



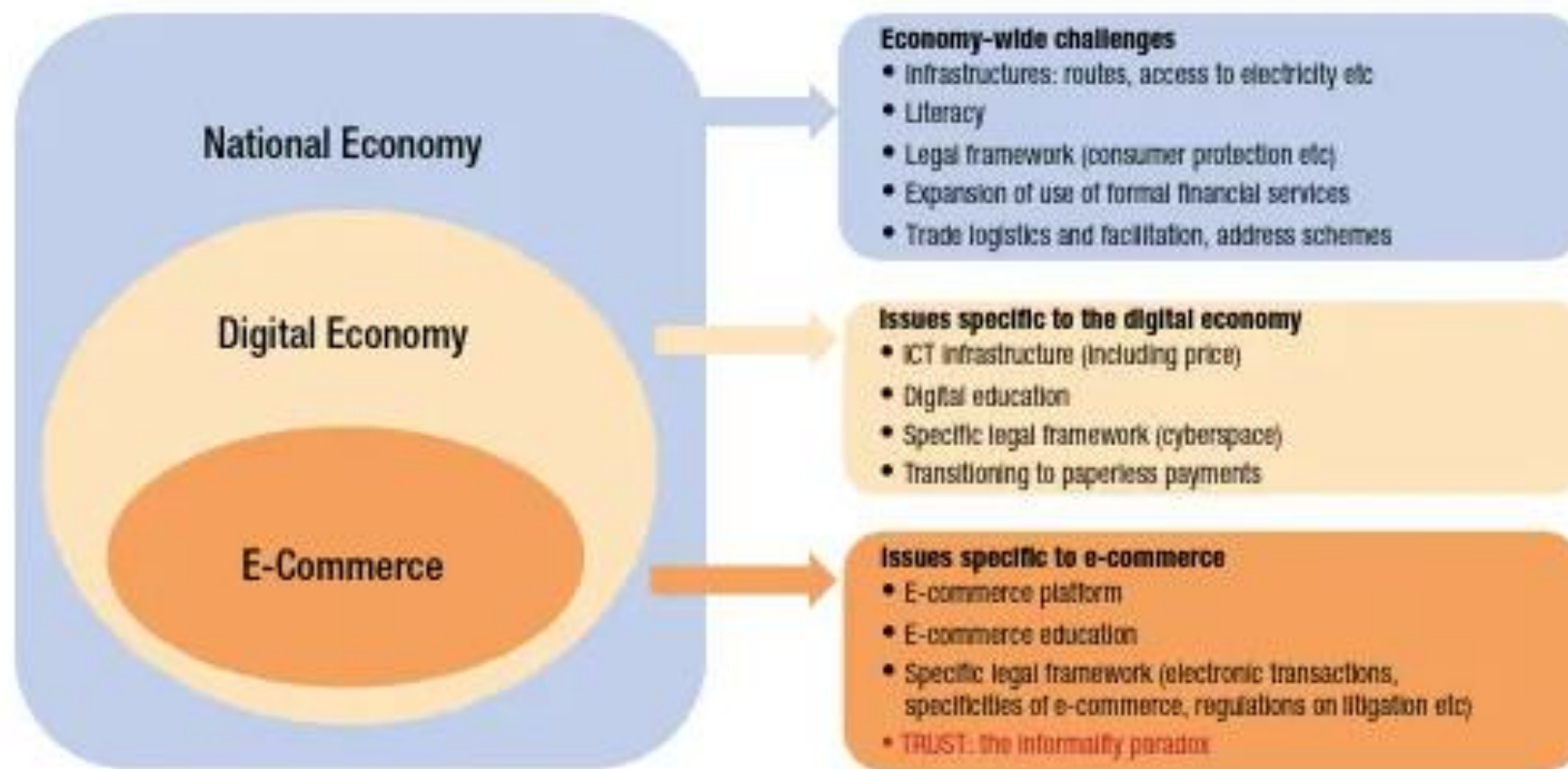
2023 EACO FORUM

ECOMMERCE IN AFRICA

Paul Donohoe
Digital and Trade Policies Coordinator



Ecommerce In Africa - Context



Source: UNCTAD.



Ecommerce in Africa

Revenue in the eCommerce market in Africa

- Revenue in the eCommerce market is projected to reach US\$36.15bn in 2023.
- Revenue is expected to show an annual growth rate (CAGR 2023-2027) of 13.11%, resulting in a projected market volume of US\$59.18bn by 2027.
- In the eCommerce market, the number of users is expected to amount to 609.3m users by 2027.
- User penetration will be 34.2% in 2023 and is expected to hit 43.9% by 2027.
- The average revenue per user (ARPU) is expected to amount to US\$83.16.

Number of users of e-commerce in Africa 2017-2027

- The number of users in the E-commerce market in Africa was forecast to continuously increase between 2023 and 2027 by in total 174.7 million users (+40.19 percent).
- After the tenth consecutive increasing year, the indicator is estimated to reach 609.33 million users and therefore a new peak in 2027.
- Notably, the number of users of the E-commerce market was continuously increasing over the past years.



Ecommerce in Africa

Payment methods and the mobile money revolution

- The African landscape of digital payments is quite unique. Data on the transaction volume of selected digital payment platforms in Africa shows that mobile money payments like M-Pesa were much more common than those made with African credit cards.
- Mobile money represents a revolution, making financial services easily accessible throughout the country, including remote rural areas.
- Mobile money allows customers to receive, store, and spend money using a mobile phone even without internet access.
- Another common payment method used for e-commerce is cash-on-delivery, which means that users pay for their order on delivery.
- In economies with low credit card penetration and less trust in digital payments made in advance, cash-on-delivery remains a common payment method.

What African digital shoppers buy

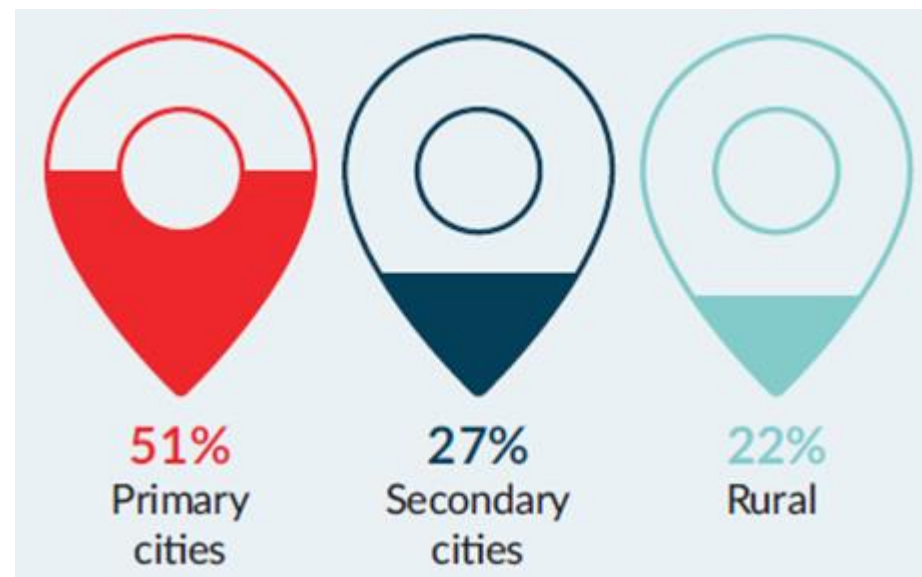
- Other characteristics which define online shopping in specific markets are consumer preferences on what to buy online.
- A survey conducted by Statista in several African countries investigated the items consumers in [Nigeria](#), [South Africa](#), [Morocco](#), [Kenya](#), and [Egypt](#) prefer to buy online.
- In all these countries, digital buyers stated to purchase clothing, shoes, and consumer electronics online. Despite the rapid growth of the e-commerce sector on the continent, online shopping in Africa is still [under the global average](#), even in Africa's driving markets.
- According to recent data, In South Africa, some 47 percent of internet users make online purchases. While the worldwide average is 58 percent.



Ecommerce in Africa

E-commerce in the region takes different shapes, from direct sales on company websites, to informal **social commerce** models, whereby micro businesses use social media, from Facebook to WhatsApp and Instagram, to sell their products online, to e-commerce platforms facilitating B2B and B2C trade. A few Amazon-like direct-to-consumer platforms like Pan-African player Jumia, **Konga** (Nigeria) and **Takealot** (South Africa) have made significant strides by selling a variety of products, from fashion to technology items, largely to urban and more affluent consumers.

- Figure 1: Orders by destination



- Source: Jumia Africa E-commerce Index 2021



e-Trade Readiness Assessment – 7 policy areas





ETRADE FOR ALL POLICY AREAS



E-commerce strategy



ICT infrastructure



Payment solutions



Trade logistics & facilitation



Legal frameworks



Skills development



Financing SMEs

E-trade Readiness Assessments

KENYA, UGANDA, TANZANIA

Include key recommendations for postal modernization

National E-commerce Strategy

KENYA, RWANDA

Africa

- Benin
- Burkina Faso
- Ivory Coast
- Lesotho
- Liberia
- Madagascar
- Malawi
- Mali
- Niger
- Senegal
- Tanzania
- Togo
- Tunisia
- Uganda
- Zambia
- Kenya
- Cabo Verde
- Comores
- Djibouti
- DRC
- Eswatini
- Guinea
- Sierra Leone
- South Sudan
- Zimbabwe
- ECOWAS

Africa

- Egypt
- Botswana
- Benin
- ECOWAS
- Kenya
- Rwanda
- Eswatini





Call to action

We are ready to collaborate on your digital and innovation journey

● Please reach out to the IB secretariat email:
eservices@upu.int

● <https://www.upu.int/en/Universal-Postal-Union/Activities/Digital-Services>





2023 EACO FORUM

THANK YOU

Paul Donohoe
Digital and Trade Policies Coordinator

Improving the Digital Transformation of postal services in Africa

Agenda
2063
The Africa we Want





Agenda

1

Introduction

Postal sector in a digital world
Objectives of the mission

2

The framework

The 5 areas to cover

3

Course of the missions

Methodology and stakeholders

4

Key Findings

Findings for the 5 areas

5

Key Recommendations

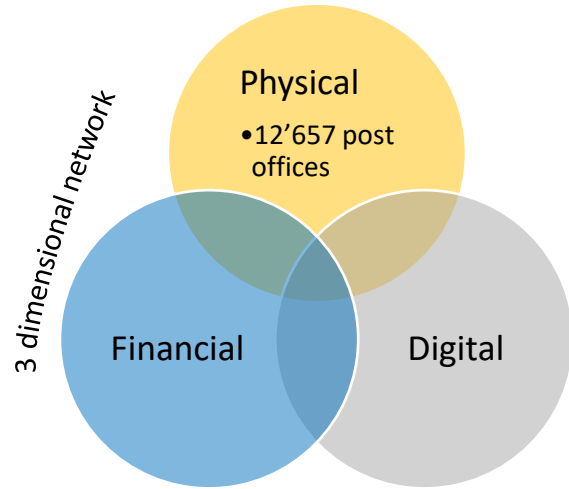
7 pillars to cover

Postal Landscape in Africa

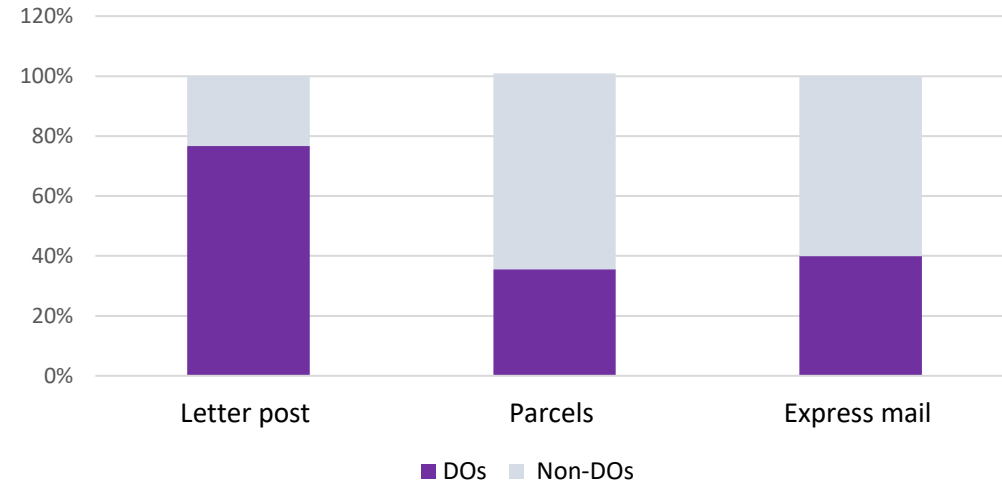


Key figures on the postal sector in Africa

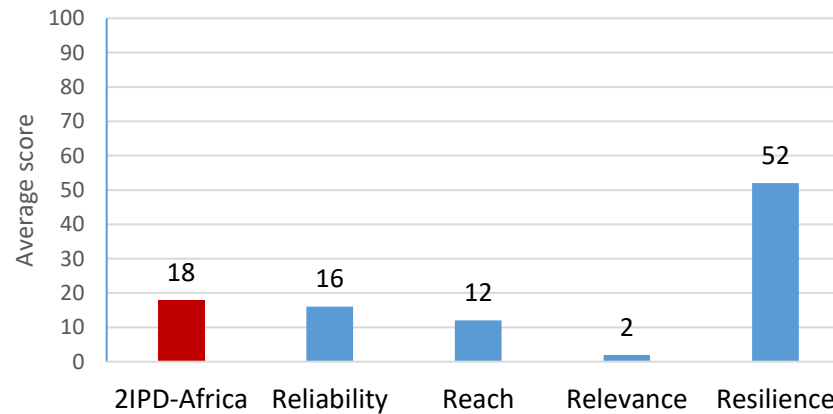
Source: UPU Data



Postal sector market share



2021 2IPD performance in Africa



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The Framework

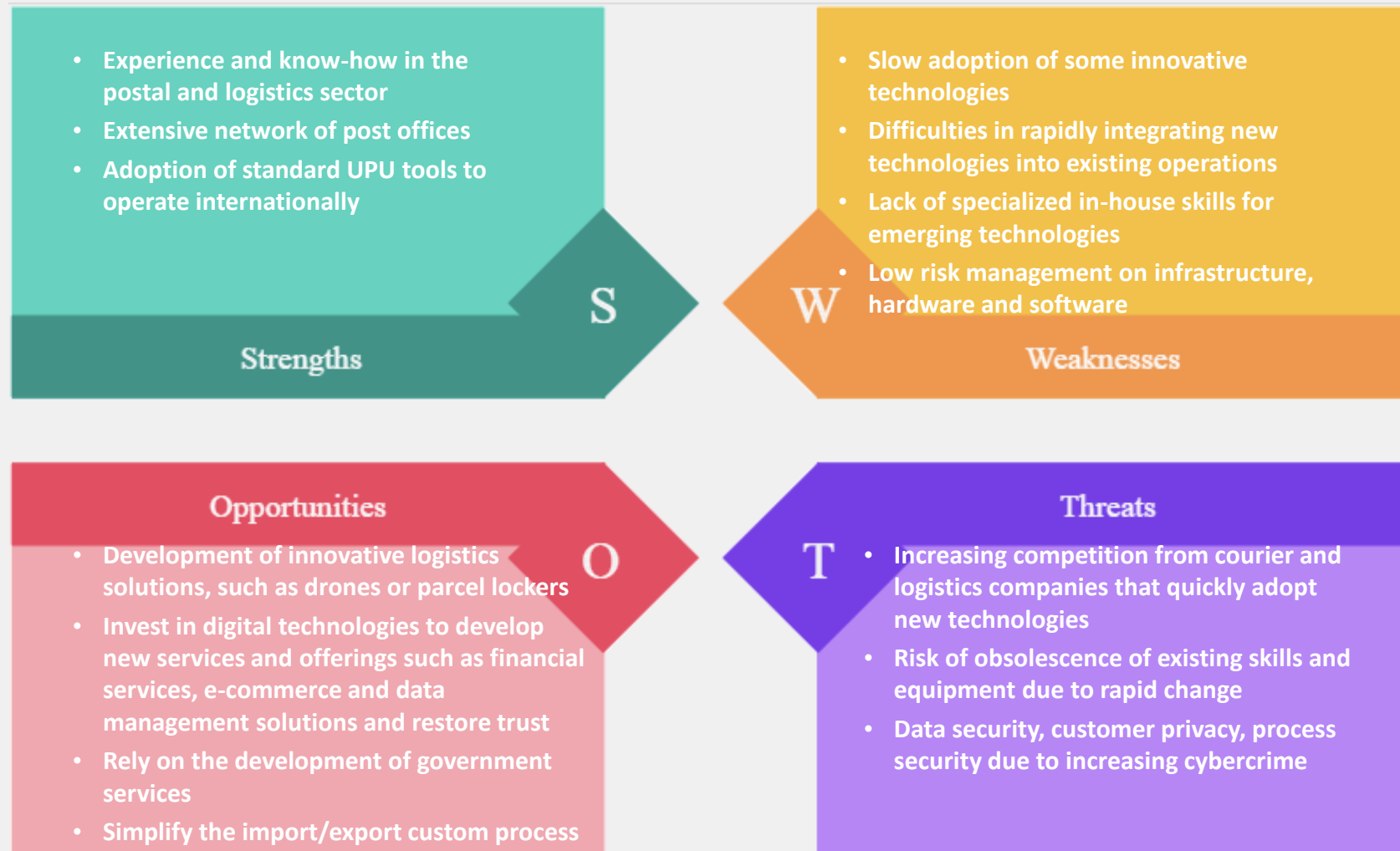


Main challenges and general SWOT of postal operators in Africa

3 main challenges

1. *Structural decline in traditional mail volumes and historical products*
2. *Economic transition and diversification of activities*
3. *Increased competition in all areas requiring adaptation and reinvention of the business model*

**DOING BETTER AND FASTER
BE MORE RELIABLE
BECOME MORE TRUSTABLE
WITH DIGITAL**



Improving the digitization of postal services in Africa

5 Areas to cover



eCommerce

Development of **national, continental and cross-border e-commerce**

Marketplace, online payment, track & trace, customs duties and taxes, etc.



eGovernment

Support for the **public authorities' actions to reform and modernize for developing the digital economy**

Digital addressing, Education of the population, Collection of taxes, Digital sovereignty, Compliance data, Pensions payments, Census, elections, digital identity, legal framework, etc.



eBanking

Strengthen the **financial services for the payment for ecommerce and government services**

Financial inclusion, Mobile banking & Wallet, Digital remittances, Foreign e-commerce payments, etc.



Business Support

Support for **companies' business development**

Direct marketing, Investment products, Credit facility, Digital safe, Open Innovation, Registered mail, Entrepreneurship & Startup, Electronic signature, Electronic invoice, etc.



Operational Performance

Improvement of **operational performance to decrease costs and serve more and better**

Customer knowledge, Digitization of customer journeys, efficiency of internal processes, Documentary base, Security of transactions, Employees Training, etc.

Improving the digitization of postal services in Africa

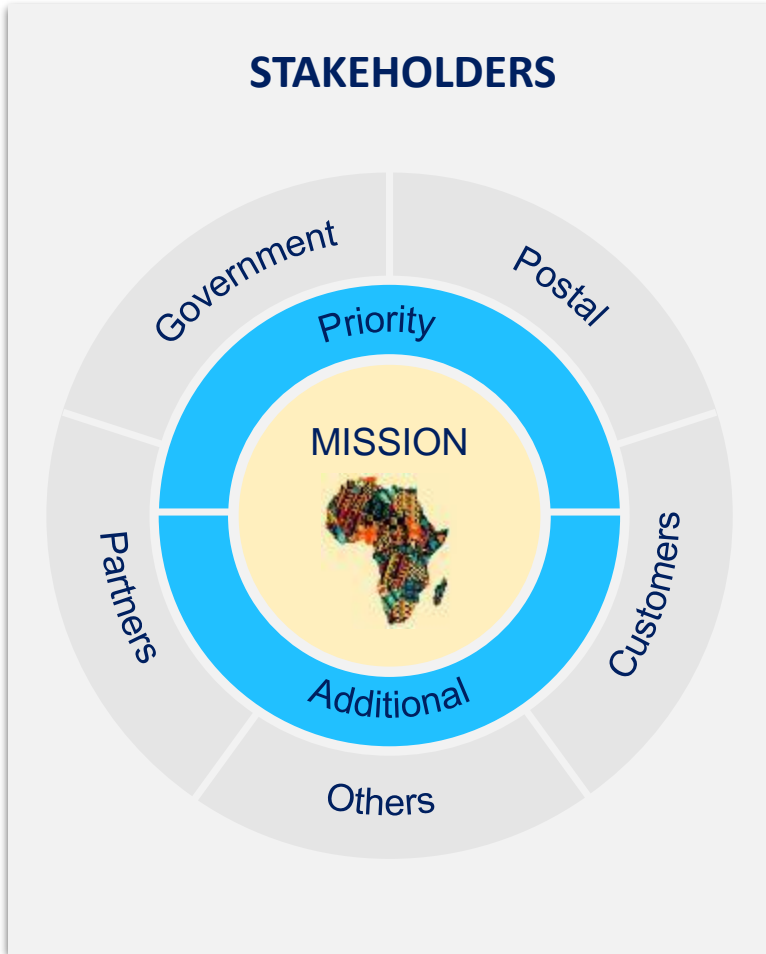
Course of the missions



Improving the digitization of postal services in Africa

A common methodology that involves all stakeholders including customers

METHODOLOGY



- Gather documents
- List of stakeholders
- Interviews setup
- Workshops setup



± 15 Interviews

- Gather information on past, present and future projects in terms of digitization
- Collect additional reports, studies and plans
- See reality on the field (P.O, office of exchange, call center, IT, etc.)



2 Workshops

- Conduct internal and external Workshops
- Share the need of digital transformation
- Define priority projects for the post in short and middle terms



Country report



Continental report



Improving the digitization of postal services in Africa

Key Findings



Summary of Key Findings

Despite some great initiatives, eCommerce activity is often limited to the transport and delivery of packages, and digital finance limited to remittances



The **eCommerce** value chain is not well known and not sufficiently covered, leaving the place to integrators and to local operators acting sometimes without license

Illustration of some good practices



- Marketplace designed with the Chamber of Commerce to develop online sales (clothes, beauty, etc.)



- Application for businesses to orders goods, pick up service, monitor the distribution operation, on-line track and trace, cash-on-delivery, collection and management through postal accounts



- Fulfilment, pick & pack



- Shop online from US stores while using a “virtual American shipping address”. Orders are consolidated in the US hub and transferred to Egypt and delivered through Egypt Post network



- Free digital address available to each citizen



- Application to order a pick-up service with online track and trace solution



- Online marketplace



Digital finance is often limited to remittances, leaving room for Telco's to provide financial inclusion

Illustration of some good practices



- Application including various mini-apps to order various services (goods, restaurant, beauty, travel, etc.), financial services and others



- Cash dispenser enhanced with invoices' payment, public services' payments, etc.



- PaositraMoney wallet designed with Bank of Africa including means of payment



- Digitalization of Electronic Money order and interoperability between the local telco companies

Summary of Key Findings

The strength of the post office location and the trust of the postal operator are insufficiently recognized and utilized



1	4
2	5
3	6



Although the post office network was used during COVID, it remains poorly recognized for onboarding **government services**

Illustration of some good practices



- Payment of COVID benefit by the government
- Extension of Yalla the super-app to provide access to e-governmental services in accordance with the Digital Egypt program



- Community Information Centers to provide eGov services
- Online vehicles licensing
- Data center designed to manage all governmental activities in the cloud and support ICT operations



Postal operators must regain the trust of **businesses** and offer higher value-added services based on trust.

Illustration of some good practices



- The National Payment Switch Infrastructure (NPSI) is a national electronic communications aggregation platform

Summary of Key Findings



Digital transformation must involve the entire company to accelerate and improve internal processes, to enhance the customer experience and to increase employee skills



Operational Performance: There are disparate levels of technology, gaps in digital skills, insufficient and insecure IT infrastructure, lack of systems integration, and sometimes coupled with insufficient electrification and unreliable internet connectivity in remote areas

Customer journey and internal processes

- Insufficient customer journey digitalization: existing paper and manual processes, and insufficient multi strategy
- Minimal or non-existing risk and control management to mitigate fraud and corruption

Internal digital skills and use of digital tools

- Lack of customer databases and marketing skills
- No data consolidation, ERP and CRM systems
- Lack of operational excellence and weak project management
- Lack of security systems and cyber risk management policies
- No reliable intranet for knowledge management, HR management, project management, etc.

Illustration of some good practices



- Self-service platform to access to all Zimpost products & service



- Fleet equipped with GPS tracking



- Transform a mobile phone number to a postal address and allow to be delivered at the post office or directly at home



- Virtual post office



- Addressing system based on geolocation. Fleet with live tracking

Improving the digitization of postal services in Africa

Key Findings

Open discussion

Consider the entire e-commerce value chain

Facilitate financial inclusion

Develop online public services in post offices

Digital payments and financial services

Bring new digitized services to businesses

Improving the digitization of postal services in Africa

Key Recommendations

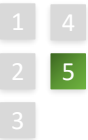
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Summary of Key Recommendations

Postal Vision 2030

- Aligned with the targets agreed upon by the African Member States in the Postal Vision 2030.
- The postal sector is called upon to guarantee sustainable digital postal services as a means to the development of the digital economy in Africa, particularly for e-commerce and e-government and digital finance.
- The introduction of regulatory reforms and the implementation of digital transformation projects for postal operators are an essential requirement



Other stakeholders from the private sector and public institutions should **pursue integration into the sector** by engaging with traditional stakeholders, and vice-versa. This means opening up the market, fostering partnerships and enhancing the role of the UPU.

Operators should seek to **enhance their performance** by implementing diversified strategies and operational improvements;

Governments should **decrease gaps in postal development** through increased investments and focused policies, and promote various ways to utilize the postal network for socio-economic development;

Regulators should **harmonize and enhance the sector's regulatory framework**;

Summary of Key Recommendations

Main strategic recommendations and definition of stakeholders and potential partners



Organized around **7** strategic pillars

1	Adoption of regulatory reforms
2	Development of infrastructure and mobile applications
3	Development of digital postal services linked to electronic administration (e-government)
4	Development of e-logistics for shipping and delivering parcels and packages for e-commerce
5	Enhancement of the role of Posts in digital payments and financial services
6	Development of B2C e-commerce platforms, oriented towards postal and SMEs products
7	Recommendations for support functions

It also identifies the main stakeholders and potential partners for their implementation



Ministries



Regulatory Authority



Postal Operators



UPU



PAPU



Startups



Partners

Summary of Key Recommendations



Regulatory reforms

Recommendations

Stakeholders / partners

Include the Posts in national priorities

Regulatory Authority, Ministries in charge of Planning, Finance and digital economy, PAPU, AUC, RECs

Develop the legal framework to integrate electronic postal services into the Universal Postal Service

Regulatory Authority, Ministry in charge of digital economy

Grant the postal operator the status of registration authority for electronic services

Ministry in charge of digital economy

Create a common fund for the digital economy

Regulatory Authority, Ministry of Finance, Ministry in charge of digital economy

Put in place a legal framework that encourages collaboration with startups

Ministry in charge of digital economy

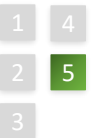
Summary of Key Recommendations



Infrastructure and mobile applications

Recommendations	Stakeholders / partners
Address the power and connectivity issues of Post Offices by completing the implementation of the Project on Electrification and Connectivity (ECP)	Ministries in charge of digital economy, energy, environment, PAPU
Equip Post Offices with innovative IT infrastructure solutions	Postal Operator
Implement a cybersecurity policy	Postal Operator, UPU, PAPU, RECs
Develop a mobile application dedicated to postal activities	Postal Operator, startups
Develop a P.O. Box Management Solution	Postal Operator, startups
Set up an SMS/email notification platform for customers	Postal Operator
Deploy a business management system	Postal Operator

Summary of Key Recommendations



Digital postal services for e-government

Recommendations	Stakeholders / partners
Set up the post office as an advanced counter to offer the public e-government services	Postal Operator, Ministry in charge of digital economy
Develop Electronic Registered Mail "PREM"	Postal Operator, Ministry in charge of digital economy
Evaluate the launch of a hybrid mail platform	Postal Operator, Ministry in charge of digital economy
Create a platform for remote registration of university students	Postal Operator, Ministry of Education
Adapt and Embrace the Digital ID interoperability framework	Ministries in charge of digital economy, PAPU, AUC, RECs

Summary of Key Recommendations

e-logistics for delivering e-commerce



Recommendations

Stakeholders / partners

Generalize the use of the IPS-CDS telematics tool and the required interfaces

Postal Operator, UPU

Develop an electronic counter solution (POS and ePOS)

Postal Operator

Build a reliable national network of local door-to-door delivery partners (last mile) and an integrated international network

Postal Operator, Regulatory Authority

Develop a network of relay points and smart lockers

Postal Operator, Regulatory Authority

Confer the post the status of customs forwarding agent

Postal Operator, Ministry of Finance

Summary of Key Recommendations



Digital payments and financial services

Recommendations	Stakeholders and potential partners
Develop an electronic wallet linked to mobile money within the postal operators	Postal Operator, Ministry of Finance, Central Bank
Grant the postal operator the status of mobile money issuer	Postal Operator, Ministry of Finance, Central Bank
Create a digital solution for cash on delivery	Postal Operator, UPU
Implement an “e-banking” solution to boost postal cheques, savings and postal financial services	Postal Operator

Summary of Key Recommendations



E-commerce platforms

Recommendations	Stakeholders / partners
Transform postal operators' static websites into dynamic merchant sites	Postal Operator, startups
Launch, in collaboration with third parties and partners, a multi-vendor B2C and/or G2C marketplace	Postal Operator, PPP
Development of services related to warehousing and fulfillment	Postal Operator, PPP
Promote innovation in philately	Postal Operator, UPU, PAPU

Summary of Key Recommendations

Digitalization of Support functions



Recommendations	Stakeholders and potential partners
Development of digital addressing	Postal Operator, startups, PAPU
Implementation of an outsourced call center	Postal Operator, PPP
Strengthen capacities and develop skills and human resources	Postal Operator
Implement a digital marketing action plan	Postal Operator
Promote the use of Artificial Intelligence (AI) technologies in the post	Postal Operator
Support digital transformation by implementing a Quality Management System (QMS)	Postal Operator, UPU
Develop an organization structure adapted to the new requirements of the digital transformation	Postal Operator, PPP, UPU, PAPU

Improving the digitization of postal services in Africa

Key Recommendations Open discussion

Regulatory Reforms

Infrastructure and mobile applications

E-government

e-logistics for delivering e-commerce

Digital payments and financial services

E-commerce platforms

Digitalization of Support functions



1st African Postal Leaders Forum



03,04 & 05
JULY 2023



ABIDJAN - PLATEAU
HÔTEL TIAMA



UPU
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**FORUM
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POSTAUX AFRICAINS



MASAHIKO METOKI
DIRECTEUR GÉNÉRAL UPU



ISAAC GNAMBA-YAO
PRÉSIDENT DU CA UPU

THEME

**Les Postes Africaines sur la Voie de la Transformation
Numérique et de l'Innovation**





1st African Postal Leaders Forum

The forum brought together high-level representatives of the African postal ecosystem to explore current issues and challenges related to digital transformation and innovation, share knowledge and formulate recommendations.



100 participants (> 40 CEOs)



7 panels & roundtables



20 solutions showcased





AFRICAN TELECOMMUNICATIONS UNION
L'UNION AFRICAINE DES TÉLÉCOMMUNICATIONS



UPU and ATU-African Telecommunications Union signed a new memorandum of understanding (MoU) on the sidelines of the UPU's African Postal Leaders Forum 2023 in Abidjan 🤝

The new MoU focuses on advancing cooperation in some key areas for the socioeconomic development of #Africa, such as #InternetConnectivity, #DigitalTransformation, #FinancialInclusion, capacity building, research and development, and #cybersecurity.



Capacity building: collaboration with the GSMA



Identified courses

Regulators and policymakers would need to make up 80% of the audience (and no private sector can attend.)

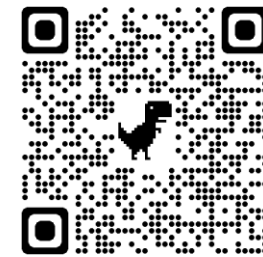
Digital identity for the underserved

Internet of Things

5G – The path to the next generation

Addressing the digital divide

Full course catalogue





CONNECT POST

UPU seeks to connect every post office to the Internet by 2030



“To reap the benefits of digital transformation, abundant, low-cost connectivity is essential as broadband drives productivity, innovation, and growth. One of the specific objectives of Africa’s Digital Transformation Strategy is to create a harmonized environment necessary to guarantee investment and financing to close the digital infrastructure gap and achieve accessible, affordable, and secure broadband, across demography, gender, and geography.”

Dr. Amani Abou-Zeid

African Union Commissioner for Infrastructure and Energy





The new multistakeholder initiative led by the Universal Postal Union (UPU) aims to bridge digital and physical divides and foster the socio-economic development of the communities served by Posts.

The new initiative has been developed with the support of Japan's Ministry of Internal Affairs and Communications (MIC), and in alignment with [the UN Sustainable Development Goals](#), [the UN Common Agenda](#), and [the UN Secretary-General's Roadmap for Digital Cooperation](#).

According to Yu Ping Chan, Senior Programme Officer at the UN Office of the Secretary-General's Envoy on Technology, connectivity of post offices can help catalyse broader connectivity within the community, providing a physical location for people to access the Internet, especially in remote and hard-to-reach places.

"Such meaningful connectivity could be transformative, particularly for underserved communities,"



eWeek
Geneva, 4-8 December 2023

Shaping the future of the digital economy



 **Workshop**
Leveraging the postal network for a sustainable and inclusive deployment of digital infrastructure and services

 **4 December 2023**





Call to action

We are ready to collaborate on your digital transformation

● Please reach out to the secretariat email:
eservices@upu.int

● <https://www.upu.int/en/Universal-Postal-Union/Activities/Digital-Services>

