

An aerial photograph of a city skyline at dusk or dawn. In the foreground, a wide river flows, reflecting the sky. A lush green island with a modern white building and a small dock is situated in the river. The background features a dense urban landscape with various high-rise buildings, including a prominent curved skyscraper. The sky is a mix of blue and purple hues with some clouds.

Political Economy Analysis of Nigeria's eTrade Readiness

(Barriers, Potentials, and Opportunities)

Lead Researcher: Ifunanya Nduka

Co-Authors: Gideon Olanrewaju, Tomiwa Olanrewaju and Lawson Omoniyi

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Table of Contents

05	Table of Contents
06	Introduction
07	Executive Summary
09	Methodology & Framework
10	Country Context
11	Foundational Factors
13	Formal Rules of the Game
14	Informal Rules of the Game
16	Here and Now
17	Stakeholder and Power Analysis
19	UNCTAD's Seven Pillars: Potential, Barriers, and PEA Insights
20	1. E-commerce Readiness Assessment and Strategy Formulation
20	2. ICT Infrastructure and Services
20	3. Trade Logistics and Trade Facilitation
21	4. Payment Solutions
21	5. Legal and Regulatory Frameworks
22	6. E-commerce Skills Development
23	7. Access to Financing
24	Overall Barriers
25	Overall Potentials
26	Overall Opportunities
28	Recommendations
32	Risk & Scenarios Analysis
33	Mitigation Strategies
34	Scenerios
36	Conclusion and Key Next Actions



Introduction

A Political Economy Analysis (PEA) provides a critical lens in which to examine the intricate interrelation of political and economic processes within a society. It transcends technical concerns to examine the power relations, and institutions that form the basis of development outcomes, e.g., distribution of power and wealth among people in society.

For Nigeria, a comprehensive PEA of its readiness for e-trade reveals a landscape of immense promise and fresh opportunity, yet still plagued by institutional and structural barriers.

This assessment, organized around the seven flagship policy fronts of the United Nations Conference on Trade and Development (UNCTAD) to achieve readiness in e-trade, seeks to present these possibilities, opportunities, and the unique political economy barriers hindering Nigeria's ambitions in digital trade.

As Africa's largest economy and population, unraveling Nigeria's huge digital trade potential needs to be based on a keen understanding of its peculiar political economy, from skewed implementation of policy to low public trust in online transactions.

Executive Summary

Nigeria, the largest economy in Africa and the continent's most populous nation, has a compelling argument for digital trade underpinned by a youth population dividend and a rapidly developing Information and Communications Technology (ICT) sector that contributes significantly to its Gross Domestic Product (GDP). Its strategic position at regional level in ECOWAS and as a signatory to the African Continental Free Trade Area (AfCFTA) also positions it as a probable pan-continental digital economy driver.

The nation demonstrates official political involvement in such initiatives as the National Digital Economy Policy and Strategy (NDEPS) 2020-2030 and the Federal Ministry of Communications, Innovation, and Digital Economy (FMCIDE). But such analysis discovers that releasing this potential is being thwarted by sophisticated political economy challenges:

- **Shortfalls in Politics and Institutions:** Despite sophisticated formal legal regulatory systems for e-commerce, data protection of individuals, and cyber security, in practice, enforcement and implementation are a nagging issue, at best amounting to “awareness-raising”. There is still a broad “trust deficit” in electronic transactions and online services due to insecurity concerns and privacy fears, promoting the use of “cash on delivery”.

The presence of various agencies tends to develop “siloes” operations and is not coordinated, hence keeping from having a singular collective vision for e-commerce beyond technological projects that capture industrial and commercial perspectives.

Secondly, the rent-seeking and patronage orientations of the political system tend to deflect resources and undermine efficient public service delivery and lead to uneven policy implementation.

- **Infrastructural and Logistical Bottlenecks:** There is a persistent “double digital divide” with enormous differences in internet access, quality, and consistency of electricity supply across urban and rural populations. Unaffordability of data for large volumes and unpredictable Right of Way (RoW) charges are other disincentives to broadband expansion and investment. Poor postal coverage and mono-addressing schemes severely impede efficient delivery logistics, requiring dependence on expensive private alternatives.

- **Financing Barriers:** Nigeria may be highly banked, but there is “specialization” of conventional banking over mobile money with low penetration of mobile currency wallets and debit/credit card usage. Too much transaction cost on payment platforms deters mass usage. Most critically, asset-light tech start-ups are significantly disadvantaged in obtaining financing from risk-averse commercial banks that emphasize collateral-based lending, a systemic bias that stifles innovation.

- **Cultural and Human Capital Barriers:** There is a huge gap in e-commerce and digital economy skills demand and supply, complemented by limited access to university-level technology programs and overall digital illiteracy in the underserved populations. Poor cultural habits and low trust continue to fuel the need for cash payments.

Despite these strong barriers, Nigeria has huge opportunities:

- **Policy Strategic Alignment:** The President's promise and the NDEPS create a window for creating a committed, cross-sectoral national e-commerce strategy at the broad level of politics, with better coordination and a move towards an "industrial strategy."

- **Infrastructure Investment:** PPP approaches are critical to expanding broadband to rural areas, consolidating RoW charges, and simplifying digital addressing solutions.

- **Legal and Institutional Support:** Enhanced ability to implement e-commerce laws, protection of personal data, and cybercrime, and organized and clear consumer protection bodies, are able to instill confidence. Becoming a signatory to international agreements can provide legal certainty for cross-border trade.

- **Payment Ecosystem Development:** Leveraging ongoing initiatives like the Pan-African Payment Settlement System (PAPSS) and mobile money interoperability, and through public awareness campaigns and providing incentives for commercial banks to promote debit card usage, can drive wider digital payments adoption.

- **Entrepreneurship and Skills Development:** Support by the state for digital literacy programs provides the opportunity for market needs and women's and youth entrepreneurship-focused targeted training interventions.

- **Access Financing:** The successful technology startup economy offers an opportunity to utilize targeted guarantee funds and leverage off-shore partners to reduce the risk of investing in digital entrepreneurs and challenge traditional banking norms.

The path to unlocking Nigeria's digital trade potential will involve politically shrewd interventions that bypass deep-seated informal norms and entrenched interests. This entails establishing robust dialogue and collaboration among government, private sector, and civil society, leveraging momentum, establishing high-impact "quick wins" to build political capital, and concentrating on building capacity among reformers.

While a fundamental change in the systemic political environment is challenging ("best-case scenario: Low likelihood"), gradual adaptations and targeted interventions—mediating conversation, organizing partnership, and addressing specific collective action problems—are most likely to yield step-by-step progress, if with persistent hotspots of digital exclusion.

The end goal is to build an inclusive, resilient, and sustainable e-trade space that benefits all Nigerians and positions the country as a leading digital economy in Africa.

Methodology and Framework

This analysis employs a layered political economy approach, focusing on several key elements to understand the “lay of the land”:

- **Foundational Factors:** Deeply embedded, longer-term socio-economic and power structures that shape the political system. These are usually hard to influence and require adaptation in planning.
- **Rules of the Game (Formal and Informal):** The formal (laws, policies) and informal (cultural norms, patronage systems, trust levels) institutions and understandings that influence actors’ behaviour, power dynamics, and collective action. This includes understanding how “deals get done, or become blocked”.
- **Here and Now:** Current events and circumstances influencing objectives and behaviour of key actors, as well as opportunities for or impediments to change.
- **Stakeholders and Their Interests:** Identifying key actors (government, private sector, citizens, international partners), their motivations (incentives and disincentives), capacities, and levels of influence.
- **Dynamics:** How these analytical components interact to open up or constrain space for progressive change.

The assessment is structured around UNCTAD’s seven key policy areas for e-trade readiness: e-commerce readiness assessment and strategy formulation, ICT infrastructure and services, trade logistics and trade facilitation, payment solutions, legal and regulatory frameworks, e-commerce skills development, and access to financing.

Country Context

This analysis employs a layered political economy approach, focusing on several key elements to understand the “lay of the land”:



Nigeria is the largest economy and most populous country in Africa, with a GDP of \$363.85 billion (USD) (2023 estimate). It possesses the largest mobile market in Sub-Saharan Africa and one of the youngest populations globally, with an average age just above 18 years, providing significant potential for the digital economy. The Information and Communications Technology (ICT) sector’s contribution to Nigeria’s GDP has rapidly grown, reaching 17.68% in 2024, surpassing the oil and gas sector (5.5%), highlighting its crucial role for economic diversification.

Regionally, Nigeria is a prominent member of ECOWAS and a signatory to the African Continental Free Trade Area (AfCFTA), offering ready access to over half of the African continent and positioning it as a potential driver of a continent-wide digital economy.

Foundational Factors

Nigeria's e-trade environment is shaped by several fundamental background issues:

- **Demographic Advantage:** The young, innovative, and entrepreneurial population is a significant asset, creating a “critical mass of ‘digital natives’” that can drive the digital economy. This demographic edge provides a strong human capital foundation for e-trade growth.

- **Historical and Structural Conditions:** Nigeria's historical reliance on its oil sector has shaped its economic and political landscape. The redesignation of the Ministry of Communications to the Federal Ministry of Communications, Innovation, and Digital Economy (FMCIDE) in 2023 signals a strategic shift and political commitment towards leveraging digital technologies for national development, anti-corruption, and security.

This represents a formal alignment with digital transformation objectives. However, insights from similar contexts in the African region (e.g., Uganda's “neopatrimonial big man syndrome”) suggest that political systems may prioritise the generation and distribution of patronage resources, or “rents,” over programmatic performance and efficient public service delivery. This informal preference can influence policy decisions and public sector appointments, potentially creating a gap between formal policy objectives and actual implementation.

- **Geographic Positioning:** Nigeria's location in West Africa offers a strategic advantage for regional trade, serving as a gateway to other African markets. However, challenges like inconsistent Right of Way (RoW) charges and vandalism of telecom equipment can hinder infrastructure deployment, despite geographical advantages.

- **Addressing Poverty and Inequality:** The digital economy is viewed as a tool to lift 100 million Nigerians out of poverty, create employment, and reduce social inequality, underlining the importance of inclusive digital growth.

- **Ideational Frameworks:** The “Digital Nigeria” Roadmap and the National Digital Economy Policy and Strategy (NDEPS) 2020-2030 articulate a clear vision for transforming Nigeria into a leading digital economy. This demonstrates a formal commitment to embracing digital innovation, improving financial inclusion, and fostering a resilient digital ecosystem.



Formal Rules of the Game

Nigeria has established a growing body of formal laws, regulations, and institutional frameworks to govern its digital economy and e-trade:

National Digital Economy Policy and Strategy (NDEPS) 2020-2030: This overarching policy document is anchored on eight pillars: Developmental Regulation, Digital Literacy and Skills, Solid Infrastructure, Service Infrastructure, Digital Services Development and Promotion, Soft Infrastructure, Digital Society and Emerging Technologies, and Indigenous Content Development and Adoption. Its objectives include achieving 70% broadband penetration in four years, accelerating government digitalization, improving trust in digital processes, attracting digital jobs, and developing the tech startup ecosystem.

Key Institutions: Central actors include the FMCIDE, Nigerian Communications Commission (NCC), National Information Technology Development Agency (NITDA), Federal Ministry of Industry, Trade & Investment (FMITI), Galaxy Backbone Plc, and the Central Bank of Nigeria (CBN), which regulates payment solutions.

E-Government Initiatives: A National e-government Masterplan (the Nigerian e-Government Interoperability Framework (Ne-GIF) and the Nigerian Government Enterprise Architecture (NGEA)) aims to digitalise government services and improve interoperability among Ministries, Departments, and Agencies (MDAs).

Legal Frameworks:

- **Electronic Transactions:** National Digital Economy and E-Governance Act (2024) provides a comprehensive legal framework for e-commerce, cybersecurity, digital signatures, and data protection.

- **Data Protection:** The Nigeria Data Protection Act, 2023 provides a comprehensive legal framework for personal information protection.

- **Cybersecurity:** The Cybercrime Act, 2024 establishes regulatory bodies for cybersecurity activities. Nigeria also has a National Cybersecurity Policy and Strategy (NCPS) document, 2021.

- **Electronic Signatures:** NITDA launched the Nigerian National Public Key Infrastructure (NPKI) and began certification operations for electronic signatures in June 2021.

- **Payment Systems:** Nigeria participates in the Pan-African Payment Settlement System (PAPSS), launched in 2022, facilitating instant cross-border payments in local currencies.

- **Trade Facilitation:** Nigeria ratified the WTO Trade Facilitation Agreement (TFA) in 2017 and uses computerised customs clearance systems, often through private providers.

- **Challenges in Formal Rules:** Despite this framework, effective implementation and enforcement remain a key challenge. There is a lack of understanding and awareness of the legal framework among national actors, which undermines consumer protection and trust. The poor implementation of a holistic national e-commerce strategy means the existing governance framework is predominantly ICT and technology-oriented, lacking a clear, integrated vision for the business aspects of e-commerce.

Informal Rules of the Game

Beyond formal structures, informal rules significantly shape the actual implementation and effectiveness of e-trade policies in Nigeria:

- **Trust Deficit:** A significant informal barrier is the limited trust in digital payments and online services among many Nigerians, resulting from perceptions of insecurity and concerns about privacy compromise. This lack of confidence often leads to a preference for “cash on delivery” as the preferred payment solution for e-commerce. The Nigeria Data Protection Regulation (NDPR) 2019 (now the Nigeria Data Protection Act, 2023) was enacted to address these concerns, but building widespread trust is a long-term endeavor that requires consistent enforcement and public confidence in the formal system.

- **Informal Practices:** The prevalence of the informal sector also shapes e-trade adoption. Mobile money, for example, is extensively used for person-to-person transfers, often linked to informal trade, which operates outside formal regulatory and taxation frameworks. This “informality paradox” means that while digital payments are widely adopted, they are often used in ways that bypass formal e-commerce channels.

- **Patronage and Rents:** The political system can be characterised by practices where public resources and appointments are used for patronage, influencing policy decisions and potentially undermining efficient public service delivery and leading to inconsistent policy implementation.

- **“Silos” and Coordination:** A multitude of agencies in charge of the digital economy can lead to a “form of competition between the different institutions and/or technical ministries, with the risk of operating in silos”. This fragmentation impedes a unified, holistic vision for e-commerce.

- **Insufficient Digital Culture and Awareness:** A lack of awareness and understanding of legal frameworks and digital best practices among national actors hinders effective enforcement and confidence-building.

- **Lack of Physical Addressing Systems:** The absence of a standardised and widely adopted physical addressing system is a significant informal barrier to efficient delivery services for e-commerce, forcing private operators to develop their own, often inconsistent, solutions.

- **Collective Action Problems:** Even when stakeholders might agree on the need for reforms, difficulties in achieving multi-stakeholder agreement and effort can create stalemates, often blamed as a “lack of political will”. For instance, private sector suppliers might face difficulties in advocating for fairer tendering processes if they cannot collectively organise. Overcoming these informal barriers often requires “third-party interventions” to broker agreements and facilitate new collaborations.



Here and Now

Nigeria is actively engaged in developing its digital economy, influenced by ongoing reforms and current dynamics:

Ongoing Reforms and Initiatives:

- The **National Digital Economy Policy and Strategy (NDEPS) 2020-2030** is actively being implemented, with a mandate to expand the digital economy and diversify away from oil dependence.

- The **National e-Government Masterplan** is being rolled out, aiming to digitalise government services and improve interoperability across Ministries, Departments, and Agencies (MDAs). This includes the Nigerian e-Government Interoperability Framework and Enterprise Architecture.

- Efforts are underway to harmonise and integrate disparate databases to the National Identity Number (NIN) database, crucial for credible online transactions.

- The **Pan-African Payment Settlement System (PAPSS)** was commercially launched in Accra in January 2022, facilitating instant cross-border payments in local currencies within the West African Monetary Zone (WAMZ), including Nigeria. This is a significant step towards enabling seamless regional e-trade.

- Early-stage deployments for 5G networks are in progress, indicating a forward-looking approach to advanced connectivity.

- The 3 Million Technical Talent (3MTT) program, led by NITDA and the FMCIDE, aims to boost Nigeria's digital economy by building a large pool of skilled tech talent, directly addressing the nation's digital skill gap and aligning with the President's goal of creating millions of digital jobs by 2025.

- Nigeria is engaged in international discussions regarding cybersecurity conventions like the Budapest Convention and the African Union's Malabo Convention, signalling its intent to strengthen its legal framework against cybercrime.

Current Political and Economic Dynamics:

- The ICT sector's increasing contribution to GDP signifies a growing internal momentum for digital transformation.

- The COVID-19 pandemic accelerated the adoption of digital applications and platforms, highlighting the importance of electronic payments and e-commerce for essential goods and services.

- There is a projected increase in e-commerce spending to \$75 billion by 2025, indicating a burgeoning market and consumer appetite.

Challenges: Despite progress, inconsistent RoW charges, vandalism of telecom equipment, and inadequate power supply continue to inhibit broadband penetration and quality across the country, especially in rural areas. The cost of digital payments remains high, and data gaps regarding specific e-commerce activities make policy tailoring challenging.

Stakeholder and Power Analysis

Various stakeholders with diverse interests and levels of influence shape Nigeria's e-trade landscape:

Government Actors:

- **ICT/Telecom Ministries and Agencies (FMCIDE, NITDA, NCC):** Primarily interested in infrastructure deployment and technological advancements, driving digitalisation strategies. Their incentives lean towards connectivity and foundational digital services.
- **Trade Directorates/Ministries:** Need to strengthen their engagement and leadership to integrate business and industrial aspects of e-commerce.
- **Customs Administration:** Engaged in modernisation efforts, including computerised clearance systems.
- **Central Bank of Nigeria (CBN):** Plays a crucial role in regulating payment solutions and financial inclusion.
- **Incentives:** Primary incentives include economic diversification away from oil, job creation for the large youth population, poverty reduction, improved national security, and enhanced efficiency through digitised public services. The FMCIDE adopts a "Developmental Regulatory approach" aiming to foster growth rather than stifle it. However, political patronage systems can create incentives for short-term illicit gains.
- **Influence:** The Presidency and FMCIDE hold significant formal power in shaping the digital economy agenda.

Private Sector:

- **Telecommunications Operators/ISPs: Telecom operators (including MTN, 9Mobile, GLO, Airtel),** have invested significantly in infrastructure but face challenges from specific taxation uncertainty and market narrowness. Driven by market opportunities, profit, and innovation, seeking clear and stable regulatory environments.
- **E-commerce Platforms and Online Payment Providers:** Nigeria is home to some of Africa's largest e-commerce platforms and online payment providers (e.g. Jumia, Jiji, Uber Eats, Paystack, Flutterwave, etc), and digital entrepreneurs, indicating a vibrant entrepreneurial ecosystem.
- **Tech Start-ups:** Highly active and attract significant investment (42% of African FinTech investments in 2023) but face significant barriers in accessing traditional bank financing due to lack of collateral.
- **Incentive:** Driven by the immense market opportunities presented by Nigeria's large population and growing digital adoption, the incentive is to innovate, scale operations, and capture market share.
- **Influence:** The private sector, through associations and innovation hubs, can influence policy by demonstrating economic value and advocating for a clearer, more supportive regulatory environment.

Citizens and Consumers:

Many are eager for online transactions but are held back by concerns over online consumer protection, cyber scams, and the reliability of digital payments, leading to a strong preference for cash-on-delivery. Rural populations remain digitally vulnerable.

- **Incentives:** Convenience, access to goods/services, efficiency, and economic opportunities. However, deterrents include high costs, lack of trust, and perceived insecurity.

- **Influence:** Public demand often struggles against well-organised interests that benefit from the status quo.

International Partners:

Organisations like UNCTAD, World Bank, WTO, IMF, African Development Bank, ECOWAS Commission, and private tech giants (e.g., Facebook, Google) are involved in infrastructure development, policy guidance, and financing initiatives.

- **Influence:** International partners can influence by providing financial and technical support tied to specific reforms and by facilitating dialogue among stakeholders, especially where collective action problems exist.

The establishment of the **National Digital Economy Council (NDEC)**, with public and private stakeholders, aims to institutionalise dialogue and coordination. However, achieving effective inter-agency coordination and ensuring that private sector needs are genuinely integrated into policy remains a challenge.



UNCTAD's Seven Pillars: Potential, Barriers, and PEA Insights

Integrating political economy insights into UNCTAD's seven pillars provides a comprehensive view of Nigeria's e-trade readiness:

1

E-commerce Readiness Assessment and Strategy Formulation

- **Potential and Opportunities:** Nigeria demonstrates a strong political commitment to digitalisation, evidenced by its National Digital Economy Policy and Strategy (NDEPS) 2020–2030, aligning with ECOWAS and AU Agenda 2063. Its performance in e-government indicators positions it above the African average, providing a solid foundation. Active participation in WTO e-commerce negotiations signals interest in shaping future rules.
- **Barriers and Challenges:** A “double digital divide” which refers to the dual disadvantage where individuals lack both access to digital technology and the necessary skills to use it effectively, compounding their social and economic marginalization, persists, not only between Nigeria and digitally advanced countries but also within Nigeria itself, particularly in access to digital services and electricity for rural populations, limiting e-commerce reach. The e-commerce strategy often remains “confined to a technological project” rather than being an integrated industrial or commercial project, leading to a siloed approach and lack of strong leadership from trade directorates. There is a general lack of specific statistics and systematic monitoring of e-commerce activities, making policy effectiveness difficult to assess. The definition of e-commerce and digital trade is also often poorly understood.
- **PEA Insights:** The predominant focus on ICT infrastructure suggests bargaining processes influenced by technology ministries, potentially at the expense of trade/industry. Their incentives lean towards foundational digital services, which may not capture e-commerce's complexities as an industrial project. The multiplicity of agencies can lead to siloed operations and internal competition, hindering a holistic approach. The lack of robust statistics reflects a power dynamic where the economic significance of e-commerce is not adequately prioritised by all government entities, limiting political will.

2

ICT Infrastructure and Services

- **Potential and Opportunities:** Nigeria boasts robust international connectivity with eight international submarine cables and multiple Internet Exchange Points (IXPs), with Lagos serving as the regional IXP for West Africa. It endorsed the “1 for 2” objective of the Alliance for Affordable Internet (A4AI), aimed at making basic internet access relatively affordable. Mobile phone penetration is constantly increasing, and the growing mobile internet penetration indicates widespread access and effective utilisation of existing coverage. It is also worth noting that the deployed 5G implementation points to future high-speed potential.

- **Barriers and Challenges:** Low 4G penetration is a concern for dynamic e-commerce content. While basic internet is relatively affordable, the price for large volumes of data remains high, acting as a barrier. The “double digital divide” persists within Nigeria, with vast differences in access between urban and rural areas and limited access to electricity, fundamentally limiting connectivity. The multiplicity and lack of transparency of taxes and fees on telecommunications services, and inconsistent Right of Way (RoW) charges, coupled with inadequate power supply and vandalism, can discourage further investments from ISPs.

- **PEA Insights:** High mobile penetration is an incentive for private sector investment. However, the digital divide reflects structural inequalities and potentially unbalanced bargaining processes where rural connectivity may not be sufficiently prioritised by operators (profitability concerns) or government (competing development incentives). The high cost of large data suggests market power asymmetries among operators or government revenue-generation incentives through taxation (e.g., cybersecurity fund), potentially hindering mass adoption of data-intensive e-commerce. Inconsistent policies and informal practices (vandalism) also impede infrastructure development, benefiting those who exploit regulatory loopholes or operate outside formal structures.

3

Trade Logistics and Trade Facilitation

- **Potential and Opportunities:** Nigeria is committed to trade facilitation, having ratified the WTO Trade Facilitation Agreement (TFA) and utilising its own computerised customs clearance systems, often engaging private service providers. Participation in the regional SIGMAT system (Interconnected System for the Management of Goods in Transit) aims to simplify and dematerialise transit procedures across ECOWAS.

- **Barriers and Challenges:** Nigeria’s Logistics Performance Index (LPI) in 2023 was poor (88th globally), indicating inefficiencies, delays, and lack of predictability. The lack of reliable postal services and physical addressing systems remains a major obstacle, forcing small operators to rely on expensive private services or their own delivery, creating market entry barriers.

Limited collaboration between postal and customs services contributes to extended clearance times for international parcels.

- **PEA Insights:** Reliance on private customs providers suggests private sector influence but indicates these solutions aren't overcoming deeper structural and institutional issues. Challenges in postal services and addressing reflect a historical lack of public investment or strategic prioritisation. The prevalence of "cash on delivery" is a direct consequence of this lack of trust in delivery services, illustrating how weakness in one pillar impacts another. Inefficiencies are partly due to institutional weaknesses and potentially rent-seeking behaviours that benefit from complex, non-transparent processes.

4

Payment Solutions

- **Potential and Opportunities:** Nigeria is a dominant player in electronic transactions within ECOWAS, by value. It has a remarkably high banking penetration rate, indicating widespread access to formal financial accounts. Active participation in the PAPSS presents a significant opportunity to streamline intra-African e-commerce transactions. Mobile money interoperability also exists.

- **Barriers and Challenges:** Despite high banking penetration, Nigeria shows a "specialisation" towards traditional banking rather than mobile money, with a low mobile currency account penetration. Low penetration rate of debit/credit cards remains a significant deterrent to widespread online payments, leading to a continued preference for "cash on delivery". This reliance introduces security problems and logistical complications. The cost of digital payments remains high for users, further preventing their generalisation and limiting trust.

- **PEA Insights:** The high banking penetration alongside low mobile money adoption suggests power dynamics where traditional banking institutions have maintained a dominant position, potentially limiting the expansion or interoperability of mobile money services as their existing models are profitable. The continued reliance on "cash on delivery" highlights a collective action problem rooted in low consumer and merchant trust in digital payment security and delivery reliability, and potentially a desire to avoid taxation or regulatory oversight. High transaction costs could stem from financial service providers seeking to maximise profits or regulatory costs.

5

Legal and Regulatory Frameworks

- **Potential and Opportunities:** Nigeria possesses a comprehensive set of foundational laws for the digital economy and e-commerce, including laws on electronic transactions, Data Protection (2019, updated to Nigeria Data Protection Act, 2023), Cybercrimes Act (2024), and a national cybersecurity policy (2021).

- **Barriers and Challenges:** The key challenge is the effective implementation and enforcement of these laws, which stakeholders perceive as not strictly applied, often limited to “awareness-raising”. There is a lack of understanding and awareness of the legal framework among national actors, undermining consumer protection and trust. The institutional framework for consumer protection is poorly structured and not very visible. Implementation and enforcement of existing laws remain uneven and insufficient. The “informality paradox” (online sellers/consumers demand protection but operate outside formalised frameworks) complicates regulation.

- **PEA Insights:** The gap between comprehensive laws and limited enforcement points to a disconnect between formal institutions and informal practices/enforcement capacities. This suggests weaker political will for law implementation than for law enactment, possibly due to a lack of incentives for strict enforcement or resources for judicial/law enforcement stakeholders. The “informality paradox” creates a complex environment where formal legal frameworks struggle to gain traction. Poorly structured consumer protection indicates a power imbalance where consumer advocacy has limited influence, hindering trust. The slow legislative updates suggest the bargaining process lacks agility to keep pace with rapid technological advancements.

6

E-commerce Skills Development

- **Potential and Opportunities:** Nigeria’s tech start-up ecosystem is vibrant, positioning it as a leading country in Africa for tech investments. This indicates a strong entrepreneurial drive and a growing pool of individuals engaged in digital activities. ECOWAS and Nigeria recognise the importance of digital skills development, with initiatives like the ECOWAS Programme on Digital Skills, the 3MTT program, and the “Digital Nigeria” program, aiming to equip youth and women with ICT skills and foster entrepreneurship.

- **Barriers and Challenges:** A significant “mismatch of supply and demand” for digital skills exists, with entrepreneurs lacking specific e-commerce and digital economy skills despite training opportunities. Access to university-level technological programs is limited. The high illiteracy rate in the broader ECOWAS region presents a foundational barrier. There is a lack of information dissemination regarding existing programs, with many private sector respondents unaware of them. The nascent network of incubators needs further support.

- **PEA Insights:** The mismatch suggests educational stakeholders may not be adequately responsive to private sector needs, possibly due to misaligned incentives, bureaucratic inertia, or insufficient data on market demands. The lack of awareness points to a communication breakdown among government agencies, training providers, and beneficiaries. Limited university access highlights structural inequality. A gender gap in awareness and involvement indicates ingrained social biases and power dynamics limiting women’s access. This skills gap also represents a collective action problem.

7

Access to Financing

- **Potential and Opportunities:** Nigeria has a strong financial landscape, evidenced by its high banking penetration rate. Nigerian tech startups are highly attractive to investors, securing significant percentage of all funds invested in African tech startups. Also, PAPSS aims to facilitate financial transactions across borders.

- **Barriers and Challenges:** Technology startups face significant challenges in accessing direct financing from commercial banks, which often require collateral or guarantees that asset-light startups cannot provide. Commercial banks in Nigeria play a “limited role in financing the local economy”, characterised by low loans-to-deposit ratios and very high interest rates. Many entrepreneurs also lack the necessary management and financial skills to present a financial plan to potential financing partners.

- **PEA Insights:** The limited appetite of commercial banks to lend to digital startups reflects incentives driven by risk aversion and a preference for traditional, asset-backed lending. Low loans-to-deposit ratios suggest that commercial banks prioritise liquidity over direct private sector lending, indicating a bargaining process within the financial sector that may not adequately support emerging, higher-risk digital ventures.

The lack of financial literacy and business planning skills among entrepreneurs contributes to a collective action problem, hindering capital flow. Political intervention is crucial to de-risk these investments, potentially through targeted guarantee funds or partnerships with technical and financial partners, which could challenge entrenched financial practices. Substantial investment from venture capital funds suggests these alternative financing stakeholders are stepping in where traditional banks are reluctant, indicating a shift in power dynamics within the funding landscape.



Overall Barriers

Based on the multi-layered analysis, key barriers to Nigeria's e-trade readiness include:

Political/Institutional Barriers:

- **Poor Implementation of Holistic National E-Commerce**

Strategy: Despite a broader digital agenda, the absence of a dedicated, cross-sectoral e-commerce strategy leads to fragmented initiatives and weak coordination among relevant ministries and agencies.

- **Coordination Deficits:** Multiple agencies with overlapping mandates can lead to competition, duplication of efforts, and hinder a unified vision for e-commerce development.

- **Inconsistent Political Will/Patronage:** Political interests and the potential for patronage can divert resources or undermine reforms, leading to a gap between formal policies and actual outcomes.

- **Weak Enforcement of Legal Frameworks:** While laws exist, their consistent application and enforcement are often lacking, undermining consumer and business confidence.

- **Low Trust in Online Systems:** A general lack of confidence in online security and privacy deters wider adoption of digital payments and formal e-commerce, leading to a preference for “cash on delivery”.

Infrastructural Barriers:

- **Digital divide:** Significant disparities in internet access, particularly in terms of broadband speed, persist between urban and rural areas, excluding a large segment of the population from the digital economy.
- **High cost of internet access:** The cost of mobile broadband relative to income remains high for many Nigerians, limiting widespread, meaningful connectivity.
- **Logistical inefficiencies:** Poor road infrastructure and limited resources for national postal services contribute to long delivery times and high costs, pushing businesses towards less efficient private operators or in-house solutions.
- **Electricity Access:** Limited and uneven access to electricity, particularly in rural areas, directly impacts digital infrastructure reliability.

Financial Barriers:

- **High transaction costs for digital payments:** These costs deter users from adopting digital payment solutions, reinforcing reliance on cash.
 - **Limited access to financing for digital start-ups:** Commercial banks are risk-averse, often requiring collateral that startups lack.
- They have low loan-to-deposit ratios, constraining credit availability for innovative digital businesses.

Cultural/Human Capital Barriers:

- **Preference for cash transactions:** Deep-rooted cultural habits and lack of trust in digital security contribute to the widespread preference for cash-on-delivery, hindering the full adoption of digital payment systems.
- **Low digital literacy:** A significant portion of the population lacks basic digital skills, limiting their ability to engage with and benefit from e-commerce platforms.

Overall Potentials

Nigeria possesses several inherent strengths that can be leveraged for e-trade development:

- **Demographic Dividend:** Nigeria has the largest population in Africa and the largest mobile market in Sub-Saharan Africa. The largest and youngest population in Africa presents a vast pool of “digital natives” and an eager workforce.
- **Entrepreneurial Spirit:** Nigerians are highly innovative and entrepreneurial. The country is rated as having the best entrepreneurial activity in Africa, providing a fertile ground for digital entrepreneurship and the development of innovative solutions.
- **Market Size & Economic Leadership:** As Africa’s largest economy and most populous country, Nigeria offers a significant domestic market for e-commerce growth. Its position as the Regional Internet Exchange Point (RIXP) for West Africa and the presence of multiple international submarine cables further enhance its regional leadership and position it as a potential digital hub for the wider ECOWAS region.
- **Growing Digital Adoption:** High mobile phone penetration and substantial internet penetration indicate a strong existing base for digital service uptake. Nigeria’s ranking as 2nd in Africa for e-commerce confirms its thriving sector, indicating a strong existing consumer base and market demand for online transactions.

- **Government Commitment:** The establishment of FMCIDE and the launch of the NDEPS demonstrate a clear governmental intent to prioritise digital transformation for economic diversification, job creation, and poverty reduction.

- **Mobile Money Growth Potential:** While mobile money penetration is currently lower than banking, high overall banking penetration, combined with its large mobile market suggests immense untapped potential for mobile-driven digital financial services if trust and cost barriers are addressed.

- **ICT Contribution to GDP:** The significant and growing contribution of the ICT sector to national GDP showcases its potential as a key economic driver beyond oil and gas.

Overall Opportunities

Opportunities for enhancing Nigeria's e-trade readiness lie in strategic interventions that address identified barriers while leveraging existing potentials:

Strategic Planning and Coordination:

- The existing NDEPS (2020-2030) and the President's mandate for digital economy expansion offer a high-level political window to formalise and integrate a dedicated national e-commerce strategy, ensuring better coordination among ministries (e.g., FMCIDE, FMITI) and moving beyond a purely technology-focused approach to an "industrial strategy".
- Establish a formal and dynamic public-private dialogue framework for continuous consultation and coordination among government entities, the private sector, and consumer associations.
- Actively shape and align national policies with regional initiatives.

Infrastructure Investment & Optimization:

- Develop public-private partnership (PPP) models for broadband expansion in underserved rural areas.
- Systematically address and standardise Right of Way (RoW) charges to accelerate fiber optic cable deployment.
- Explore and optimise digital addressing solutions like relay points and parcel lockers to improve delivery logistics.

Legal & Regulatory Strengthening:

- It is important to strengthen the capacities and skills of the judiciary and law enforcement agencies in e-commerce laws, data protection, and cybercrime.

- This is an opportune time to incorporate provisions from the UNCITRAL Model Law on Electronic Transferable Records for modern trade financing, and accede to the United Nations Convention on the Use of Electronic Communications in International Contracts to enhance legal certainty for cross-border digital trade.

- Structure a clear and visible institution responsible for consumer protection in the digital sphere to build trust.

Payment Ecosystem Enhancements:

- The “Go Digital” Payment System Strategy 2019—2024 and initiatives like mobile money interoperability offer a foundation to further expand and promote digital payment.

- Leveraging public-private partnership models can accelerate the deployment of fixed and mobile broadband infrastructure, particularly in underserved rural areas, by addressing profitability challenges for private operators.

- Implement public awareness campaigns to build trust in online payments and the benefits of digital transactions over “cash on delivery”.

- Encourage commercial banks to promote debit card penetration to match the high rate of bank deposit accounts.

- Further expand and promote digital payments through initiatives like mobile money interoperability and potential digital currency development.

Skills Development & Entrepreneurship Support:

- The strong governmental commitment to mass digital literacy programs creates an opportunity to develop targeted training initiatives that align with specific market needs for e-commerce skills, including fostering entrepreneurship among youth and women.

- The Digital Nigeria Day on October 24th annually can be utilized as a platform to promote success stories, raise awareness, and inspire greater participation in the digital economy.

Access to Financing Reforms:

- The growing interest in tech start-ups in Nigeria presents an opportunity to implement targeted guarantee funds and engage international technical and financial partners to de-risk investments and improve access to financing for digital entrepreneurs.

- Encouraging commercial banks to promote debit card usage and revise agent network regulations, alongside the digitisation of government payments, can further stimulate digital financial services.

These opportunities, when strategically pursued, can help Nigeria overcome existing barriers and fully realise its digital trade potential.



Recommendations

These recommendations are structured for short-term, medium-term, and long-term implementation, with consideration for political feasibility. A key underlying principle for political feasibility is recognizing the “room for manoeuvre” and focusing on overcoming “collective action problems” through facilitated dialogue and targeted interventions.

Short-term (Immediate Priorities / Quick Wins):

Action 1: Launch Targeted Public Awareness Campaigns on Digital Trust and Security.

- **Details:** Inform consumers and sellers about the security features of online payments and legal protections available (e.g., under the Nigeria Data Protection Act, 2023). Highlight the benefits of online payments over cash-on-delivery.
- **Political Feasibility:** High. Relatively low cost, direct positive public impact, and aligns with government objectives of improving trust and promoting digital payments.

Action 2: Initiate Comprehensive E-commerce Data Collection

- **Details:** Collaborate with the National Bureau of Statistics, FMCIDE, and other relevant agencies to collect granular data on e-commerce transactions, trade flows, and ICT use by businesses. This data is critical for informed policymaking.
- **Political Feasibility:** Medium. Requires inter-agency coordination but offers clear evidence-based benefits for policy evaluation.

Action 3: Prioritise Basic Digital Literacy Programs.

- **Details:** Leverage existing networks (schools, CBT centers, community centers) to deliver mass digital literacy training, especially in rural and underserved areas. Target youth and women.
- **Political Feasibility:** High. Addresses a fundamental barrier, aligns with social inclusion goals, and has visible community-level impact.

Medium-term (Strategic Interventions / Requires Political Coordination):

Action 4: Widely Implement a Holistic National E-commerce Strategy.

- **Details:** Implement the existing National E-Commerce Strategy and standardize it to a comprehensive strategy that moves beyond ICT infrastructure to encompass the business and industrial aspects of e-commerce. Clearly define roles, responsibilities, and foster strong coordination between FMCIDE, FMITI, and other agencies..
- **Political Feasibility:** Medium-High. Requires significant inter-ministerial coordination and political buy-in to overcome siloed approaches, but the NDEPS provides a strong foundation.

Action 5: Strengthen Enforcement and Awareness of Existing E-trade Laws.

- **Details:** Actively implement and enforce the Nigeria Data Protection Act, 2023, and consumer protection provisions. Conduct awareness campaigns for businesses and consumers on their rights and obligations. Strengthen the capacity of the judiciary and law enforcement in e-commerce and cybercrime.
- **Political Feasibility:** Medium. Requires sustained commitment to institutional strengthening and combating informal practices, which might challenge entrenched interests.

Action 6: Accelerate Broadband Infrastructure Expansion through Public-Private Partnerships.

- **Details:** Identify priority areas for backbone and last-mile connectivity expansion, especially in rural areas. Address issues like inconsistent Right of Way charges and vandalism through robust policy and security measures. Incentivize private sector investment.
- **Political Feasibility:** Medium-High. Aligns with developmental goals, but overcoming infrastructure deployment barriers requires confronting powerful local interests and ensuring secure environments for investment.

Action 7: Promote Debit Card Usage and Enable Digital Financial Services.

- **Details:** Encourage commercial banks to actively promote the use of debit cards to increase penetration rates. Implement guidelines for licensing and regulation of payment service banks and revise agent network regulations to expand financial inclusion. Digitalise all government payments.
- **Political Feasibility:** Medium. Requires collaboration with the banking sector and potentially challenging traditional cash-based systems.

Long-term (Transformative Actions / Requires Sustained Political Will):

Action 8: Harmonize National and Regional E-commerce Legal Frameworks.

- **Details:** Accede to international conventions like the UN Convention on the Use of Electronic Communications in International Contracts. Align with the ECOWAS legal framework. Integrate UNCITRAL Model Law on Electronic Transferable Records into domestic law.

- **Political Feasibility:** Medium-Low. Involves complex diplomatic processes and may encounter resistance due to differing national interests or concerns about sovereignty.

Action 9: Establish Dedicated Consumer Protection Agency for E-commerce.

- **Details:** Structure an independent, visible, and operationally autonomous agency responsible for consumer protection in online commerce, with an educational mandate to disseminate good practices..

- **Political Feasibility:** Medium-Low. Requires significant political will to create new institutions and empower them, potentially challenging existing power structures.

Action 10: Implement Targeted Guarantee Funds for Digital Start-ups.

- **Details:** Work with the Ministry of Finance, the Central Bank, and international financial partners to establish guarantee funds that de-risk lending to technology start-ups, addressing their lack of collateral..

- **Political Feasibility:** Medium-High. While beneficial for growth, allocating funds and setting up new financial mechanisms can face bureaucratic hurdles and competing fiscal priorities.

Action 11: Develop a Comprehensive Digital Skills Development Plan.

- **Details:** Conduct a detailed mapping of digital skills needs across various sectors and design training programs (both academic and vocational) that directly address these gaps, ensuring globally recognized certifications. Monitor, accredit, and support incubators and accelerators.

- **Political Feasibility:** Medium-High. Requires sustained investment in education and labor market reforms, which are long-term commitments.

Notes on Political Feasibility: Addressing informal rules and entrenched interests is crucial. Recommendations must:

- **Build on existing momentum:** Leverage the executive's stated commitment to digital economy and diversification.
- **Emphasize visible wins:** Focus on interventions that yield tangible benefits (e.g., faster customs clearance, more affordable internet) to build political capital for reforms.
- **Foster dialogue and collaboration:** Create channels for genuine engagement among stakeholders, including those who might benefit from the status quo, to identify mutual gains and overcome "collective action problems".
- **Prioritise capacity building for reformers:** Invest in personnel with strong networking and facilitation skills to navigate complex political landscapes and broker change.
- **Adopt adaptive programming:** Be flexible and willing to adjust interventions based on real-time learning from the dynamic political economy.



Risk & Scenario Analysis

Possible Risks

Political and Institutional Risks:

- **Lack of sustained political will:** Digital transformation is a long-term endeavour. Shifting political priorities or leadership changes could lead to abandoned reforms or underfunded initiatives.
- **Bureaucratic resistance and fragmentation:** Stakeholders benefiting from the status quo (e.g., in logistics, traditional trade, or those exploiting regulatory loopholes) could actively resist reforms that threaten their interests. Competition among ministries can undermine a unified approach.
- **Patronage and corruption:** Resources allocated for digital infrastructure or e-trade initiatives could be diverted or misused, undermining efficiency and public trust.
- **Slow legal harmonisation:** Delays in updating national laws or ratifying international/regional conventions create legal uncertainty, deterring investment and cross-border trade.

Economic and Financial Risks:

High transaction costs persistence: If not addressed effectively, high costs of digital payments will continue to deter widespread adoption, limiting the growth of formal e-commerce.

Insufficient private sector investment: Regulatory uncertainty, high operating costs, and perceived risks may deter private companies from investing sufficiently in digital infrastructure and services.

- **Global economic shocks:** External economic downturns could reduce government budgets for digital initiatives and limit foreign direct investment.

Social and Cultural Risks:

- **Widening digital divide:** Without targeted interventions, disparities in internet access and digital literacy between urban and rural areas could exacerbate social and economic inequalities.
- **Persistent trust deficit:** If public awareness campaigns and consumer protection measures are ineffective, the preference for cash-on-delivery and general distrust in online transactions will remain high.
- **Skills mismatch:** If digital skills development programs do not adequately meet market demands, the youth bulge might not translate into job creation in the digital economy.

Cybersecurity Risks:

- **Increased cyber threats:** As digital transactions grow, so does the risk of cyberattacks and fraud, which, if not effectively combatted, can severely erode public confidence and deter e-trade adoption.



Mitigation Strategies

- **Foster strong, visible political champions:**

Ensure consistent high-level political backing that transcends political cycles, publicly articulating the long-term vision and benefits of e-trade.

- **Institutionalise cross-sectoral coordination:**

Create formalised, empowered coordinating bodies (e.g., within the National Digital Economy Council) with clear mandates and accountability mechanisms to break down silos.

- **Enhance transparency and accountability:**

Implement robust monitoring and evaluation frameworks for all digital economy projects, with public reporting on progress and challenges. Strengthen anti-corruption measures.

- **Prioritise consumer protection and trust-building:**

Aggressively enforce data protection laws, establish clear and accessible redress mechanisms for online disputes, and conduct sustained public awareness campaigns.

- **Incentivise private sector participation:**

Offer clear, stable, and attractive regulatory frameworks, including tax incentives and reduced bureaucratic hurdles, for investment in digital infrastructure and services.

- **Targeted interventions for inclusion:** Direct investment and support towards rural broadband expansion, provide subsidised access to digital devices for marginalised groups, and implement tailored digital literacy programs.

- **Strengthen cybersecurity infrastructure:**

Invest in national cybersecurity capabilities, ratify relevant international conventions, and collaborate with global partners to combat cybercrime effectively.

- **Adaptive Management:** Employ flexible, iterative programming approaches that allow for real-time adjustments in response to changing political and economic dynamics.

- **Regional Integration:** Leverage regional initiatives like ECOWAS and PAPSS to benefit from shared experiences, harmonised frameworks, and larger market access.

Scenarios

1

Best-Case Scenario (Optimistic, but Politically Challenging):

Description: Nigeria successfully leverages its demographic and market advantages with sustained political will and effective inter-agency coordination. A holistic national e-commerce strategy is fully implemented, fostering a vibrant ecosystem. Comprehensive legal reforms (national and regional) build high public trust in online transactions, leading to widespread adoption of digital payments. Significant public-private investments close the digital divide, and skills development programs effectively meet market demands, creating millions of digital jobs. Nigeria becomes a leading digital trade hub in Africa, diversifying its economy and achieving inclusive economic growth and poverty reduction.

Likelihood (per PEA): Low, as it requires a “sea change” in systemic political behaviour which is difficult to achieve and sustain against entrenched informal interests.

2

Moderate-Case Scenario (Most Likely):

Description: Reforms continue incrementally. While no fundamental transformation of the systemic political environment occurs, institutional changes create “room for manoeuvre.” Targeted donor and government interventions, focusing on brokering dialogue, facilitating partnerships, and addressing specific collective action problems, lead to gradual improvements in infrastructure, legal enforcement, and skills. E-commerce grows, but progress remains uneven, with persistent pockets of digital exclusion and trust issues. Nigeria maintains its regional leadership but faces ongoing challenges in fully realizing its digital potential.

Likelihood (per PEA): High, as this scenario aligns with the current dynamics of the reform process in emerging economies, where opportunities for change exist despite systemic constraints.

3

Worst-Case Scenario (Pessimistic):

Description: Reforms stall or are superficial, failing to address underlying informal political and institutional barriers. Resources are consistently diverted, and corruption remains rampant. Public trust in digital systems erodes further. The digital divide widens dramatically, exacerbating social and economic inequalities. E-commerce development is limited to a small, privileged segment of the population, failing to contribute significantly to broader economic diversification or job creation. Nigeria fails to capitalise on its immense digital potential, remaining heavily reliant on traditional sectors and falling behind regional peers in the digital economy.

Likelihood (per PEA): Moderate, as the political system’s default toward patronage and inconsistent follow-up poses a real risk of reforms failing to translate into sustained positive outcomes.



Conclusion and Key Next Actions

Nigeria stands at a pivotal juncture in unlocking the transformative potential of e-trade. With a population of over 220 million, half of whom are under the age of 19, coupled with deepening internet penetration (over 50%) and a dynamic entrepreneurial ecosystem, the structural opportunities for e-trade are evident. However, readiness cannot be measured in technical capacity alone.

The political economy lens reveals that Nigeria's trajectory will depend on how **power relations, institutional arrangements, vested interests, and incentive structures** are navigated to drive inclusive and sustainable digital trade.

The formal and informal rules of the game matter: while regulatory agencies such as the Nigerian Communications Commission (NCC), Central Bank of Nigeria (CBN), and Nigeria Customs Service (NCS) have formal mandates, overlapping jurisdictions and fragmented digital policies create institutional friction.

Meanwhile, elite interests in the telecom, banking, and logistics sectors often shape market outcomes, at times stifling fair competition or delaying reforms. Trust deficits between citizens and the state — aggravated by inconsistent policy enforcement, data protection concerns, and weak consumer safeguards — limit adoption of digital platforms.

Furthermore, despite Nigeria's role as a continental tech hub, infrastructural bottlenecks (poor road networks, port inefficiencies, high cost of broadband) remain key barriers to scaling e-trade.

Similarly, access to affordable finance is skewed by risk-averse banking systems, underdeveloped credit infrastructure, and exclusion of women and SMEs from formal finance. Political incentives are often oriented toward rent-seeking rather than structural investment in digital infrastructure or skills.

Yet, these barriers also present an opportunity: reform-minded actors can leverage Nigeria's federal structure, youth-driven innovation, and continental frameworks such as the African Continental Free Trade Area (AfCFTA) to advance digital trade agendas that are both inclusive and sustainable.

The following action steps are recommended and critical to translate Nigeria's e-trade potential into actionable, politically informed strategies. Grounded in a political economy analysis, they recognize that successful digital trade development requires more than technical solutions—it demands careful navigation of power dynamics, institutional capacities, incentives, and stakeholder interests. Each recommendation targets a critical barrier or opportunity, from governance and regulatory reform to infrastructure, skills development, and financial inclusion.

Collectively, they provide a roadmap for creating an inclusive, resilient, and sustainable e-trade ecosystem that empowers youth, women, and small businesses while positioning Nigeria as a leading digital economy in Africa.

Conclusion and Key Next Actions

1. Strengthen Institutional Coordination

Action: Establish a National Digital Trade Council to harmonize policies across NCC, NITDA, CBN, and NCS.

Rationale: Reduces regulatory overlaps and accelerates coherent digital trade reforms.

Lead Actors: Federal Government, Regulatory Agencies, Private Sector Associations

2. Enhance Legal & Regulatory Frameworks

Action: Enact comprehensive e-commerce laws (consumer protection, data privacy, dispute resolution). Strengthen enforcement and public awareness.

Rationale: Builds trust among businesses and consumers, reducing adoption risks.

Lead Actors: Ministry of Trade, NITDA, Judiciary

3. Invest in Digital & Physical Infrastructure

Action: Expand broadband, electricity reliability, and logistics (roads, rail, ports) via PPP models. Establish digital hubs for SMEs.

Rationale: Addresses bottlenecks that limit market reach and cross-border trade.

Lead Actors: Ministry of Communications, Infrastructure Agencies, Private Investors

4. Promote Financial Inclusion & Payment Innovation

Action: Deploy digital wallets, microcredit schemes, and mobile banking targeting SMEs and women-led enterprises. Incentivize fintech innovation.

Rationale: Enables access to capital, reduces transaction costs, supports cross-border trade.

Lead Actors: CBN, Fintech Startups, Commercial Banks

5. Develop Human Capital & Digital Skills

Action: Integrate digital literacy, e-commerce, and fintech skills into education and vocational programs. Launch nationwide SME training.

Rationale: Equips youth and entrepreneurs to effectively participate in the digital economy.

Lead Actors: Ministry of Education, Vocational Institutes, Private Training Providers

6. Leverage Political Economy for Reform Champions

Action: Identify and empower reform-minded actors in government, industry, and civil society to lead e-trade reforms.

Rationale: Aligns incentives and creates advocacy coalitions for sustainable policy adoption.

Lead Actors: Policy Think Tanks, Industry Associations, Civil Society Networks.

7. Foster Inclusive Platforms & Marketplaces

Action: Support local e-trade platforms that empower women, youth, and rural entrepreneurs. Implement policies to ensure fair competition.

Rationale: Ensures digital trade benefits are widely distributed and inclusive.

Lead Actors: Tech Hubs, SME Associations, Competition Authority

8. Data-Driven Policy & Monitoring Systems

Action: Establish a national e-trade observatory to track digital adoption, trade flows, and SME performance.

Rationale: Enables evidence-based policy decisions and iterative improvements.

Lead Actors: National Bureau of Statistics, Research Institutes, Policy Units

NOTICE

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