



United Nations
Economic Commission for Africa



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Capacity Building on the Use of Digital Technologies under the AfCFTA to Foster Intra-African Trade and Regional Value Chains

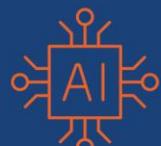
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How Can Digital Marketplaces Bridge African Markets?

Lessons from Ghana and Kenya

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Context

Why Digital Marketplaces Matter

Digital marketplaces hold potential to connect sellers and buyers across African markets, facilitating discovery, transactions, payments, and logistics.

Since 2014, **\$4.6 billion** of approximately \$24.5 billion in venture capital investment went to companies enabling digital trade across Africa, with **955 operating companies** focused on online retail, delivery, payments, and supply chain management.

Digital marketplaces provide useful perspectives on the levels and dynamics of international digital trade and could be key enablers of AfCFTA implementation.



Key Research Question

Whether, and to what extent, do digital marketplaces operating in Ghana and Kenya enable cross-border trade in goods?

Research Approach: Mapping exercises conducted December 2023 - July 2024

Sampled 21 digital marketplaces through surveys + discussions with marketplace operators and businesses trading across borders



Main Finding 1

Limited Cross-Border Transactions

Most digital marketplaces in Ghana and Kenya facilitate ONLY domestic transactions.

Out of 21 marketplaces sampled, only ONE marketplace in each country successfully facilitates intra-African transactions.

The majority of marketplaces remain confined to national borders.



Main Finding 2

Success Characteristics

The two successful marketplaces (Mawu Africa in Kenya and Ahwenepe in Ghana) share key characteristics:

- **Specialize in African cultural products** (art, handicrafts, fashion)
- Were regionally focused at launch
- Integrate a range of third-party service providers for payments and logistics
- Operate both B2B and B2C models to accommodate various transaction sizes
- Intentionally curate pipelines of producers and map export opportunities



Spotlight

Success Story: Mawu Africa (Kenya)

B2B/B2C marketplace specializing in African cultural and artistic products

Key Features:

- 900+ sellers from Kenya, Uganda, Tanzania, DRC
- Multi-currency shopping with various language options
- International payment gateways (PayPal, Stripe, Pesapal)
- Partnership with DHL for international deliveries



Spotlight

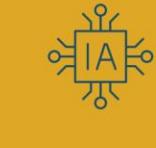
Success Story: Ahwenepe (Ghana)

Evolved from classified ads to B2B/B2C marketplace for African clothing

Market Reach: 60% non-African regions | 25% Ghana | 15% other African countries

Key Features:

- 200+ suppliers from Ghana, South Africa, Kenya, Nigeria
- Suppliers act as advertisers and business hubs
- Uses Ghana Post, Aramex, and DHL for delivery
- Payments through Flutterwave and Paystack



Main Finding 3



Inhibiting Factors (1/2)

Five Main Barriers to Cross-Border Digital Trade:

1. Dissonance Between Business Models and Cross-Border Trade Dynamics

- Digital marketplaces impose terms of use - BUT cross-border trade requires flexibility
- Payment and logistics services lack interoperability with marketplaces



2. Competition with Social Media Platforms

- Social media platforms charge much less (under 4% vs 10-30% for marketplaces)
- Greater flexibility in setting transaction terms
- Social media platforms enable wider **and** curated reach. They also leverage networks of business owners and customers.



Main Finding 3

Inhibiting Factors (2/2)

3. Challenges Resolving Transaction Disputes Across Borders

Returns and refunds complicated by customs, shipping costs, currency differences

4. Challenges Navigating Regulatory Landscapes

No clear category for digital marketplaces in business registration systems

5. Macroeconomic, Infrastructure, and Skills Challenges

Currency devaluation and inflation reducing purchasing power

High costs and limited reliability of Internet services

Digital skills gaps among operators and users



Key Recommendations

For Digital Marketplaces

Better Account for Cross-Border Trade Dynamics

Adopt fundamentally regional approach from launch, customize services for various industries

Pursue Interoperability with Trade Service Providers

Build functional relationships with payment solutions, logistics services, and other digital services



Key Recommendations

For Governments (1/2)

National-Level Actions:

Create Clear Categories in Business Registration Systems

Establish specific categories accounting for variety of marketplace types

Establish National Regulatory Guidelines

Articulate applicable regulations and licensing requirements for digital marketplaces



Example: Nigeria's Classification of Digital Services



Federal Ministry of Industry, Trade and Investment (FMITI) Survey - April 2025

Over 300 Nigerian businesses surveyed, identifying 108 distinct digital services



Three Digital Service Categories Established:

1. Core Digital Services

Services that are inherently digital in nature, e.g., software

2. Digitally Deliverable Services

Traditional services historically provided in-person but transformed to be delivered digitally (e.g., telemedicine)

3. Digital Platforms

Marketplaces aggregate both service providers and consumers for discovery, ordering, payment. They also provide enabling services, such as escrow and dispute services.

Services may be delivered through the marketplace (such as telemedicine) or goods may be delivered



Key Recommendations

For Governments (2/2)

Continental and Regional Actions:

Accelerate Liberalization of African Payment Services

Enable mobility of African-owned payment providers, consider passporting mechanisms

Explore Continental Regulatory Frameworks for digital marketplaces

Build on the AfCFTA Protocol on Digital Trade to develop common rules for marketplace



Thank you for listening

Questions? Comments?

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