsApp has further expanded the digital marketplace, allowing individuals to buy and sell products independently, although this space remains largely unregulated compared with more established e-commerce platforms.

The success of these e-commerce platforms has been closely tied to the integration of digital payment systems, with platforms like Opay, PalmPay and Flutterwave playing a crucial role in facilitating seamless transactions. As stakeholders highlighted, the rise of mobile wallets and instant payment solutions has been pivotal in

driving e-commerce growth, especially among Nigeria's tech-savvy urban population. Despite these advancements, issues related to cybersecurity, data privacy and poor infrastructure continue to challenge the sector. To further strengthen the e-commerce ecosystem, stakeholders stressed the importance of improving internet connectivity, expanding digital literacy and tackling regulatory gaps. A comprehensive digital trade strategy that includes logistics enhancement, consumer protection and cross-border trade facilitation will be crucial for Nigeria to strengthen its position as a leading e-commerce hub in Africa.

4.1.4 E-payments within Nigeria and intra-Africa

Nigeria's digital payment ecosystem has made significant strides, largely driven by the growth of fintech solutions such as Opay, Monie Point and Paystack, which have facilitated seamless e-commerce transactions. These innovations, including mobile wallets and instant payment systems, have contributed to Nigeria's ranking as the sixth global leader in real-time payment transactions in 2021. However, challenges persist, including cash-on-delivery preferences and the limited adoption of digital payments in rural areas. Lack of trust in online payment systems and security concerns, such as fraud and data breaches, also hinder wider adoption. Stakeholders advocated for enhanced digital literacy, improved security measures and better payment infrastructure, particularly in neglected regions, to promote greater inclusivity and confidence in e-commerce.

Figure 6 presents stakeholders' perspectives on the key challenges hindering digital trade platform scalability in Nigeria, emphasising regulatory barriers, operational costs, limited internet penetration and informal markets within the context of AfCFTA-driven digital trade expansion.

Figure 6 Stakeholder insights on challenges under the AfCFTA Framework

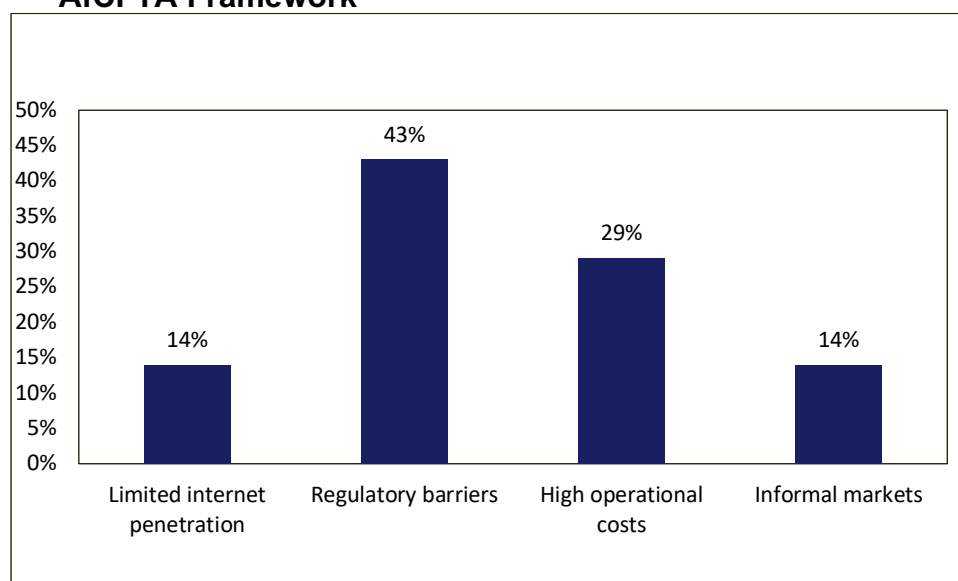


Figure 6 highlights several critical challenges that digital trade platforms face in scaling across Nigeria, as reported by stakeholders. Regulatory barriers, cited by 43% of respondents, emerge as the most significant obstacle, demonstrating the complexities of dealing with inconsistent policies, licensing requirements and fragmented regulatory frameworks that hinder seamless operations. High operational costs, affecting 29% of platforms, reflect the financial burden of logistics, technology acquisition and infrastructure maintenance in a developing economy. Limited internet penetration and the prevalence of informal markets, each noted by 14% of respondents, point to structural constraints that restrict market access and formal trade integration. These findings illustrate the urgent need for a comprehensive digital trade strategy that prioritises regulatory harmonisation, reduces operational costs through PPPs, expands internet infrastructure and incentivises formalisation within the AfCFTA framework. These issues have to be resolved to establish Nigeria as a competitive hub for digital trade in Africa.

However, the AfCFTA DTP presents a promising opportunity to harmonise digital payment systems across Africa, enabling seamless cross-border transactions. The Pan-African Payment and Settlement System (PAPSS), although still in its infancy, holds the potential to simplify payments and facilitate smoother intra-African trade. Stakeholders were of the view that having a standardised regulations across Africa would ensure the interoperability of payment systems, which would reduce friction in cross-border e-commerce transactions. Nigeria, with its advanced digital payment infrastructure, is well positioned to lead in regional e-commerce growth, provided public–private collaborations are strengthened and policy frameworks aligned to promote financial inclusion and secure digital transactions across the continent under the AfCFTA framework.

4.1.5 Mapping SMEs

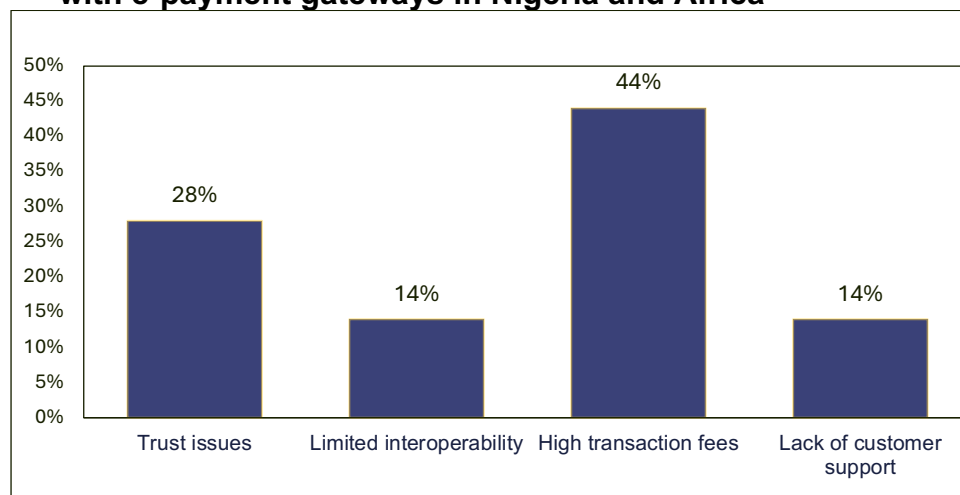
Mapping Nigeria's SMEs in the e-commerce landscape reveals several opportunities and challenges that need to be dealt with for their growth and integration into the digital economy. SMEs often face limited access to digital platforms owing to high fees, lack of technical skills, concerns about cybersecurity, trust issues and insufficient awareness. According to stakeholders, these limitations hinder many small businesses from effectively engaging in e-commerce. In addition, SMEs experience trust issues with consumers, as buyers want assurances that the products they order will match their expectations. Cross-border trade is also problematic, with the burden associated with the high cost of export process duties. Customs bottlenecks and a lack of regulatory clarity discourage SMEs from expanding beyond local markets. Stakeholders stressed the need for digital literacy, capacity-building and improved infrastructure to enable SMEs to engage fully in the digital economy.

To enhance the participation of SMEs in e-commerce, stakeholders proposed a range of solutions. These include developing local e-commerce platforms tailored to the needs of SMEs, offering targeted training on digital tools and cybersecurity and expanding broadband infrastructure to improve internet access, particularly in rural areas. PPPs are also important for tackling logistical, regulatory and trust challenges. Additionally, aligning with the AfCFTA DTP will offer significant potential for Nigerian SMEs to access cross-border markets in Africa. Stakeholders further highlighted the importance of financial inclusion and support for women and youth entrepreneurs in driving inclusive growth in the digital economy.

4.1.6 E-payment gateways in Nigeria and Africa

Figure 7 highlights significant challenges faced with e-payments in Nigeria and Africa, with high transaction fees identified by 44% of respondents as the most critical issue. These fees impede the affordability and scalability of e-payment solutions, particularly for SMEs engaged in intra-African trade. Trust issues, noted by 28%, reflect concerns over security and reliability, which undermine user confidence and adoption rates. Limited interoperability between platforms and systems, cited by 14%, further restricts seamless transactions across borders, while a lack of customer support, also at 14%, exacerbates user frustrations and service inefficiencies.

Figure 7 Stakeholder insights into challenges encountered with e-payment gateways in Nigeria and Africa



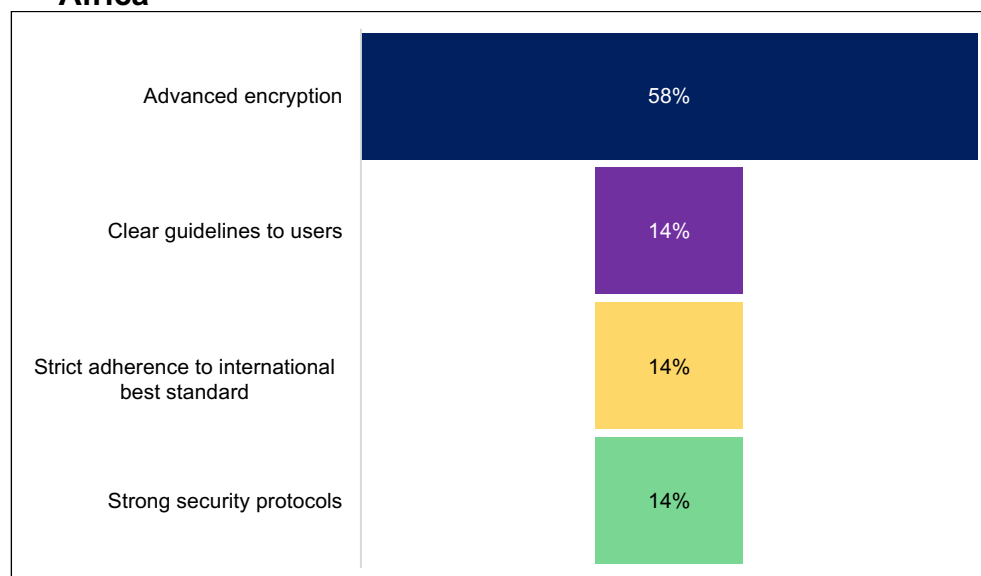
Tackling these challenges requires targeted interventions such as fee reduction strategies, improved cybersecurity measures, enhanced platform integration and strengthened customer service frameworks. These reforms are integral to the study's aim of promoting a robust e-payment ecosystem that supports Nigeria's digital trade aspirations under the AfCFTA framework.

E-payment security in Nigeria and Africa

E-payment platforms in Nigeria and across Africa prioritise security (Figure 8), with 58% of respondents pointing to the use of advanced

encryption as the primary measure to protect transactions. This indicates a strong focus on safeguarding sensitive data from cyber threats. Additionally, 14% of respondents highlighted the importance of providing clear guidelines to users, ensuring they understand the security features and how to protect themselves. And 14% cited strict adherence to international best standards and the implementation of strong security protocols, which further highlights the commitment to maintaining a high level of security and compliance.

Figure 8 Security of e-payment transactions in Nigeria and Africa



Maintaining a high level of security and compliance among e-payment platforms is crucial to establishing trust in the e-payment ecosystem. This is especially important in the context of intra-African trade under the AfCFTA. It also fosters a secure, efficient and reliable digital trade environment for Nigeria and its trading partners across Africa.

Data protection

Data protection is an important aspect of Nigeria's e-commerce ecosystem, impacting both consumers and sellers. Despite regulations like the NDPA, enforcement remains a challenge, as stakeholders highlighted. Issues such as unsolicited marketing and unauthorised data-sharing undermine consumer trust, with some incidents involving the misuse of personal data, including NINs.

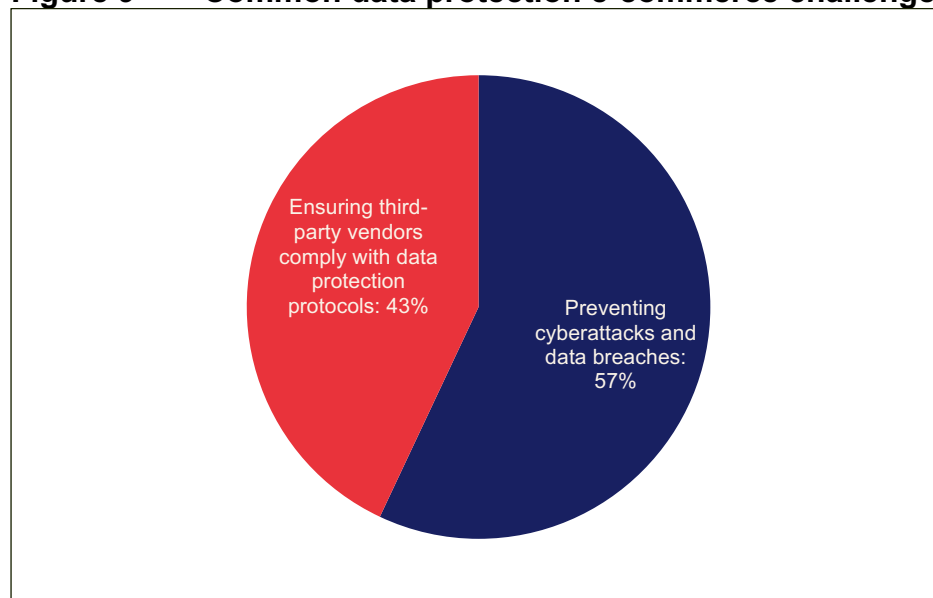
Some stakeholders emphasised the importance of user consent and transparency in data usage, ensuring that customers are informed about how their data is stored and shared. Other stakeholders highlighted their commitment to the NDPA by conducting regular compliance assessments and ensuring secure data processing. Despite these efforts, challenges remain in cybersecurity, particularly in protecting sensitive information from breaches and fraud.

To address these concerns, stakeholders advocated for a stronger regulatory framework and more effective enforcement mechanisms. They called for a national regulatory framework for digital data management alongside enhanced cybersecurity measures to mitigate risks.

Opay has introduced several innovative security features, such as Nightguard and Large Transaction Shield, to protect users from fraud while also ensuring sensitive data like phone numbers is masked to prevent misuse. Furthermore, stakeholders highlighted the importance of data protection in facilitating cross-border e-commerce under the AfCFTA, where harmonised data protection regulations are crucial for seamless and secure transactions across African borders. Overall, building consumer trust through robust data protection practices, alongside public–private collaborations, is essential for Nigeria to fully capitalise on its digital trade potential.

Figure 9 illustrates that the most significant data protection challenges faced by e-commerce platforms in Nigeria are cyberattacks and data breaches, highlighted by 57% of respondents. This underscores the vulnerability of platforms to increasingly sophisticated cyber threats that can compromise both consumer and seller data. Ensuring third-party vendors comply with data protection protocols, noted by 43%, further reflects the complexity of managing external partnerships while maintaining stringent security standards.

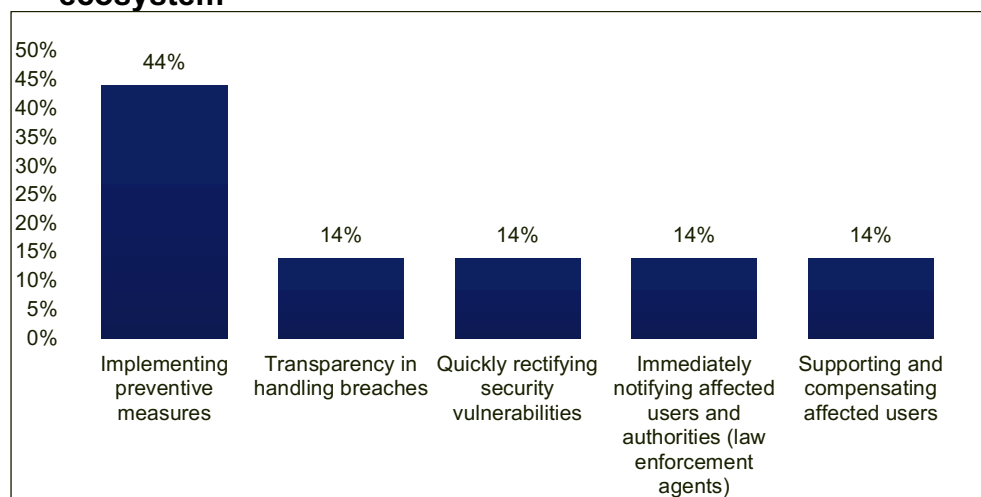
Figure 9 Common data protection e-commerce challenges



These challenges are critical in the context of digital trade under the AfCFTA, where data protection is pivotal to building trust across borders. Tackling these issues through robust cybersecurity measures, strict vendor oversight and adherence to international data protection standards is essential for creating a secure and reliable e-commerce ecosystem, which aligns with the study's goal of enhancing Nigeria's digital trade infrastructure.

In terms of data breaches, 44% of respondents (see Figure 10) emphasised implementing preventive measures as the primary approach to handling data breaches, reflecting a proactive stance aimed at minimising the risk of breaches before they occur. Transparency in managing breaches, promptly rectifying vulnerabilities, notifying affected users and authorities and providing support and compensation, each cited by 14%, underscore a balanced focus on both preventive and responsive strategies.

Figure 10 Handling data breaches in Nigeria's e-commerce ecosystem

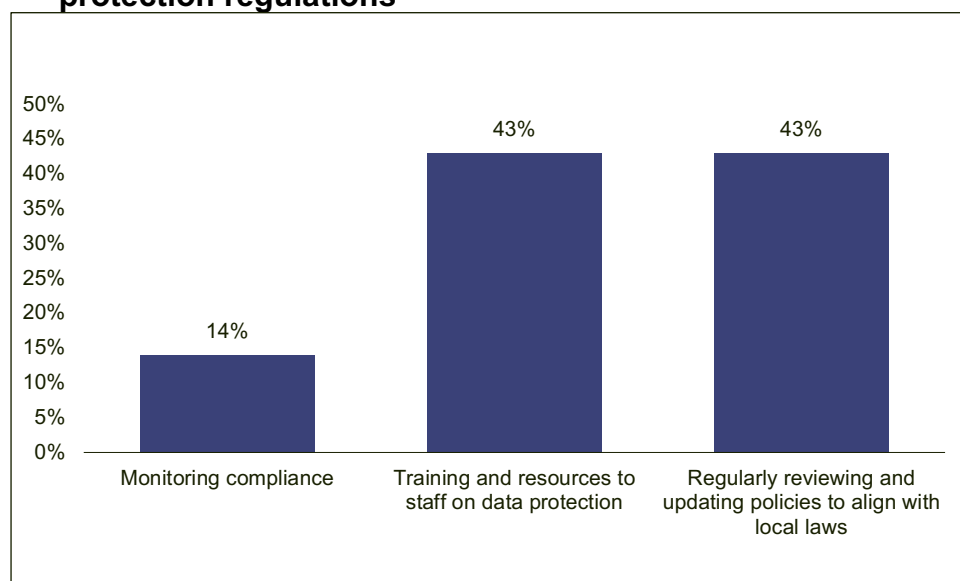


These measures are important in promoting trust and accountability within the digital trade ecosystem. For Nigeria, resolving data breaches effectively is integral to strengthening its e-commerce infrastructure and ensuring compliance with the AfCFTA's DTP. This aligns with the study's goal of establishing a comprehensive framework for consumer and seller data protection to facilitate Nigeria's digital trade competitiveness.

4.1.7 Regulatory requirements

Figure 11 reveals that ensuring compliance with Nigeria's data protection regulations relies heavily on two key strategies: regularly reviewing and updating policies to align with local laws, and providing training and resources to staff on data protection, each highlighted by 43% of respondents. These approaches underscore the importance of proactive regulatory alignment and capacity-building to enhance organisational readiness for data protection. Monitoring compliance, cited by 14%, reflects the necessity of ongoing oversight to identify and fix potential lapses.

Figure 11 Strategies to ensure compliance with data protection regulations



These measures are important for promoting trust among consumers and sellers, a cornerstone for advancing Nigeria's e-commerce ecosystem under the AfCFTA. The study emphasises that aligning with data protection standards strengthens Nigeria's digital trade strategy by ensuring accountability and promoting a secure environment for cross-border transactions.

4.2 Successful cases of e-commerce in Africa

Successful e-commerce platforms across Africa, such as Jumia, Konga, Jiji in Nigeria and platforms like M-Pesa in East Africa, provide valuable insights for shaping Nigeria's digital trade strategy. Jumia has emerged as a prominent example, with its adoption of digital payment solutions, mobile wallets and an efficient marketplace model allowing third-party sellers to reach customers. Its success is also attributed to its focus on logistics and delivery improvements, which has facilitated its ability to scale. In East Africa, platforms like M-Pesa in Kenya have revolutionised mobile payments, demonstrating how mobile wallets can contribute to financial inclusion in regions with low banking penetration. Similarly, Opay has expanded its footprint in Nigeria and Egypt, drawing inspiration from successful models like M-Pesa to promote cross-border e-commerce.

4.2.1 Jumia

Jumia Group is Africa's leading e-commerce platform, expected to be active in nine African countries by the end of 2024 (Nwosu, 2024). Founded in 2012, it consists of three main subdivisions: Jumia Marketplace, Logistics and Pay. While Jumia has been listed on the New York Stock Exchange since 2019 (Jumia, 2019) and is considered the leader of African e-commerce platforms by a large margin (Fleck, 2022), its reputation has recently fallen as a result of accusations of fraud and the questionable nature of its identity as an

African firm. This is because of its financial backing from Rocket Internet, a German venture capital firm, its headquarters in Germany, its senior leadership operating from Dubai and its software development team operating from Portugal. It is also a matter of concern that Rocket Internet has sold all its shares in the company (Rajgopaul, 2024). Still, Jumia now has new leadership, along with an increased focus cost-efficiency and profitability (Nwosu, 2024).

4.2.2 Konga

Founded in 2012, Konga is Nigeria's largest e-commerce platform, providing a marketplace for third-party sellers while also operating first-party retail businesses across diverse categories such as Konga Health, Groceries and Travel. Initially serving only Lagos, Konga expanded nationwide by December 2012. Despite early challenges with profitability (Ndiomewese, 2017), the company experienced significant revenue growth after its acquisition by Zinox Group, a leading Nigerian technology conglomerate (Forbes, 2022). With the AfCFTA DTP, Konga and similar Nigerian digital platforms can scale their operations across Africa, benefiting from harmonised digital trade regulations. The DTP aims to reduce regulatory barriers by establishing common rules on consumer protection, data governance and digital payments, enabling Nigerian platforms to expand seamlessly into African markets (Agarwal et al., 2024). Nigeria's digital trade strategy, aligned with the AfCFTA's objectives, will enable businesses like Konga to expand beyond national borders, unlocking new revenue streams, improving market access and positioning Nigeria as Africa's digital trade hub.

4.2.3 Takealot

Takealot was launched in 2011 after Tiger Global Management, a US-based investment firm, acquired and rebranded Take2, a South African e-commerce platform founded in 2002 (Tech Central, 2011). From 2014 to 2018, Takealot underwent a merger with Naspers-owned Kalahari.com and then a full buyout by Naspers. This merger was pursued to scale up operations, especially as multinational companies such as Amazon, Alibaba and Walmart entered the South African e-commerce market. According to a Boston Consulting Group report, Takealot is a leading South African e-commerce platform, holding 15–20% of the country's e-commerce market share (Rajgopaul, 2024). Still, Takealot is battling losses despite investing heavily in infrastructure, but Naspers is steadily persisting in its efforts to keep the platform afloat (Modise, 2023).

4.2.4 Kilimall

Kilimall's primary function is that of a marketplace for third-party sellers, as opposed to a first-party retailer. Relatively new, it was founded in Kenya in 2014 by Yang Tao, an ex-Huawei employee from China. During his stay in Africa, Tao noticed that Africans had access to a limited variety of goods that were being sold at exorbitant

prices. He believed technology would provide Kenyans with more options without the added cost of several middlemen taking their cuts (Zhang, 2019; Chen, nd). A year after launching the platform, Tao opened the site to Chinese sellers, who now make up half of Kilimall's suppliers. The company tried to expand its operations into other countries in 2016 (Uganda and Nigeria) but decided to scale back after merely two years (Mbogo, 2018).

A key takeaway from successful cases across the continent is the importance of regional collaboration and policy harmonisation in creating a unified digital trade space. One respondent, a provider of digital infrastructure services, highlighted the potential of digital trade to formalise and transform cross-border trade in sub-Saharan Africa. An example is Zuba Market in Abuja, located along the border between Niger State and the Federal Capital Territory, where informal trade thrives between Nigeria and neighbouring countries such as Niger, Chad and Mali. Currently, about 70% of the goods traded in the market-on-market days are brought in by citizens of these countries. Respondents believe that, with an effective digital trade ecosystem, the volume of transactions in such markets will increase significantly, further strengthening regional trade integration.

4.3 General trends/key findings from consultations

Stakeholder consultations highlighted key trends, challenges and opportunities in Nigeria's e-commerce and digital trade landscape. The findings point to clear trends in Nigeria's e-commerce sector, including rapid growth, regulatory gaps, infrastructure deficits and the importance of trust-building measures.

4.3.1 Growth of e-commerce and digital payment systems

Stakeholders across Nigeria's e-commerce and digital payment ecosystem recognise the sector's remarkable growth, driven by increased internet penetration, widespread smartphone adoption and a young, tech-savvy population. Industry players highlighted that platforms like Jumia and Konga and emerging social commerce networks on WhatsApp, Instagram and Facebook had empowered individuals and small businesses to engage in digital trade independently. These platforms provide a convenient and cost-effective avenue for market access, allowing sellers to reach broader consumer bases and to scale operations with minimal barriers.

At the same time, fintech innovations have played a pivotal role in addressing digital payment challenges. Stakeholders pointed to companies such as Opay, Moniepoint and Paystack, which have developed secure, seamless and inclusive digital payment solutions. These payment platforms have reduced friction in online transactions, particularly for micro, small and medium enterprises (MSMEs), by facilitating instant, low-cost financial transactions. However, there are concerns that cash-on-delivery remains the

dominant payment method, owing to limited trust in digital payments, concerns about fraud and connectivity gaps in rural areas.

Stakeholders also highlighted the potential for Nigeria to learn from Kenya's success with M-Pesa, a mobile money platform launched in 2007 through a collaboration between Safaricom and the Commercial Bank of Africa. M-Pesa's impact on financial inclusion has been transformative, with access to formal financial services in Kenya rising from 26% in 2006 to 84% in 2021. This success was accelerated when the Central Bank of Kenya introduced regulations that allowed M-Pesa users to link their mobile wallets to commercial bank savings accounts. By integrating mobile technology with banking services, M-Pesa enabled millions of unbanked individuals to access financial services without requiring a traditional bank branch. Today, M-Pesa operates in multiple African countries, serving as a model for mobile-led financial inclusion.

4.3.2 Regulatory gaps and infrastructure challenges

Stakeholders highlighted regulatory uncertainties and limited synergy among government agencies as hindering effective policy-making. Cross-border trade faces significant challenges, including customs bureaucracy and logistics delays, which affect both goods and e-services. Infrastructure gaps, particularly poor delivery networks, high logistics costs and low broadband penetration in rural areas, further limit the sector's potential. There is a need for policies to streamline regulatory processes and align with AfCFTA protocols to enhance cross-border trade.

4.3.3 Trust, security and data protection

Consumer trust remains a critical issue in Nigeria's e-commerce ecosystem. Stakeholders expressed concerns about data protection, cybersecurity breaches and fraudulent transactions persist, eroding confidence in digital platforms. While initiatives like the NDPA aim to deal with these concerns, more robust enforcement and transparency are needed. Fintech operators such as Opay have invested in advanced security features like Nightguard and Large Transaction Shield to protect users and build digital trust.

4.3.4 Capacity-building and inclusion for women, youth, and SMEs

Consultations revealed the need for deliberate efforts to enhance digital literacy and capacity-building, particularly among SMEs, women and youth. Training programmes, like the 3MTT initiative and local advocacy by fintech operators, aim to bridge knowledge gaps and empower neglected populations. Women and youth entrepreneurs were identified as important drivers of e-commerce growth, with calls for targeted initiatives to improve their access to platforms, financing and digital trade tools. One participant stated:

Modernising our educational system and establishing robust training programmes is critical. We need curricula that integrate practical projects, internships and partnerships with industry leaders to ensure that our workforce is future-ready.

4.3.5 Opportunities for cross-border trade and public–private collaboration

The AfCFTA presents significant opportunities for intra-Africa e-commerce by harmonising regulations, simplifying customs procedures and enhancing cross-border payment systems like PAPSS. Stakeholders stressed the importance of PPPs to deal with infrastructure challenges, promote innovation and create a supportive regulatory environment. Nigeria has the potential to become a regional leader in digital trade by leveraging its infrastructure and emerging technologies, such as blockchain and AI, to facilitate secure and efficient transactions.

4.4 Recommendations for Nigeria

The e-commerce ecosystem in Nigeria represents a vital avenue for economic growth and innovation under the AfCFTA. With a rapidly expanding digital economy, Nigeria stands at the cusp of leveraging the AfCFTA DTP to stimulate e-commerce industry to create jobs, enhance financial inclusion and integrate more effectively into regional and continental trade networks. To achieve this, a cohesive set of strategies and policies must be implemented aimed at addressing gaps, building trust and promoting innovation. This subsection outlines professional recommendations designed to optimise Nigeria's e-commerce potential and position the country as a leader in Africa's digital economy under the AfCFTA.

The following recommendations are proposed:

1. Develop and implement a robust regulatory framework that aligns with the AfCFTA.
 - Establish a national regulatory framework that clearly defines the roles and responsibilities of all stakeholders within the e-commerce ecosystem under the AfCFTA.
 - Gazette and domesticate the AfCFTA Agreement to enable simplification of registration and licensing processes that will eliminate bureaucratic hurdles and encourage formal participation.
 - Align Nigeria's regulations with the AfCFTA DTP to facilitate seamless cross-border trade and regional integration.
 - Update existing laws, such as the Cybercrime Act and the NDPA, to comply with the AfCFTA.
2. Enhance consumer protection and build trust under the AfCFTA.

- Introduce and enforce consumer protection measures, including transparent refund and return policies, to strengthen buyer confidence in e-commerce platforms.
 - Implement stringent data protection and cybersecurity measures to safeguard consumer and seller information in compliance with the NDPA.
 - Establish efficient dispute resolution mechanisms to ensure prompt and fair handling of consumer complaints.
 - Collect and display customer reviews and testimonials to build credibility, as well as accurate product descriptions to help customers make informed decisions.
3. Strengthen infrastructure and logistics.
- Improve logistics and delivery infrastructure to reduce costs, enhance efficiency and expand delivery reach, particularly in neglected and rural areas.
 - Develop active order tracking and regular updates on status of delivery to build clear communication practices.
 - Invest in broadband penetration and reliable power supply to ensure nationwide access to digital trade platforms.
 - Leverage PPPs to fund and accelerate infrastructure development across the country.
 - Invest in developing digital identity verification systems to electronically authenticate users, thus reducing fraud and building confidence and legitimacy.
4. Build capacity and promote digital literacy.
- Implement capacity-building programmes to equip SMEs, women and youth entrepreneurs with the necessary skills to participate effectively in the AfCFTA DTP.
 - Conduct AfCFTA digital literacy campaigns to raise awareness about the benefits of e-commerce and best practices for digital transactions.
 - Support SMEs through targeted training on e-commerce tools, cybersecurity and data management to improve their competitiveness.
5. Promote financial inclusion and digital payments.
- Promote the adoption of digital payment systems, such as mobile wallets and payment gateways, to support seamless e-commerce transactions.
 - Improve financial inclusion by ensuring neglected populations have access to affordable digital payment services and tools.

- Standardise digital payment regulations across African countries under the AfCFTA framework to enable efficient cross-border transactions and improve interoperability.
- Use encrypted and secure payment gateways to protect sensitive information.

6. Promote innovation and support local platforms.

- Encourage the development of local e-commerce platforms that cater specifically to SMEs and informal sellers, enabling them to access local and regional markets.
- Support technological innovations, such as secure digital identity systems and trust mechanisms, to deal with concerns about fraud and strengthen platform credibility.
- Adopt global best practices, such as The Once-Only Policy, to streamline data-sharing and reduce redundancies in trade processes.

7. Facilitate cross-border e-commerce.

- Gazette the AfCFTA Agreement to simplify customs procedures and harmonise tariffs to reduce barriers to cross-border e-commerce under AfCFTA protocols.
- Digitise existing informal trade channels to enhance efficiency and improve access to regional markets.
- Promote awareness and education about AfCFTA opportunities among Nigerian businesses to encourage participation in cross-border trade.

Nigeria's e-commerce ecosystem under the AfCFTA holds immense potential to drive economic growth, promote innovation and foster regional integration. However, realising this potential requires a multipronged approach that includes regulatory reform, infrastructure development, consumer trust-building and capacity enhancement.

5 Championing women and youth in digital trade under the AfCFTA⁷

Women and youth in Africa often face structural barriers that limit their participation in the digital economy. These include limited access to affordable internet, digital literacy gaps and restricted access to financing for entrepreneurial ventures. In Nigeria currently, only 34% of women have access to the internet, and women are 20% less likely than men to own smartphones (GSMA, 2024b). Despite the rapid spread of mobile phones, only 30% of Nigerians aged 19–35 own smartphones (Sasu, 2024). Digital literacy remains a critical issue; only 26% of women in Nigeria have basic digital skills (FMWA, 2023), and just 7% of Nigerian youth possess the digital skills needed to thrive in the digital economy (UNICEF, 2023). Although women make up 48.6% of Nigeria’s population (FMWA, 2023) and youth account for 70% of the country’s populace (NGYouthSDGs, 2024), they continue to face serious challenges with accessing finance. In 2023, only 10% of adults accessed loans and credits formally (A2F, 2023); this limited access is driven by high interest rates, demand for collateral, low business skills and a lack of financial literacy.

The DTP can unlock myriad benefits for women and youth entrepreneurs, who mainly trade informally in Nigeria. When this intersects with the Protocol on Women and Youth in Trade, several opportunities emerge to support their participation in formal digital trade and e-commerce across the continent. Based on this hypothesis, this section uses consultations with women and youth entrepreneurs engaged in digital trade in Nigeria to understand their experiences, decode their successes for replication and identify the challenges they face while participating in digital trade. This can lead to better policies and business frameworks to champion women and youth participation in the future of a digital Nigeria.

Section 5.1 analyses how the DTP and the Protocol on Women and Youth in Trade can work in Nigeria, given its unique position, as well as the myriad of national policies and initiatives that exist in the country to support women in digital trade. Section 5.2 highlights the

⁷ This section was written by Prachi Agarwal, Adetutu Oladapo and Teniola Tayo. It has benefited from insightful comments and suggestions by Raymond Onuoha (peer reviewer, Wits Institute for Social and Economic Research, South Africa). The authors would also like to thank all the powerful businesswomen interviewed as part of the qualitative data collection for the production of this section.

findings from KIIIs to learn from recent business experiences and identify the unique challenges in trading digitally under the AfCFTA. Section 5.3 then goes on to provide actionable recommendations to ensure equitable access to and distribution of benefits of the AfCFTA digital marketplace for all Nigerian businesses.

5.1 AfCFTA protocols and their relevance for Nigeria

5.1.1 Protocol on Digital Trade

The DTP establishes a unified legal framework for digital trade, which is essential for removing obstacles and fostering trust within the continent; this will ensure Africa secures its place in the global digital economy while also enhancing technological innovation and economic development (Article 2). Recognising the importance of women and youth in Africa's digital economy and the need for inclusive growth, the DTP makes special provisions to address the unique needs and challenges of these groups.

Thus, without targeted provisions, the digital divide will continue to widen, leaving these groups further marginalised in an increasingly digitised economy. In order to address this, the DTP urges member states to provide accessible, affordable, secure and reliable internet for this group. This includes investing in broadband and data centres while also providing opportunities to improve their digital literacy skills as well as their access to finance and online business tools (Articles 30, 33, 34). To tackle these issues, the Nigerian government has introduced targeted policy frameworks such as the National Women's Economic Empowerment Policy and Action Plan 2023 and the Youth Action Policy Framework 2019 to address the challenges that plague this group. These frameworks aim to promote economic empowerment, which includes improving access to finance, enhancing digital access and fostering digital literacy. However, the impact of these initiatives remains limited, as slow implementation continues to hinder progress across Nigeria.

Another noteworthy provision in the DTP is the involvement of MSMEs in digital trade. MSMEs are essential to the African economy, and a significant number are run by women and youth. Nigeria has the highest number of women entrepreneurs in the world: 40% of MSMEs in Nigeria are owned by women (Kempis and Ogden, 2023) and they largely operate in the informal sector. Youth participation in entrepreneurship is also noteworthy. Individuals 15–39 account for about 42% of MSMEs in Nigeria (The FATE Institute, 2022). These trends show an inclination among young Nigerians and women to pursue entrepreneurial endeavours especially in the face of high unemployment, underemployment and poverty.

On the other hand, women and youth are actively leveraging technology to connect with consumers and scale their operations. Industries where you would typically find these groups are fashion and beauty, agriculture, entertainment content creation, digital

marketing, and web and app development, as well as freelancing. This growth can be attributed to the rise of e-commerce platforms like Jumia and Konga, along with social commerce sites such as WhatsApp, Instagram, Facebook and TikTok. Payment platforms such as Paystack, Opay and Moniepoint, along with logistics companies like Gokada, Kwik Delivery and Sendbox, as well as ride-hailing services including Uber, Bolt and Indrive that now provide logistics solutions, have simplified the process for small businesses to access their funds and deliver products to their customers.

The DTP encourages the involvement of MSMEs in digital trade by calling on member states to create opportunities for MSMEs to engage with online platforms and various digital tools that can help them connect with regional and international suppliers, buyers and other potential business partners. This will drive innovation and rapid economic growth. Member states are encouraged to offer incentives to MSMEs in digital trade and to support their development through initiatives such as grants, loans or preferential terms on grants, enabling access to logistics and supply chain resources (Article 31). Lastly, the DTP spotlights the need for states to promote policies and frameworks that support innovation and entrepreneurship; this includes establishing national and regional digital innovation and entrepreneurship hubs (Article 32).

5.1.2 Protocol on Women and Youth

The Protocol on Women and Youth in Trade is a pioneering effort by the African Union to facilitate the equitable participation of women and youth in cross-border trade in Africa. It seeks to empower these groups, bolster their capabilities and encourage initiatives that support the formalisation of their trading activities, ultimately fostering shared economic growth and prosperity (Article 2). The Protocol consistently emphasises the importance of technical assistance and capacity-building, urging member states to offer support to women and youth in trade to improve their adherence to international standards through continental, regional and national programmes. This includes access to quality education and information awareness programmes, particularly for export opportunities (Articles 4 and 12).

Additionally, there is a need for member states to provide favourable access to trade-related infrastructure for this group (Article 7). Recognising the pivotal role digital trade plays in empowering women and youth in Africa, the Protocol calls on member states to ensure the digital frameworks and measures being established are inclusive such that they provide support to women and youth to access digital tools, skills, networks and platforms while also removing impediments to their participation in the digital trade process. The Protocol emphasises the need for states to back MSMEs led by women and youth by supporting their trade clusters and business associations as well as facilitating their integration into technology ecosystems like incubators and hubs (Article 18).

Access to finance remains a significant barrier to the participation of women and youth in large-scale trade activities across Africa; to address this, the Protocol highlights the need for states to implement measures for accessible financing options and financial literacy in partnership with financial institutions. This includes establishing funding schemes specifically aimed at high-value sectors where participation by women and youth is currently low (Article 11).

In Nigeria, the Federal Government has made efforts to increase the participation of women and youth in sectors that have been mapped out as emerging industries with high-value opportunities. These sectors are ICT, science, technology, engineering and mathematics (STEM), the creative industry, traditional media and the beauty industry (FMWA, 2023). However, challenges remain. A survey revealed that, out of 93 technology firms in Nigeria, only 30 were owned by women (Ramachandran et al., 2020). In addition, women constitute only 22% of the total number of engineering and technology graduates annually and they account for one-fifth of the technology workforce in Nigeria (NBS, 2023)

To bridge these gaps, the Federal Government launched the iDICE programme in 2023. With an investment pool of \$618 million, this initiative aims to invest in over 200 technology start-ups and offer non-financial services to 450 digital technology companies while also boosting other high-growth sectors mentioned above. The programme also aims to increase the capacity of over 75 enterprise businesses, train 175,000 youth in ICT skills and generate over 800,000 jobs nationally and 6 million jobs on a continental scale within five years. The programme is also designed to bridge the gender gap by ensuring 80,000 women receive start-up funding and mentoring to ensure their full participation in the technology and creative industry (AfDB, 2023). Despite the programme's potential, its implementation is yet to begin. In 2024, Nigeria's National Economic Council approved its rollout across the 36 states, including the Federal Capital Territory, urging state governments to nominate representatives from each geopolitical zone that will oversee its implementation. However, no timeline has been provided for its operational phase, leaving the programme's start date uncertain

5.1.3 Making the protocols work for Nigeria

The Protocol on Digital Trade and the Protocol on Women and Youth in Trade share a complementary focus, though their objectives may differ. Both recognise the importance of harnessing Africa's potential by empowering women and youth to achieve inclusive and sustainable, technology-driven economic growth. By combining digital inclusivity and empowerment, Nigeria can create a robust ecosystem for digital trade. NITDA is currently working on a National Gender Digital Inclusion Strategy to address the current barriers to women fully participating in Nigeria's digital economy. This will outline the specific steps that will be taken to bridge this gap and ensure

greater gender parity in Nigeria's digital economy. This will encompass access to digital learning facilities, promoting innovation and entrepreneurship, increasing female participation in digital economies and skills development, and ensuring infrastructure is accessible, affordable and reliable (NITDA, 2024).

The protocols also emphasise the need to provide reliable, safe and affordable digital infrastructure in order to enhance the participation of women and youth in the African and global digital ecosystem. In order to expedite the government's initiatives and ensure their equitable execution, it will be imperative to implement strategic interventions, investments and innovative solutions. This will encourage the deployment of networks in underserved areas, support the reduction of broadband costs, provide additional complementary public access and stimulate the growth of the digital economy (World Bank, 2019).

Digital literacy, being a fundamental tool needed to participate in the digital trade ecosystem, is another area of alignment for the protocols. Both protocols spotlight the need for member states to create opportunities for digital literacy for women and youth. In 2023, FMCIDE in partnership with NITDA rolled out 3MTT, which aims to train youth, including women, in technical skills to advance Nigeria's digital economy. So far, over 540,000 women are registered as part of the 3MTT learning community. The programme will take place over phases that involve training, mentorship, job placements and innovation challenges. Over 300,000 Nigerians have been trained in its first two phases. The third is set to train 2.7 million.

International organisations have launched digital trade initiatives that Nigeria can leverage to accelerate digital literacy, particularly for women and youth. For instance, the African Export-Import Bank is in partnership with ImpactHER, a nonprofit organisation focused on improving the lives of female entrepreneurs and has successfully trained over 74,000 women across Africa. This organisation provides digital training and resources to African women entrepreneurs. Such partnerships can be explored by the Nigerian government to scale its efforts of an inclusive digital economy.

Both protocols aim to provide equal opportunities for MSMEs. The DTP advocates for the removal of discriminatory tariffs, while the Protocol on Women and Youth in Trade advocates for trade incentives and logistical support. These efforts foster a thriving environment that enables MSMEs to expand beyond local markets and compete fairly on the continent and even globally. On the other hand, the protocols recognise the need for simplified trade information and compliance standards and also create opportunities to connect women and youth to potential suppliers, buyers and other business partners, both regionally and continentally, using online platforms. Nigeria can leverage these measures by creating a single-window platform where MSMEs can access information on trade

regulations, tax exemptions and simplified export procedures. There is also a need to collaborate with regional partners to establish seamless digital trade corridors, ensuring quicker and more transparent cross-border transactions.

On the logistics side, collaborations with private sector players are encouraged to create tailored solutions for MSMEs, including subsidised shipping rates for MSMEs engaging in cross-border trade. In addition, regional logistics hubs should be developed, which will link underserved regions to urban markets and international ports, enabling these MSMEs to scale their operations. Furthermore, the government can facilitate partnerships between local e-commerce platforms and regional marketplaces to streamline integration for Nigeria's MSMEs.

There is a dire need to catalyse the business growth of women and youth through financial incentives, and both protocols recognise this. Despite various financial initiatives being rolled out by the government and private sector players, access to finance remains an impediment for Nigerian MSMEs, particularly women and youth. Traditional financial institutions have stringent conditions for loans, while non-traditional forms of financing attract high interest rates, which are largely unattainable by women and youth, thus leading to business stagnancy or death.

To address these challenges and close the gender gap in financial inclusion, CBN has launched two key frameworks: the Women's Financial Inclusion Implementation Network in 2020 and the Strategy for Leveraging Agent Networking for Women's Financial Inclusion in 2022. These aim to expand financial and digital literacy for low-income women by incorporating gender considerations into the National Financial Literacy Frameworks of 2015, increasing access to financial services through the use of agents (micro-entrepreneurs incentivised by financial institutions to provide financial services) and promoting women-centred financial technology solutions.

Examples include digitised savings, building credit scores and providing scalable credit options for women. Additionally, the frameworks emphasise improving Nigeria's connectivity infrastructure to serve underserved communities, with a focus on low-income women disproportionately affected by connectivity challenges. Collaborations between NCC and network providers for the expansion of mobile network infrastructure and services can encourage banks and fintech companies to develop innovative products that increase rural access and their customer base.

Significant progress has been made as a result of these frameworks. Agent networks, now more accessible than banks and ATMs, have grown significantly, with women accounting for over 15% of the 700,000 such networks (CBN, 2022b), with this number steadily on the rise. Fintech platforms such as Opay, Moniepoint and Palmpay are driving this expansion, including in rural areas. Despite this,

women and youth may not apply for credit, owing to a lack of documentation and credit history. Fintech companies are solving these problems by leveraging alternative data to offer credit to entrepreneurs, particularly women. The financial activities of these entrepreneurs are used to build a credit profile and then serve as a basis for prequalification to access credit. Such alternative providers serving women include Moniepoint, Thrive Agric, Migo and Trade Depot (CBN, 2022b).

While this is laudable, there is still a wide gap in women's financial inclusion in Nigeria; this demonstrates the need for intensified interventions. A coordinated effort between the government, the private sector and regional partners is essential to create a thriving, equitable and digitally empowered trade environment. Through the combined implementation of the DTP and the Protocol on Women and Youth in Trade, we can significantly transform Nigeria's MSME ecosystem into a global powerhouse.

5.1.4 Other support available

Nigeria's digital trade ecosystem is supported by a mix of government initiatives, development partners, private sector collaborations and efforts by business support organisations like the Women Chamber of Commerce, Industry, Mines and Agriculture (WCCIMA). These interventions are focused on building digital capacity, improving financial access and fostering market inclusion. However, gaps in infrastructure, targeted outreach and accessibility persist, particularly for women and youth entrepreneurs.

Government initiatives

FMCIDE has been at the forefront of promoting digital trade through various programmes:

- The Digital Nigeria Programme was launched in March 2020, and aims to equip innovators and entrepreneurs with essential digital skills, focusing on emerging technologies such as blockchain, AI, big data and cloud computing.
- The National Artificial Intelligence Strategy guides the AI revolution towards national goals, including job creation, social inclusion and sustainable development.

Additionally, NACO-AfCFTA has developed an implementation strategy emphasising digital trade components. This includes stakeholder engagement and capacity-building workshops to raise awareness on the AfCFTA's DTP, educating businesses, especially MSMEs, on leveraging digital platforms for cross-border trade.

In a bid to enhance credit access, the Nigerian government plans to establish the National Credit Guarantee Company in May 2025. This initiative aims to expand risk-sharing instruments for financial

institutions and enterprises, with a focus on supporting underserved groups such as women and youth.

Non-governmental organisations and international partnerships

Several NGOs and international organisations are actively contributing to the empowerment of women in Nigeria's digital trade.

- **SheTrades Initiative:** Launched by NEPC in collaboration with the International Trade Centre (ITC), this initiative aims to unlock markets for women. It supports Nigerian women through various means, including capacity-building and facilitating market access.
- **ImpactHER:** Committed to empowering African women entrepreneurs, ImpactHER provides digital training and resources to help women grow their small and medium-sized businesses. To date, it has trained over 130,999 female entrepreneurs across 54 African countries, enhancing their business operations and livelihoods.
- **African Women's Entrepreneurship Program:** This U.S. Department of State initiative provides funding and capacity-building resources to African businesswomen, promoting their participation in international trade.
- **eTrade for Women:** Supported by UNCTAD, this programme shores up support for female digital business leaders, accelerating shared prosperity across the region.
- **Tech Herfrica:** Founded in 2023, Tech Herfrica focuses on the digital and financial inclusion of women and girls in rural areas of Africa. It provides digital tools, literacy training and resources to enhance the livelihoods of women in underserved communities.

Box 2 WCCIMA's role in supporting women in digital trade



WCCIMA plays a pivotal role in advancing women's participation in Nigeria's digital trade ecosystem. Key contributions include:

Digital presence:

- partnered with stakeholders to provide 1,000 free websites for women entrepreneurs, with 50 already delivered (as at December 2024)
- facilitates access to international e-commerce platforms like ITC and the Economic Community of West African States (ECOWAS) and is developing a women-focused e-commerce platform to ensure fair currency valuation and market access

Access to finance:

- collaborates with development finance institutions to secure single-digit loans tailored for women, with practical criteria to ensure accessibility
- matches funds with private banks to scale financial support for women-led businesses

Capacity-building and advocacy:

- provides training on maintaining digital platforms and leveraging e-commerce tools
- advocates for gender-sensitive policies and financial inclusion for women entrepreneurs

Collaborations:

- partners with logistics providers like DHL and development organisations (e.g. EU, British Council) to address challenges in logistics and infrastructure

Focus on inclusivity:

- membership-based approach ensures targeted support for women entrepreneurs, with a rigorous vetting process to onboard businesses into the chamber
- by addressing visibility, financial access and capacity gaps, empowers women entrepreneurs to scale their businesses and participate meaningfully in digital trade

Source: Findings from interviews conducted by authors

Financial inclusion efforts

To address the financial challenges facing women entrepreneurs, organisations like Women's World Banking have developed toolkits to assist financial service providers in enhancing digital credit solutions tailored to low-income women, particularly micro-entrepreneurs. These offer systematic guidance for developing and executing strategies that improve women's access to credit.

Despite these initiatives, challenges persist. Many programmes are concentrated in urban areas, leaving rural women with limited access to resources. Additionally, societal norms and gender biases continue to impede women's full participation in digital trade. There is a need for more inclusive policies and programmes that address these disparities and promote equitable access to digital trade opportunities for all Nigerian women.

While Nigeria has made significant strides in supporting digital trade and empowering women entrepreneurs, ongoing efforts are required to ensure these initiatives reach all segments of the population, particularly those in underserved rural areas.

5.2 Experiences of Nigerian women and youth in digital trade

This section is based on empirical data gathered from 16 interviews with digital trade entrepreneurs, digital trade experts and public officials. The respondents represented a broad spectrum of participants in Nigeria's digital trade ecosystem, reflecting the diversity of experiences, challenges and opportunities in the sector. They included entrepreneurs running SMEs across various industries, such as e-commerce, tourism, logistics and creative services. Many of these businesses were youth- or women-led, with operations ranging from local to international markets. Several participants operated hybrid models, combining digital platforms with physical operations. Others relied entirely on digital tools to reach customers and manage their businesses.

Policy-makers and public sector officials added a strategic perspective, sharing insights into the government's efforts to align Nigeria's digital economy with regional and continental frameworks like the AfCFTA. Industry representatives provided additional context, highlighting the evolving role of technology in enabling cross-border trade and addressing infrastructure gaps. Entrepreneurs involved in artisanal goods, publishing and tech-driven logistics shared practical insights into the operational realities of navigating Nigeria's digital economy. Collectively, the interviewees offered a rich, multifaceted view of digital trade in Nigeria, capturing both its potential and the systemic barriers that need to be addressed.

5.2.1 Key findings from consultations

The consultations with Nigerian women entrepreneurs highlighted significant trends and barriers in the digital trade ecosystem under the AfCFTA framework. Women-led businesses, particularly those in rural areas and informal sectors, expressed limited awareness of the AfCFTA DTP. While some entrepreneurs acknowledged hearing about the AfCFTA, many lacked clarity on how the DTP supports cross-border trade, data governance or e-commerce operations. Interviewees pointed out the absence of sensitisation efforts targeted at women entrepreneurs and called for simplified, accessible materials tailored to their needs.

Several women entrepreneurs emphasised that remote work – accelerated by the Covid-19 pandemic – offered a way to balance business responsibilities with societal expectations, such as caregiving and household management. For many women, managing businesses online provided much-needed flexibility. However, respondents cited unreliable internet connectivity and high data costs as critical challenges, particularly in rural areas. These issues prevent women from fully participating in remote work or leveraging e-commerce platforms, limiting their ability to scale or compete in regional markets.

A significant trend was the adoption of hybrid models combining online platforms with physical operations. Entrepreneurs in sectors like publishing (e.g. Rovingheights) and tourism (e.g. 36 Destinations Nigeria) found this approach essential for reaching customers across diverse demographics. However, hybrid businesses face challenges in maintaining consistency across online and offline operations, particularly in terms of logistics and digital infrastructure.

Interviewees noted that digital platforms, such as Instagram, WhatsApp and Jumia, had become essential tools for reaching customers. While these platforms have enabled women-led businesses to bypass traditional barriers, many respondents highlighted gaps in digital literacy. A lack of technical skills to maintain websites, utilise e-commerce tools or secure digital transactions was a recurring concern. WCCIMA's free website initiative was mentioned as a positive example of improving digital presence for women entrepreneurs, but broader capacity-building efforts remain necessary.

Access to finance emerged as one of the most pressing challenges for women entrepreneurs. Multiple respondents highlighted that existing financial product, even those labelled 'women's funds', were inaccessible owing to high collateral demands, complex loan processes and prohibitive interest rates. Some women entrepreneurs revealed that they resorted to informal funding sources such as friends and family, which constrains their ability to invest in digital tools or expand operations. Promising models, like WCCIMA's single-digit loans for chamber members, were cited as innovative but currently limited in reach.

Cultural and societal barriers were frequently mentioned by women entrepreneurs as a significant hindrance. Many respondents described the dual burden of managing businesses alongside domestic responsibilities, which disproportionately affects women. Younger women noted challenges such as age-based discrimination in professional settings and being overlooked in digital forums. Interviewees agreed that addressing these cultural dynamics, alongside improving internet access and providing gender-sensitive training would be critical to unlocking the full potential of women entrepreneurs in Nigeria's digital trade under the AfCFTA.

Case study: Aisha Ibrahim, 36 Destinations Nigeria

Aisha Ibrahim is the founder of 36 Destinations Nigeria, a business dedicated to promoting travel within the country by connecting tourists with safe and unique local experiences. What began as a platform for providing travel information has grown into an e-commerce business offering travel services and products that celebrate Nigeria's rich culture. With a small team of four young employees, Aisha has embraced digital tools to expand her business and reach new audiences.

Her goal is to encourage domestic and regional tourism by showcasing the untapped potential of Nigeria's destinations. Digital platforms have allowed her to create virtual tours, sell curated travel kits and engage with customers more effectively. Despite these innovations, Aisha faces significant obstacles.

High logistics costs make it difficult to deliver products affordably, while unreliable internet connectivity in rural areas limits her ability to collaborate with local guides and vendors. Moreover, persistent concerns about safety in Nigeria discourage many international tourists from visiting, further limiting her business's growth.

Aisha believes the AfCFTA offers new opportunities to overcome these challenges. Harmonised cross-border trade regulations could enable her to expand her services to neighbouring countries. She also sees value in working more closely with other businesses in the tourism ecosystem – such as hotels, transport providers and cultural centres – to create packages that appeal to both local and international travellers.

Aisha's experience highlights the transformative potential of digital trade for Nigeria's tourism sector. Her story underscores the need to address logistical hurdles, improve rural internet connectivity and support partnerships that can make travel within and beyond Nigeria more accessible.

Case study 2: Khadija Mohammed, Digital Market Woman

Khadija Mohammed is the founder of Digital Market Woman, an e-commerce platform that connects artisans and local producers with customers across Nigeria. The platform focuses on African-made goods such as fabrics, crafts and jewellery. Khadija's business employs five staff members, most of whom are women, and supports artisans in reaching broader markets.

Khadija started the business to address the challenges faced by local producers in accessing customers beyond their immediate communities. By leveraging digital platforms, she has helped artisans gain visibility and connect with urban and international buyers, tapping into the growing demand for African products.

However, the business faces challenges. Access to affordable financing limits its ability to expand. Regulatory hurdles, including unclear export processes under the AfCFTA, complicate cross-border trade. Gender-related barriers also persist, with many female artisans struggling to access resources and markets.

The AfCFTA Protocol on Women and Youth in Trade offers opportunities to address these challenges. Khadija believes gender-sensitive financing schemes and simplified trade processes could help businesses like hers grow. She also highlights the need for targeted digital skills training to enable artisans to manage online sales, marketing and logistics effectively.

Khadija's experience illustrates how digital trade can empower small businesses and local producers. Her story highlights the importance of addressing structural barriers such as access to finance, trade facilitation and gender inclusion to unlock the potential of women-led businesses in Nigeria.

5.2.2 Challenges faced

The consultations revealed systemic challenges that hinder women entrepreneurs' participation in digital trade under the AfCFTA framework. These challenges are deeply rooted in Nigeria's socioeconomic structures and disproportionately affect women-led businesses, particularly in rural areas and informal sectors. Below are the key challenges identified through the interviews:

Limited awareness and outreach

- Women entrepreneurs across Nigeria expressed limited awareness of the AfCFTA DTP and its specific provisions. While urban-based entrepreneurs had some knowledge, those in rural areas or informal sectors were largely excluded from sensitisation campaigns.
- While some were aware of its existence, many expressed confusion about how to leverage the framework for cross-border e-commerce and trade opportunities.
- Interviewees in niche industries such as consultancy and sports businesses highlighted the lack of support for digital trade outside the AfCFTA's key focus areas. This limitation stops many women-led businesses from participating fully in regional trade efforts.
- Respondents highlighted the absence of targeted outreach or simplified materials that explain how the DTP could support cross-border e-commerce. Many women reported feeling disconnected from the broader trade frameworks meant to empower them.

Market access and trade facilitation

- Women entrepreneurs noted the difficulties of penetrating regional markets owing to fragmented regulations, high logistics costs and unclear export processes under the AfCFTA.
- Women-led businesses, particularly in informal sectors such as artisanal goods, reported challenges in meeting regulatory requirements for export, further restricting their access to broader markets.
- Young entrepreneurs reported the challenge of lacking the networks and mentorship needed to navigate cross-border trade, leaving them at a disadvantage compared with more established businesses.

Gender-based discrimination in business interactions

- Some interviewees reported facing significant discrimination in professional settings. One entrepreneur shared that she often outsourced roles or sent male staff to attend meetings on her behalf to avoid biased treatment. This practice reflects the need to 'hide behind a man' to navigate gendered power dynamics.
- Another interviewee described challenges in hiring male employees willing to work under a woman, which has limited her ability to secure the workforce needed to grow her business.

Inadequate digital infrastructure

- Poor internet connectivity, high data costs and inconsistent power supply were identified as significant barriers to digital trade. Women in rural areas, in particular, struggle to maintain an online presence or participate in e-commerce activities as a result of these infrastructure deficits.
- The costs and reliability of internet connection in Nigeria were also emphasised as a challenge to remote work, the use of digital platforms and the coordination of remote teams. The unreliability of local connectivity providers has forced many entrepreneurs to shift to the US-based satellite internet provider, Starlink. The cost of purchase and monthly subscription for this service were increased by 34% and 97%, respectively, to N590,000 (installation kit) and N75,000 (monthly subscription for standard service) (SatellitePro ME, 2024). These costs have increased the overhead for digital businesses in Nigeria significantly, and there are plans to further hike telecommunication tariffs by up to 50% (TRT Afrika, 2025).
- The high cost of digital infrastructure disproportionately impacts female entrepreneurs, as they typically operate smaller-scale businesses with lower margins. Unlike larger firms that can absorb these costs, women-led MSMEs struggle to maintain online operations when faced with high data costs, fuel price hikes and power shortages. These constraints severely limit their ability to compete in regional digital markets under the AfCFTA. They also increase the opportunity costs of remote work, which has the attractiveness of flexibility and allowing women to balance home and work-based obligations.
- The hike in electricity tariffs in some areas alongside the increase in fuel costs (for electricity generators) exacerbates this issue for women entrepreneurs. Interviewees mentioned periods of fuel scarcity in Nigeria as being highly disruptive to their operations as they were sometimes left without power in their homes or had to purchase fuel at exorbitant prices, which erased margins.
- Logistics inefficiencies further compound the problem. High delivery costs and unreliable supply chains limit women-led businesses' ability to scale or engage in cross-border trade. The increase in local transportation costs owing to the removal of fuel

subsidies in Nigeria was particularly straining for women entrepreneurs, given the small scale of their businesses and their vulnerability to higher overheads.

- Many female entrepreneurs in cross-border trade are forced to use informal routes in response to bureaucratic bottlenecks and high compliance costs. This reliance on informal networks exposes them to greater risks, including harassment, extortion and financial insecurity. While digital platforms facilitate market discovery, high logistics costs frequently disrupt the completion of transactions, forcing many women to abandon regional trade opportunities despite the AfCFTA's potential benefits.

Financial exclusion

- Access to finance remains one of the most critical challenges for women in digital trade. Respondents reported that most existing financial products, including funds specifically targeting women, are inaccessible as a result of high collateral requirements and complex application processes. High collateral requirements disproportionately affect women, given differences in property ownership between men and women in Nigeria.
- Women's lower rates of land and property ownership – only 8.2% of women in Nigeria are sole owners of land compared with 34.2% of men (Taiwo, 2024) – affect their ability to provide collateral for loans. This structural limitation excludes many female entrepreneurs from traditional financing options, forcing them into informal lending networks that are often unreliable and unsustainable. This restricts their ability to invest in digital tools and scale operations. The gender bias in financial systems also extends to creditworthiness assessments, where married women are sometimes required to provide spousal consent, further reinforcing economic dependency. One entrepreneur noted that her male spouse, who shares similar qualifications, had been able to access more funding opportunities than her, despite their equal expertise.
- Several women noted that the financial system in Nigeria was not designed with their realities in mind. For instance, development funds are often routed through banks, which impose additional restrictions or fail to prioritise women entrepreneurs. Many respondents rely on informal funding sources, which limits their capacity to invest in digital tools or scale their businesses.

Digital literacy and capacity gaps

- A lack of technical skills is preventing many women entrepreneurs from fully leveraging digital trade opportunities. Respondents highlighted gaps in website maintenance, e-commerce operations and cybersecurity knowledge, which leave their businesses vulnerable and limit their growth potential.

- Several women also pointed out the absence of consistent, practical training programmes tailored to their needs. Urban entrepreneurs often have better access to capacity-building initiatives, while rural women and informal business owners remain underserved.

Sociocultural barriers

- Gender roles and societal expectations emerged as a recurring theme. Many respondents spoke about the dual burden of managing businesses while fulfilling domestic responsibilities. This dynamic disproportionately limits women's ability to expand their operations or participate in professional development opportunities.
- Sociocultural barriers result in time constraints that also contribute to interviewees' low awareness of the AfCFTA and limited participation in sensitisation events.

Exclusion from trade networks and policy discussions

- Women entrepreneurs frequently noted their exclusion from trade networks and policy discussions. Despite being active in various sectors, they are often overlooked in decision-making processes, reducing their ability to advocate for policies that address their unique challenges.
- Younger women entrepreneurs reported facing a significant gender and age bias, being dismissed in professional and digital forums or excluded from decision-making spaces. These biases create additional obstacles for women seeking to engage in cross-border trade under the AfCFTA. The absence of women's voices in these spaces perpetuates the cycle of gendered barriers in digital trade frameworks.
- Respondents also expressed frustration with the urban-centric focus of trade policies and programmes, which fail to address the needs of women in rural areas or informal sectors.

Safety and cybersecurity concerns

- Women entrepreneurs involved in logistics or last-mile delivery highlighted safety concerns, which discourage them from participating in these critical aspects of digital trade.
- Women entrepreneurs, especially those operating online businesses, face disproportionate cyber threats, including cyberstalking, harassment and fraudulent transactions (Education As A Vaccine, 2022). Some interviewees shared experiences of being targeted by scammers after sharing business information on digital platforms. Gender-based online harassment further discourages women from fully engaging in digital trade, highlighting the need for stronger cybersecurity protections and awareness initiatives tailored to female entrepreneurs.

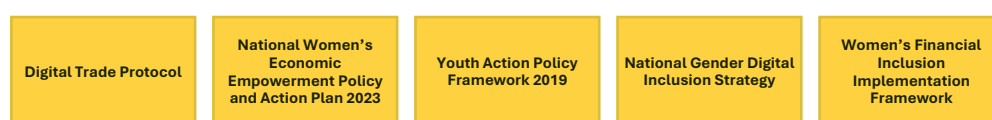
5.3 Policy recommendations

Using desk-based research to understand how the AfCFTA protocols can work in Nigeria, while taking stock of the current policy landscape in the country, the previous section underscored the importance of gender-positive policy pathways to increase the participation of women and youth in the new digital Nigeria, as well as to ensure the benefits of the AfCFTA marketplace are distributed equitably across all sections of the population. Based on KIIs, this section presents the top seven policy recommendations with clear actions to ensure their timely uptake by Nigerian policy-makers.

5.3.1 Championing awareness and participation

Expanding women's and youth participation in digital trade under the AfCFTA requires strong policy implementation, targeted awareness campaigns and structured mentorship programmes. While key policies have been developed, their impact remains limited as a result of low domestication and outreach gaps (Figure 12).

Figure 12 Key targeted policies in Nigeria



To address these challenges, stakeholders must work in the following areas:

Strengthen policy implementation at all levels:

- Domesticate gender-responsive trade policies across all 36 states to ensure alignment with national and continental digital trade goals.
- Enforce mandatory gender inclusion in trade governance bodies by requiring at least 30% female and youth representation in AfCFTA-related committees, ensuring their concerns shape decision-making.

Increase awareness and capacity-building for women and youth

- Organise quarterly trade sensitisation workshops in local languages to break down the AfCFTA's complex provisions and ensure women-led MSMEs understand its benefits.
- Develop simplified trade toolkits with visual guides, explainer videos and digital literacy training to make AfCFTA policies more accessible.
- Leverage traditional and digital media (radio, TV and social media influencers) to disseminate information to both urban and rural female entrepreneurs.

Establish a women and youth digital trade mentorship programme

- Pair emerging women entrepreneurs with established business leaders to provide hands-on guidance in digital trade and cross-border commerce.
- Encourage peer-to-peer learning through structured mentorship groups focused on overcoming gender-specific challenges in trade.

Develop sector-specific AfCFTA awareness initiatives

- Create industry-focused AfCFTA training for niche markets such as consultancy, creative industries and sports businesses, which are currently overlooked in trade facilitation efforts.
- Integrate AfCFTA education into professional networks and business associations to ensure underrepresented sectors can leverage digital trade opportunities.

Promote community-level advocacy for gender-inclusive trade practices

- Launch household sensitisation programmes on the economic value of women's participation in trade, encouraging male household members to support female entrepreneurs.
- Introduce gender-inclusive financial literacy programmes for families, ensuring husbands, fathers and male relatives understand how women's financial independence contributes to household and national economic growth.

5.3.2 Creating accessible platforms

To ensure women and youth entrepreneurs can effectively participate in digital trade under the AfCFTA, there is a need for centralised digital trade platforms that provide simplified access to trade regulations, export procedures, financial incentives and market opportunities. Many women-led businesses, particularly in rural and informal sectors, struggle with accessing the information and digital tools necessary to scale their operations. Creating dedicated online platforms and regional trade hubs will bridge these gaps and enhance digital trade participation.

Key interventions include:

- Launch a women-focused digital trade portal that serves as a one-stop platform, offering simplified trade regulations, export procedures, step-by-step guides on AfCFTA market entry, financing options and legal advisory support.
- Expand rural digital trade hubs by establishing community-based centres that provide internet access, e-commerce training, trade facilitation support and legal assistance, reducing the digital divide between urban and rural entrepreneurs.

- Develop MSME-friendly e-commerce platforms through government–private sector collaborations, ensuring women-led businesses can access tailored online marketplaces with secure payment systems, logistics support and currency stabilisation features to facilitate seamless cross-border transactions.
- Create gender-sensitive procurement portals that proactively connect women-led businesses to public and private procurement opportunities, ensuring real-time access to trade contracts and bidding processes at both national and regional levels.

5.3.3 Access to finance and inclusive credit models

Access to finance remains one of the most critical barriers to women's participation in digital trade under the AfCFTA. Many existing financial products, including those specifically targeting women, remain inaccessible as a result of high collateral requirements, complex application processes and gender biases in lending systems. Women's lower rates of land and property ownership further restrict their ability to secure financing through traditional means. There is a need for alternative credit models, fintech-driven financing solutions and policy interventions to close the financial gap for women entrepreneurs.

The National Credit Guarantee Scheme, set to launch in 2025, is expected to expand risk-sharing instruments and support underserved groups such as women and youth. However, ensuring this initiative effectively benefits female entrepreneurs requires clear gender allocations and targeted outreach. Additionally, accelerated implementation of the iDICE programme is essential to provide funding for high-growth sectors such as ICT, STEM and the creative economy – industries where women remain underrepresented.

To strengthen financial inclusion for women in digital trade, the following measures should be implemented:

- Enforce a minimum 40% allocation of the National Credit Guarantee to women entrepreneurs to guarantee equitable access to risk-sharing financial instruments for women and youth-led MSMEs.
- Scale fintech-based alternative credit models by:
 - expanding alternative credit scoring systems to reduce reliance on traditional collateral-based lending;
 - encouraging government–fintech partnerships to create more accessible lending products tailored to women-led businesses.
- Support an AfCFTA Digital Trade Women's Fund to provide low-interest loans and grants for women in ICT, e-commerce, creative industries and STEM – sectors where women remain significantly underrepresented.

- Guarantee women's access to government procurement contracts by introducing mandatory targets that allocate at least 35% of public procurement contracts to women-led MSMEs.
- Strengthen financial literacy for women entrepreneurs by integrating digital financial training modules into capacity-building programmes to equip women with skills in trade finance, cross-border payments and investment readiness.
- Enhance gender-responsive financial regulation and monitoring by:
 - mandating financial institutions to publish gender-disaggregated lending data to improve transparency and track disparities
 - imposing penalties for discriminatory lending practices that disadvantage women based on marital status or lack of traditional collateral
 - establishing an independent Women's Financial Access Review Board to oversee gender bias in banking and trade financing policies.

5.3.4 Access to digital skills and management training

Ensuring women and youth entrepreneurs can fully leverage digital trade opportunities under the AfCFTA requires comprehensive digital skills training, business management education and cybersecurity awareness. Many women-led businesses face technical skill gaps in areas such as e-commerce logistics, website management and cross-border trade facilitation, limiting their ability to scale in regional markets.

Existing programmes like 3MTT and private sector initiatives such as ImpactHER and Tech Herfrica offer a foundation for digital upskilling, but these efforts must be expanded, localised and made more accessible for women entrepreneurs, particularly in rural areas.

Key interventions include:

- Expand 3MTT to include AfCFTA digital trade training by:
 - integrating cross-border trade, logistics and e-commerce operations training into Nigeria's national digital skills initiatives
 - developing localised, mobile-friendly training content to increase accessibility for women entrepreneurs in rural and underserved communities.
- Scale women-focused digital training via ImpactHER and Tech Herfrica by expanding on-demand, self-paced training programmes that cover website management, trade facilitation, online business security and digital marketing.

- Introduce digital literacy grants to provide subsidised upskilling opportunities for women entrepreneurs who demonstrate high growth potential in regional digital trade.
- Enhance cybersecurity and digital trade risk management training for women entrepreneurs by:
 - providing affordable cybersecurity courses to help women-led businesses protect financial transactions, customer data and e-commerce platforms from cyber threats
 - integrating business continuity planning modules into digital trade training to help women entrepreneurs prepare for crises such as internet disruptions, platform restrictions or cyberattacks.

5.3.5 Gendered trade facilitation

Women entrepreneurs face structural barriers in trade facilitation, including discriminatory customs processes, limited access to trade networks and exclusion from regional policy discussions. To ensure AfCFTA implementation is truly gender-inclusive, trade policies must specifically address these challenges through targeted customs reforms, trade clusters, financial support for international participation and gender-responsive regulatory frameworks.

Key interventions include:

- Design gender-sensitive customs reforms to implement priority clearance lanes for women trading over e-commerce platforms, reducing bureaucratic delays and ensuring simplified documentation for MSMEs engaged in AfCFTA-related exports and imports.
- Set up women-led trade clusters and associations to establish regional women's trade cooperatives, enabling collective bargaining power, bulk logistics rates and access to better financial terms for cross-border trade.
- Subsidise export and trade fair participation through funding mechanisms that allow women-led businesses to attend pan-African trade fairs, networking events and market expansion initiatives, helping exporters identify demand opportunities for their digital products.
- Establish a National Women in Trade Advisory Council under NACO-AfCFTA to advocate for gender-responsive trade policies and ensure sustained representation of women's voices in decision-making processes.
- Mandate a minimum quota for women's participation in regional trade discussions to guarantee policies reflect the realities of women entrepreneurs.
- Require trade policy consultations with women's business associations before enacting new cross-border trade regulations,

ensuring trade policies align with the needs of women-led MSMEs.

Gender equity in business and trade networks

- Explore the introduction of a voluntary Gender-Inclusive Certification for businesses that meet benchmarks in gender-equitable employment, procurement and professional networking, encouraging inclusive business practices.
- Incentivise male-owned businesses to adopt mentorship models, fostering partnerships with women-led firms in supply chains, business collaborations and financing schemes.
- Develop training modules for male professionals and investors to promote gender-sensitive business practices, ensuring fair and equitable engagement with women entrepreneurs.

Gender-responsive trade policy and monitoring

- Introduce mandatory gender impact assessments in all trade agreements to prevent unintended disadvantages to women-led MSMEs under the AfCFTA.
- Explore the establishment of a Women in Trade Watchdog Unit to track the progress of gender-focused AfCFTA implementation and report exclusionary trade practices.

Digital safety and infrastructure for women in trade

- Develop a Gender-Based Online Safety and Digital Rights Protection Framework, including:
 - mandated fraud detection and secure payment verification mechanisms on digital marketplaces where women conduct business
 - a Women Entrepreneurs Cybersecurity Helpline, offering legal and technical support for women facing online fraud, harassment or financial scams
 - stronger legal penalties for gender-based cyber harassment, ensuring offenders targeting women-led businesses face prosecution.

Gender-sensitive digital infrastructure and energy subsidies

- Implement a government-backed scheme to offer affordable internet and electricity for women-led MSMEs, particularly in rural and semi-urban areas. This can be achieved through vouchers or partnerships with internet service providers.
- Advocate for regulatory price caps on essential digital trade services for registered businesses (e.g. Starlink subscription rates, mobile data plans) to prevent exploitative pricing.
- Develop solar-powered digital trade hubs to provide a consistent energy supply for digital entrepreneurs in underserved areas.

- Develop cost-friendly solar power solutions for women-owned businesses to reduce operational costs and reliance on fuel-generated electricity.

5.3.6 Market access and logistics

Limited logistics infrastructure, high transportation costs and fragmented cross-border trade processes continue to restrict women-led MSMEs from scaling and exporting goods via e-commerce platforms in regional markets under the AfCFTA. Despite sale orders, women entrepreneurs, especially those in rural and semi-urban areas, face significant challenges in moving goods efficiently because of poor road networks, unreliable supply chains and the high cost of last-mile delivery. To address these barriers, targeted logistics support, subsidised trade corridors and rural trade aggregation centres must be established to facilitate seamless cross-border trade for women.

Key interventions include:

- Develop women-friendly cross-border trade corridors by working with ECOWAS and the AfCFTA to establish dedicated MSME-friendly trade routes, ensuring efficient, cost-effective logistics solutions tailored to small-scale traders.
- Introduce low-cost logistics solutions for MSMEs through a government-backed programme to reduce cross-border shipping costs for women-led businesses engaged in e-commerce.
- Offer affordable last-mile delivery services in partnership with private logistics firms like DHL and GIG Logistics, ensuring affordable, secure delivery options for goods ordered online.
- Establish rural aggregation and trade processing centres to support bulk exports for women entrepreneurs, reducing per-unit transportation costs. These hubs should be strategically located in high-trade activity zones to ensure efficient product consolidation and access to export markets via online marketplaces.

5.3.7 Gender-focused budget

A dedicated budget for women-centric trade initiatives is essential to ensure sustained financial commitment towards addressing gender-based barriers in digital trade. Without targeted budgetary allocations, women entrepreneurs will continue to face systemic exclusion from financial support, trade infrastructure and policy implementation.

To enhance accountability, transparency and impact measurement, government trade budgets must prioritise gendered allocations and ensure funds reach women-led businesses, digital entrepreneurs and underserved communities.

Key interventions include:

- Allocate a minimum of 30% of trade-related budgets to women-centric initiatives, ensuring dedicated funding for digital trade programmes, logistics support, export facilitation and financial access initiatives for women entrepreneurs.
- Establish a gender-disaggregated data dashboard to track women's participation in the AfCFTA, funding allocations and digital trade outcomes, ensuring public accountability and real-time visibility on budget execution.
- Mandate annual Gender Impact Assessments for trade policies to measure the effectiveness of Nigeria's trade strategies in reducing barriers for women entrepreneurs and to inform future budget allocations.
- Introduce performance-based funding incentives for gender-inclusive trade policies, where states and agencies that effectively implement women-focused trade programmes receive increased allocations and technical support.
- Ensure participatory budgeting processes, where women-led business associations and gender advocacy groups are actively consulted in budget planning and trade policy development.

6 Conclusion

The aim of this report has been to develop a comprehensive national digital trade strategy for Nigeria that aligns with the AfCFTA framework and the DTP. The study has collected in-depth insights and actionable recommendations, culminating in a strategy that can spur growth and position Nigeria as a digital leader in Africa.

The successful implementation of the policy recommendations within each section will require coordinated efforts from all stakeholders, including government ministries, regulatory authorities, the private sector and civil society. By addressing infrastructural and regulatory gaps, promoting digital inclusion and leveraging the AfCFTA framework, Nigeria can unlock the full potential of its digital economy. Nigeria has already been endorsed by the African Union as a champion in digital trade. This comprehensive approach will position Nigeria as a digital trade leader in Africa, driving sustainable economic growth and inclusive development by establishing a BPO sector, promoting e-commerce, and encourage participation of women and youth in the digital ecosystem.

References

- A2F (2023) 'Unlocking insights to accelerate financial and economic inclusion' (<https://efina.org.ng/wp-content/uploads/2024/03/A2F-2023-Event-Day-Presentation-Version4-1.pdf>).
- AfCFTA – African Continental Free Trade Area – Secretariat (2024a) 'Protocol to the Agreement Establishing the African Continental Free Trade Area on Digital Trade'. 4 February (https://www.bilaterals.org/IMG/pdf/afcfta_digital_trade_protocol_-_9_february_2024_draft.pdf).
- AfCFTA Secretariat (2024b) 'Protocol to the Agreement Establishing the African Continental Free Trade Area on Women and Youth in Trade' (https://africanlii.org/akn/aa-au/act/protocol/2024/free_trade_area_on_women_and_youth_in_trade/eng@2024-02-18/source).
- AfDB – African Development Bank (2024) 'African Development Bank and partners invest \$618 million in Nigeria's digital and creative industries'. 14 March (www.afdb.org/en/news-and-events/press-releases/african-development-bank-and-partners-invest-618-million-nigerias-digital-and-creative-industries-59766).
- Africa International Trade (2023) 'The new trade policy of Nigeria (TPN) 2023–2027 as amended'. 23 April (<https://africainternationaltrade.com/2023/04/23/the-new-trade-policy-of-nigeria-tpn-2023-2027-as-amended/>). Agarwal, A. (2024) 'The digital ecosystem in Nigeria and the AfCFTA Digital Trade Protocol: raising awareness and strategising implementation'. Policy Brief. London: ODI.
- Agarwal, P., Mba-Kalu, S. and Lemma, A. (2024) 'Advancing implementation of the AfCFTA Protocol on Digital Trade in Nigeria'. London: ODI Analysis.
- Anam, B.E., Ijim, U.A., Ironbar, V.E., Otu, A.P., Duke, O.O. and Achuk Eba, M.B. (2023) 'Economic recovery and growth plan, economic sustainability plan and national development plan (2021-2025): the Nigerian experience under President Muhammadu Buhari'. *Cogent Social Sciences* 10(1).
- Applied Worldwide Nigeria (2023) 'Andela is a Nigerian tech giant: here is what they do'. 14 November (<https://nigeria.appliedworldwide.com/andela-is-a-nigerian-tech-giant-here-is-what-they-do/>).
- AU - African Union (2020) 'Digital Transformation Strategy for Africa (2020-2030)' <https://au.int/sites/default/files/documents/38507-doc-dts-english.pdf>
- Bassey E. A., Uno A. I., Virginia E. I., Abang P. O., Otu O. D., & Maxwell-Borjor A. E., (2024) 'Economic recovery and growth plan, economic sustainability plan and national development plan (2021-2025): The Nigerian experience under President Muhammadu Buhari'. *Cogent Social Sciences*, 10:1, 2289600, DOI: 10.1080/23311886.2023.2289600
- Businessner (2024) 'The evolution of e-commerce: what's next? 2024 trends'. 16 October (<https://businessner.com/the-evolution-of-e-commerce-whats-next-2024-trends/>).
- CBN – Central Bank of Nigeria (2015) 'National financial literacy framework'. October (<https://www.cbn.gov.ng/out/2016/cfpd/financial%20literacy.pdf>).
- CBN (2020) 'Framework for advancing women's financial inclusion in Nigeria'. (https://www.cbn.gov.ng/out/2020/dfd/framework%20for%20advancing%20women's%20financial%20inclusion%20in%20nigeria_final_5mb.pdf).

- CBN (2020a) 'Nigeria Payment System Vision 2025 (NPSV 2025)' <https://nairametrics.com/wp-content/uploads/2023/01/Nigeria-Payment-System-2025.pdf>
- CBN (2022a) 'Financial inclusion'. In International Financial Inclusion Conference (IFIC'22): Financial Inclusion for All: Scaling Innovative Digital Models (<https://www.cbn.gov.ng/Financial-Inclusion/>).
- CBN (2022b) 'Strategy for leveraging networks for women's financial inclusion'. November (https://www.cbn.gov.ng/Out/2022/CCD/National%20Strategy%20Leveraging%20Agent%20Networks%20for%20Womens%20Financial%20Inclusion_Financial_Nov%202022.pdf).
- Chen, R. (n.d.). 'Kilimall: bringing world's consumption to Africa online'. China-Africa Business Council (<http://en.cabc.org.cn/?c=news&a=view&id=172>).
- CNBC Africa (2024) 'How Lagos innovation bill may incentivise business growth'. 6 June (www.cnbcafrica.com/media/6354430042112/how-lagos-innovation-bill-may-incentivise-business-growth/).
- Conduent (2024) 'What is business process outsourcing (BPO)?' 22 August (<https://insights.conduent.com/conduent-blog/what-is-business-process-outsourcing-bpo>).
- Cybercrimes Prohibition Prevention Act (2024) 'Cybercrimes-Prohibition-Prevention-etc-Amendment-Act' https://cert.gov.ng/ngcert/resources/CyberCrime__Prohibition_Prevention_et_c__Act__2024.pdf
- Education As A Vaccine (2022) 'Online gender-based violence: promoting digital rights for women in Nigeria'. 31 October (<https://www.documentwomen.com/online-gender-based-violence-promoting-digital-rights-for-women-in-nigeria>).
- Ekhatior, O. (2022) 'Nigeria launches roadmap to accelerate digital trade in Africa'. Techpoint, 22 July (<https://techpoint.africa/2024/07/22/nigeria-launches-roadmap-digital-trade/>).
- Falaiye, H. (2024) 'Nigeria's BPO market to hit \$1.8bn by 2028'. *PUNCH Newspapers*, 28 November (<https://punchng.com/nigerias-bpo-market-to-hit-1-8bn-by-2028/>).
- Fanelli, T. (2024) 'Types of e-commerce'. 23 July (www.tomfanelli.com/types-of-e-commerce/).
- Federal Ministry of Youth and Sports Development (2019) 'National youth policy enhancing youth development and participation in the context of sustainable development' (<https://nigerianyouthsdgs.org/wp-content/uploads/2022/03/National-Youth-Policy-2019-2023.pdf>). Fleck, A. (2022) 'Africa's e-commerce giants'. Statista, 27 May (www.statista.com/chart/27527/africas-popular-e-commerce-platforms/).
- Forbes (2022) 'Nigeria's strong foray into e-commerce with Konga'. Forbes Africa 4 (<https://cms.forbesafrica.com/wp-content/uploads/2022/02/Forbes-special-edition-KONGA-FINAL-1.pdf>).
- FMWA – Federal Ministry of Women Affairs (2023) 'National Women's Economic Empowerment (WEE) Policy and Action Plan' (https://nigeria.ion.int/sites/g/files/tmzbd11856/files/documents/2024-02/nigeria-national-wee-policy-and-action-plan-may-230519_133503.pdf).
- GBS World (2021) 'Poised for growth: Nigeria's burgeoning BPO and customer experience industry'. 20 August (<https://gbs.world/blog/2021/08/20/poised-for-growth-nigerias-burgeoning-bpo-and-customer-experience-industry/>).
- GSMA (2024a) 'Fiber in the Philippines is improving and catching up with its regional peers' (www.gsma.com/get-involved/gsma-membership/gsma_resources/fiber-in-the-philippines-is-improving-and-catching-up-with-its-regional-peers/).

- GSMA (2024b) 'The mobile economy sub-Saharan Africa'.
(https://www.gsma.com/solutions-and-impact/connectivity-for-good/mobile-economy/wp-content/uploads/2024/11/GSMA_ME_SSA_2024_Web.pdf).
- Gyankovandar (2021) 'Electronic Transactions Act (ETA) – legal requirements of ETA' (<https://gyankovandar.com/electronic-transactions-act-eta-legal-requirements-of-eta/>).
- Hayes, M. and Downie, A. (2024) 'What is ecommerce?' IBM, 29 February (www.ibm.com/topics/ecommerce).
- IBPAP – Information Technology and Business Process Association of the Philippines (2023) 'Industry overview' (<https://www.ibpap.org/>).
- IDC (2022) *IDC FutureScape: worldwide artificial intelligence and automation 2023 predictions* (<https://www.idc.com/getdoc.jsp?containerId=US49748122&utm>).
- IDC (2023) 'IDC FutureScape: "AI everywhere" will impact business decisions at every level', 8 November (<https://www.idc.com/getdoc.jsp?containerId=prUS51366723>).
- ILO – International Labour Organization (2023) '111th Session of the International Labour Conference' (www.ilo.org/media/252291/download).
- ITIDA – Information Technology Industry Development Agency (2020) 'Outsourcing destination guide: Egypt' (https://itida.gov.eg/English/Reports/Lists/Reports/Attachments/2/Destination_Guide_EGYPT.pdf).
- ITIDA (2023a) 'Egypt rises to 3rd place in 2023 Offshore BPO Confidence Index' (<https://itida.gov.eg/English/MediaCenter/News/Pages/Egypt-Rises-To-3Rd-Place-In-2023-Offshore-BPO-Confidence-Index.aspx>).
- ITIDA (2023b) 'EMEA's business services landscape' (<https://itida.gov.eg/English/Reports/Documents/EMEA-Business-Services-Landscape-Report.pdf>).
- Itsede, C. (2024) 'Nigeria's BPO market to hit \$1.8bn by 2028'. *PUNCH Newspapers*, 28 November (<https://punchng.com/nigerias-bpo-market-to-hit-1-8bn-by-2028/>).
- Jumia (2019) 'Jumia prospectus'. U.S. Securities and Exchange Commission (<https://www.sec.gov/Archives/edgar/data/1756708/000119312519105752/d650749d424b4.htm>).
- Kearney (2023) 'Global Services Location Index' (www.kearney.com/service/digital-analytics/gsl).
- Kempis, M. and Ogden, T. (2023) 'Country data overview: data from the small firms diary'. NBS (www.nigerianstat.gov.ng/pdfuploads/SFD_Nigeria_CountryDataOverview.pdf).
- Lemma, A., Mendez-Parra, M., and Naliaka, L. (2022) *The AfCFTA: unlocking the potential of the digital economy in Africa*. ODI report.
- Magellan Solutions (2024) 'Call center Philippines: a quick guide for companies planning to outsource' (www.magellan-solutions.com/blog/call-center-philippines-a-quick-guide-for-companies-planning-to-outsource/).
- Mbogo, A. (2018) 'Kilimall exits Uganda, possible partnership to revive the business hits a snag'. *Kenyan Wall Street*, 4 September (<https://kenyanwallstreet.com/kilimall-exits-uganda-possible-partnership-to-revive-the-business-hits-a-snag/>).
- MCIT – Ministry of Communications and Information Technology, Egypt (n.d.) 'National AI strategy' (https://mcit.gov.eg/en/Artificial_Intelligence).
- Modise, E. (2023) 'As growth dwindles and competition stiffens, Takealot is getting aggressive to stay on top'. *TechCabal*, 12 January (<https://techcabal.com/2023/01/12/takealot-problems/>).
- NACO – National Action Committee on the AfCFTA (2023) 'National AfCFTA implementation strategy' (<https://ngrafta.gov.ng/>).
- Naija Trends (2024) 'Prominent Nigerian software development firms driving innovation and technology growth'. 16 September

- (<https://naijatrends.ng/prominent-nigerian-software-development-firms-driving-innovation-and-technology-growth/>).
- NBS – National Bureau of Statistics (2023) ‘Statistical report on men and women in Nigeria’ (www.nigerianstat.gov.ng/pdfuploads/2021_Statistical_Report_On_Women_and_Men.pdf).
- NCC – Nigerian Communications Commission (2020) ‘National digital economy policy and strategy’ (<https://www.ncc.gov.ng/media-centre/public-notices/822-national-digital-economy-policy-strategy>).
- Ndiomewese, I. (2017) ‘Konga is finally profitable?’ Techpoint.Africa, 13 February (<https://techpoint.africa/2017/02/13/konga-profitable/>).
- NDPC – National Data Protection Commission (2023) ‘Implementation framework for national development plans’.
- NGCERT – Nigerian Computer Emergency Response Team (2015) ‘Cybercrime (Prohibition, Prevention, etc.) Act 2015’ (https://cert.gov.ng/ngcert/resources/CyberCrime_Prohibition_Prevention_act_Act_2015.pdf).
- NGYouthSDGs (2024) ‘Youth employment in Nigeria: a vehicle for decent work and economic growth’. 9 May (<https://nigerianyouthsdgs.org/youth-employment-in-nigeria-a-vehicle-for-decent-work-and-economic-growth/>).
- NITDA – National Information Technology Development Agency (2019) ‘National data protection regulation’.
- NITDA (2020) ‘National digital economy policy and strategy (2020–2030)’ (<https://nitda.gov.ng/wp-content/uploads/2020/06/National-Digital-Economy-Policy-and-Strategy.pdf>).
- NITDA (2020a) ‘National Outsourcing Strategy 2020’.
- NITDA (2023) ‘National digital economy policy and strategy’ (<https://nitda.gov.ng/wp-content/uploads/2023/07/Policy-National-Digital-Economy-Policy-and-Strategy.pdf>).
- NITDA (2024) ‘Strategic roadmap and action plan 2024-2027’ (<https://nitda.gov.ng/wp-content/uploads/2024/02/SRAP-2.O.pdf>).
- NITDA (2024a) ‘National Digital Economy and E Governance Bill, 2024’ (<https://fmicide.gov.ng/wp-content/uploads/2024/07/National%20Digital%20Economy%20and%20E-Governance%20Bill%2C%202024%20-%20Draft.pdf?t=1721838823>).
- Nwokoma, C. (2023) ‘Kaduna State bids to woo investors and innovators as it becomes the first state to domesticate the Nigerian Startup Act’. 18 August (<https://techpoint.africa/2023/08/18/kaduna-state-startup-act>).
- Nwosu, E. (2024) ‘Jumia commits to a “disciplined approach” as operating losses hit \$20.1 million in Q3 2024’. Tech Cabal, 7 November (<https://techcabal.com/2024/11/07/jumia-operating-losses-hit-20-1-million-in-q3-2024/>).
- Odiike, C. (2024) ‘Nigeria needs a national strategy on business process outsourcing to attract global investment’. Business Day, 30 January (<https://businessday.ng/interview/article/nigeria-needs-a-national-strategy-on-business-process-outsourcing-to-attract-global-investment-odiike/>).
- Rajgopaul, D. (2024) ‘These retailers are dominating the South African e-commerce market’. IOL (www.iol.co.za/business/advice/these-retailers-are-dominating-the-south-african-e-commerce-market-5e368b29-4c56-4461-bdd0-8c482f3f87c8).
- Ramachandran, V., Obado-Joel, J., Fatai, R., Masood, J.S. and Omakwu, B. (2019) ‘The new economy of Africa: opportunities for Nigeria’s emerging technology sector’. Report. Washington, DC: CGD.
- Sasu, D. (2024) ‘Share of the population using smartphones in Nigeria’. Statista, 19 March (<https://www.statista.com/statistics/1454586/share-of-population-using-smartphones-in-nigeria-by-age>).

- SatellitePro ME (2024) 'Starlink increases subscription prices in Nigeria'. 1 October (<https://satelliteprome.com/news/starlink-increases-subscription-prices-in-nigeria/>).
- Statehouse Nigeria (2025). AU Endorses Nigeria as AfCFTA Digital Trade Champion. Press release. (<https://statehouse.gov.ng/news/au-endorses-nigeria-as-afcfta-digital-trade-champion/>).
- Statehouse Nigeria, (2024). 'FG Unveils Roadmap For Africa's Digital Trade Revolution Under AfCFTA'. 19th July <https://statehouse.gov.ng/news/fg-unveils-roadmap-for-africas-digital-trade-revolution-under-afcfta/>
- Statista (2024a) 'Business process outsourcing – India' (<https://www.statista.com/outlook/tmo/it-services/business-process-outsourcing/india>).
- Statista (2024b) 'Business process outsourcing – Nigeria' (<https://www.statista.com/outlook/tmo/it-services/business-process-outsourcing/nigeria>).
- Stuart, J. (2024). Implementing the AfCFTA's digital trade protocol. Policy Briefing 303. South African Institute of International Affairs.
- Taiwo, K. (2024) 'Nigeria's gender divide in property rights'. Dataphyte, 23 October (<https://dataphyte.com/latest-reports/nigerias-gender-divide-in-property-rights/>).
- Techblit (2023) 'Rivers State governor approves the adoption of the Startup Act: a catalyst for tech innovation and economic growth'. 8 December (<https://techblit.com/index.php/2023/12/08/rivers-state-governor-approves-the-adoption-of-the-startup-act-a-catalyst-for-tech-innovation-and-economic-growth>).
- Tech Central (2011) 'Take2 rebrands, shoots for R1bn in sales'. 14 June (<https://techcentral.co.za/take2-rebrands-shoots-for-r1bn-in-sales/184072/>).
- The FATE Institute (2022) 'The state of entrepreneurship in Nigeria' (<https://fatefoundation.org/wp-content/uploads/2022/11/State-of-Entrepreneurship-in-Nigeria-Report-2022-1.pdf>).
- Thompson, M. (2022) 'Business process outsourcing industry in the Philippines', in H.B. Shin, M. Mackenzie and D.Y. Oh (eds) *COVID-19 in Southeast Asia: insights for a post-pandemic world*. London: LSE Press, pp. 86–96.
- Tralac (2022) 'The AfCFTA protocol on women and youth in trade and trade-driven development in Africa'. 27 January (<https://www.tralac.org/blog/article/16324-the-afcfta-protocol-on-women-and-youth-in-trade-and-trade-driven-development-in-africa.html>).
- TRT Afrika (2025) 'Nigeria's controversial telecom tariff hike explained'. 4 February (<https://trtafrika.com/business/nigerias-controversial-telecom-tariff-hike-explained-18261290>).
- UNCTAD – United Nations Conference on Trade and Development (2021) *Digital economy report 2021: cross-border data flows and development*. Geneva: UNCTAD.
- UNCTAD (2022). *Fostering women entrepreneurship in the digital economy*. Geneva: UNCTAD
- UNICEF – United Nations Children's Fund (2023) 'Nigerian education'. Factsheet (www.unicef.org/nigeria/media/9211/file/Nigeria%20Education%20Fact%20Sheets.pdf).
- Villanueva, A. (2024) 'Top BPO companies in Nigeria'. Outsource Accelerator, 11 April (<https://www.outsourceaccelerator.com/guide/top-bpo-companies-in-nigeria/>).
- World Bank (2019) *Digital economy diagnostics report*. Washington, DC: World Bank.
- World Bank (2020) *The African Continental Free Trade Area: economic and distributional effects*. Washington, DC: World Bank.

- World Bank (2021) 'Philippines Digital Infrastructure Project' (<https://documents1.worldbank.org/curated/en/099061224013041298/pdf/P1763171fd96db0ee1ac7a14cf65b2bd453.pdf>).
- World Bank (2023) *Digital progress and trends report*. Washington, DC: World Bank.
- WEF – World Economic Forum (2024). Digital Transformation for SMEs: A Strategic Framework. Briefing Paper.
- Workforce Africa (2023) 'Nigeria as a global outsourcing hub'. 20 October (<https://workforceafrica.com/nigeria-as-global-outsourcing-hub/>).
- WTO – World Trade Organization (2023) *Turning digital trade into a catalyst for African development*. Geneva: WTO.
- Zhang, J. (2019) 'How an ex-Huawei employee built Kilimall, Africa's biggest ecommerce platform'. Tech in Asia, 13 August (www.techinasia.com/huawei-employee-built-africa-biggest-ecommerce-kilimall).

Appendix 1 Top BPO firms in Nigeria

@Sand, Company	Primary BPO services	Industry focus/clients	Coordinating agency	Domestic sector and brief description
ISON	Call centre, customer support, sales outsourcing	Telecoms, banking, e-commerce	FMCDE, NCC	One of the largest call centre outsourcing providers in Africa, with major hubs in Nigeria. Operates multiple centres serving multinational telecom firms and local banks. www.isontechnologies.com/services/
Interra Networks	Customer care, tech support, back-office solutions	Financial services, government	NITDA, NCC	Offers IT helpdesk, contact centre services and business continuity solutions. Active in government and financial projects. www.interranetworks.com/
C&I Outsourcing (C&I Leasing PLC)	HR outsourcing, contact centre, facility management	Banking, oil & gas, telecoms	CAC, NEPC	Subsidiary of C&I Leasing focusing on staff outsourcing, payroll management and customer service solutions. Prominent in corporate sectors. www.c-ileasing.com/#
Outcess	Customer support, back office, IT outsourcing	Fintech, SMEs, telecoms	FMCDE, NCC	Known for its contact centre services, tech support and back-office management. Works with SMEs and fintech startups. https://outcess.com/
TeKnowledge Managed Services	IT helpdesk, software support, cloud services	Technology, software companies	NITDA	Provides specialised IT support, customer success and software engineering solutions. Has a strong local presence in Lagos. https://teknowledge.com/tech-managed-services/
VConnect Global Services	E-commerce support, directory services, customer service	Retail, SMEs, e-commerce	FMCDE, CAC	A marketplace and business directory platform that also offers customer service and e-commerce support solutions. www.vconnect.com/
Chams PLC	Data management, ID card solutions, outsourced operations	Government, banking, telecoms	NITDA, CAC	A pioneer in Nigeria's digital identity solutions, offering data capture, processing and related BPO services. www.chamsholdco.com/
XPlug Technologies	Software outsourcing, data processing, IT support	Banking, microfinance, tech startups	NITDA	Provides custom software development and SaaS solutions. Involved in back-end data management for financial institutions. http://xplugng.com/about.html
CWG PLC (Computer Warehouse Group)	Managed IT services, infrastructure outsourcing	Banking, telecoms, government	FMCDE, CAC	One of the largest systems integrators in Nigeria, offers outsourcing for infrastructure, IT management and support. https://cwg-plc.com/
Precise Financial Systems (PFS)	Financial software outsourcing, support services	Banking, fintech	NITDA, NEPC	Develops and supports core banking and payment solutions. Provides outsourced technical support for African banks. https://thepfs.biz/