



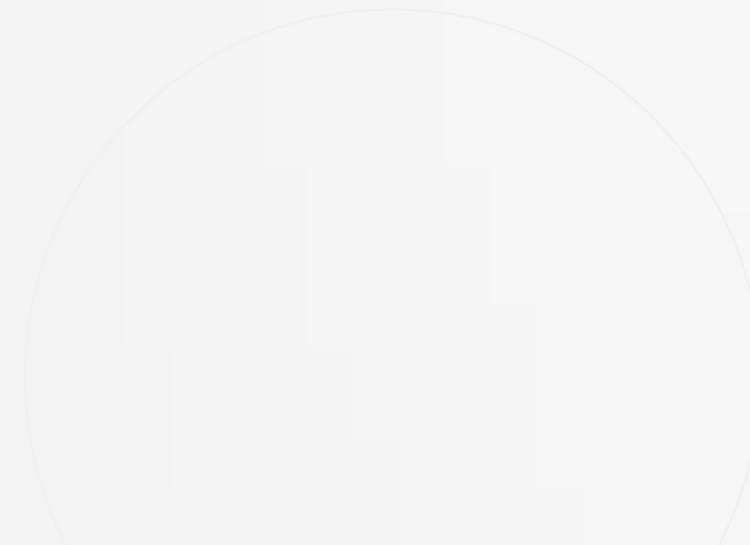
THE DEVELOPMENT OF A NATIONAL E-COMMERCE STRATEGY IN NAMIBIA: A REGULATORY PERSPECTIVE

24th September 2024



CRAN'S MANDATE

Established by an Act of Parliament
The Communications Act No. 8 of 2009
To regulate telecommunications
services and networks, broadcasting
services, postal services, and the use
and allocation of radio spectrum



INTRODUCTION

The formulation of an E-commerce strategy is typically influenced by –

- ❑ Technological advancements,
- ❑ The rise of digital platforms,
- ❑ Changing consumer behaviours, and
- ❑ the need for regulatory frameworks to govern online transactions.

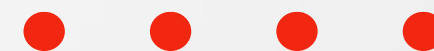


Key stakeholder recognition

The Authority's involvement

Regulatory Expertise:

- Overseeing the ICT landscape in Namibia
- Ensures alignment with evolving technology





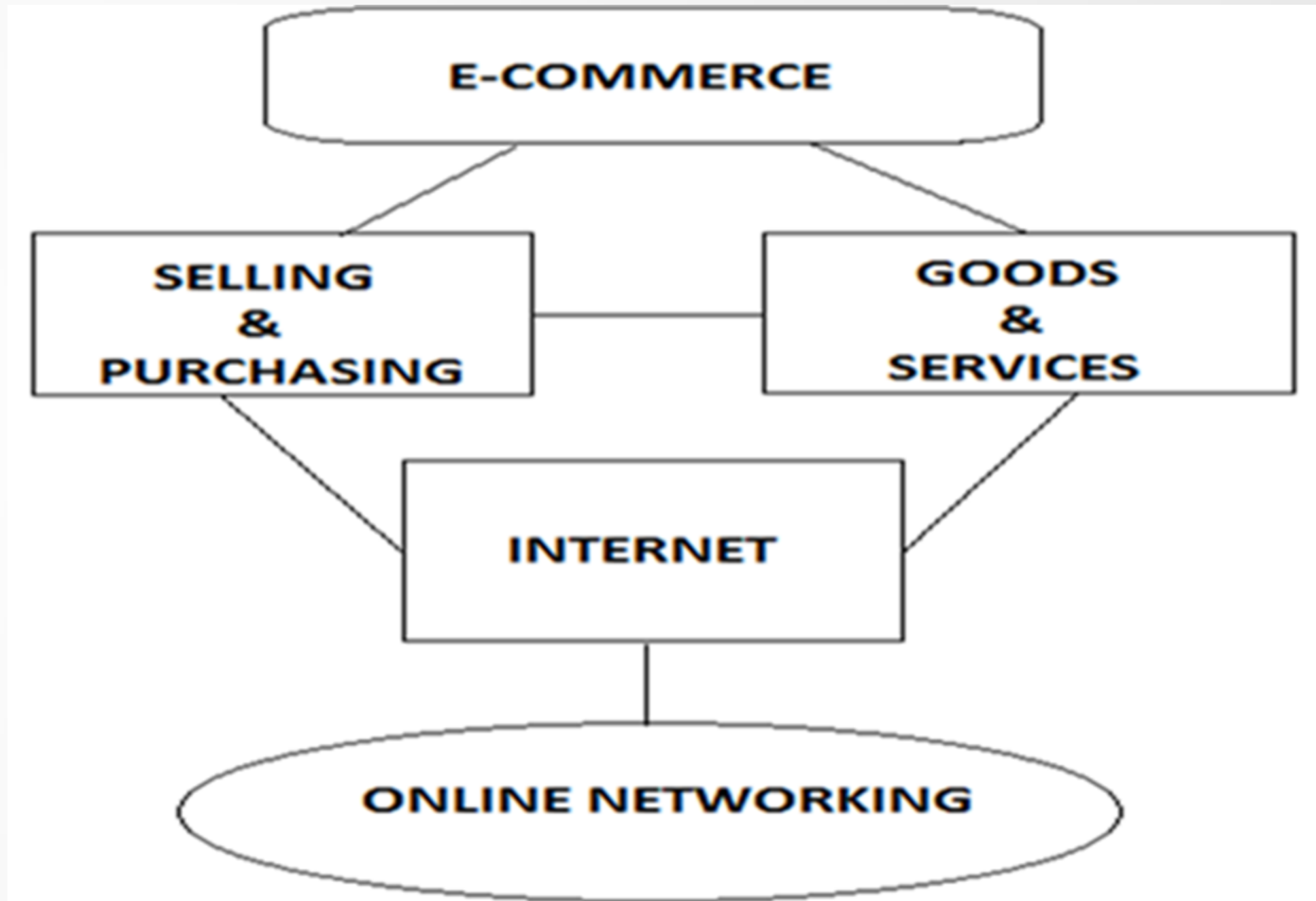
Legal aspects

- ❑ **Cybersecurity (Data security & Privacy)**
- ❑ **Consumer protection (Consumer trust)**
- ❑ **Secure an innovative marketplace**
- ❑ **Collaborative Commitment (Aims for a dynamic digital transformation benefiting all sectors of Namibia's economy)**





DEFINING E-COMMERCE AND DIGITAL TRADE





BACKGROUND CONT....

E-commerce as encompassing various forms of commercial interactions, including those between companies, governments, and consumers. It covers transactions made through websites, interactive telephone systems, and direct computer-to-computer exchanges like EDI/AED.

- online payment is not mandatory for E-commerce
- Traditional methods are still in use.
- Any stage of the transaction conducted online qualifies it as E-commerce;
- Digitalisation extends to information sharing and relationship management via telecommunications

(CRASA guidelines on Trade Facilitation, 2022)

MODELS

E-commerce involves commercial interactions among Consumers (C), Businesses (B), and Governments (G), including:

B2B (Business-to-Business): Company sells products/service directly to another company through their own website

C2C (Consumer-To-Consumer): Consumer sells services/products through a website.

B2C (Business-to-Consumer): Online retail store selling directly to consumers – E-commerce website/online marketplace.

C2B (Consumer-to-Business) Consumer sells services/products to businesses through a website (freelancing)

PROBLEM DEFINITION



Brick-and-Mortar

[ˈbrɪk-ən(d)-ˈmɔːrtər]

Serving customers
face-to-face in a building
rather than online.

OBSTACLES FACING NAMIBIA'S DIGITAL ECONOMY

Infrastructure development: Namibia's limited digital infrastructure development, including data centers and connectivity, restricts its potential impact.

Rural Connectivity: Difficulties in expanding internet access, particularly in rural areas.

Key sectoral data is limited: Lack of detailed data to accurately project future growth and overcome potential barriers

(ODI Think Change, 2014, A comprehensive analysis of Namibia's Digital Economy opportunities, AcFTRA)

CHALLENGES

- Legislation
- Brick and Mortar approach
- National Strategy
- Internet connectivity
- Timely and efficiently delivering items to individuals
- Consumer trust
- Addressing System
- Government Rules of Origin on Trade
- Awareness

INTERNET CONNECTIVITY

Region	2021		2022		2023		Increase
	4G Population Coverage	Policy Objective of minimum of 80%	4G Population Coverage	Policy Objective of minimum of 80%	4G Population Coverage	Policy Objective of minimum of 80%	
Oshana	96%	Above	98%	Above	99%	Above	3%
Khomas	96%	Above	97%	Above	98%	Above	2%
Omusati	82%	Above	95%	Above	96%	Above	14%
Erongo	92%	Above	94%	Above	95%	Above	3%
Ohangwena	90%	Above	93%	Above	94%	Above	4%
Zambezi	60%	Below	78%	Below	92%	Above	32%
Kavango East	69%	Below	83%	Above	91%	Above	22%
Oshikoto	73%	Below	80%	Above	84%	Above	11%
!Karas	73%	Below	81%	Above	80%	Above	7%
Hardap	72%	Below	77%	Below	79%	Below	7%
Otjozondjupa	72%	Below	75%	Below	78%	Below	6%
Kavango West	40%	Below	59%	Below	70%	Below	30%
Omaheke	48%	Below	57%	Below	64%	Below	16%
Kunene	33%	Below	41%	Below	49%	Below	16%
Namibia	79%	Below	85%	Above	88%	Above	9%

AFRICAN UNION COMMISSION (AUC)

STRATEGIES FOR NATIONAL E-COMMERCE DEVELOPMENT

The African Union is advancing digital transformation through Agenda 2063 and the Digital Transformation Strategy for Africa (2020-2030). Key priorities include:

- Building digital infrastructure
- Fostering innovation
- Enhancing digital skills

Policymakers and regulators are encouraged to adapt to technological changes and tackle regulatory challenges to fully unlock digital potential for economic and social progress across the African continent.

EFFECTIVE STRATEGIES FOR NATIONAL E-COMMERCE DEVELOPMENT IN EACO (1)

The East African Community (EACO) adopted its E-commerce strategy in the year 2022 to support national and regional efforts in advancing the digital economy across the region.

The interventions of the EACO strategy are aimed to:

- Strengthen institutions for E-commerce support.
- Develop a unified regional policy for E-transactions
- Remove barriers and promote E-commerce adoption.
- Ensure safety and confidence in E-transactions.
- Foster investment and economic engagement through E-transactions.
- Effective Coordination among stakeholders (Logistics & Supply Chain Mgt, regulatory compliance, payment processing, data management)

EFFECTIVE STRATEGIES FOR NATIONAL E-COMMERCE DEVELOPMENT IN EACO (2)

EACO has developed a strategy in 2013 covering online activities like transactions and data protection. To ensure safe online shopping, robust regulations are crucial. The strategy emphasises key components for enhancing legal and regulatory frameworks, including:

- Data privacy,
- Digital identity,
- Consumer protection,
- Taxation,
- Cybercrime,
- Financial regulation,
- Intellectual property,
- Electronic transactions and,
- Standardisation of trade requirements.

CASE STUDY 1: KENYA

- ❑ The Kenyan government assessed the country's e-commerce readiness to support economic growth and achieve its 2030 goals.
- ❑ Emphasising digital skills and entrepreneurship, the government encouraged businesses to prepare for the benefits of E-commerce, especially under the AfCFTA
- ❑ With an estimated USD 3.6 billion in E-commerce revenue by the end of 2022, Kenya's success inspires Namibia to prioritize E-commerce.
- ❑ Namibia aims to establish the necessary frameworks to enhance its own E-commerce sector.

THE SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC)

EFFECTIVE STRATEGIES FOR NATIONAL E-COMMERCE DEVELOPMENT IN SADC (1)

SADC has assessed infrastructure, regulations, and member states' preparedness for E-commerce since 2012. While progress is being made, SADC follows the AU's digital transformation strategy, focusing on:

- Cybersecurity,
- Data protection, and
- Legislation.

Collaboration among governments, postal services, and stakeholders is key to overcoming these obstacles and boosting the digital economy.

CASE STUDY 2: KINGDOM OF ESWATINI

During August 2023, the Eswatini government launched the Digital Eswatini Strategy 2023-2027 to position the country as a regional digital hub.

The strategy includes important laws such as:

Key focus areas of the strategy:

- Creating a business-friendly environment
- Improving connectivity
- Supporting private sector development

CASE STUDY 3: BOTSWANA

- ❑ Strategy launched in October 2021
- ❑ Seeks to enhance economic growth and diversification by leveraging ICTs
- ❑ The strategy includes removing barriers to E-commerce and is backed by laws like the E-Signature Law and international treaties.

RECOMMENDED REGULATORY BEST PRACTISES

a) Approach 1:

- Facilitating, securing and expediting the flow of online data and information:
- Data Protection & Privacy
- Advertising and Misleading information
- Cybersecurity
- Validity of Electronic Transactions

b) Approach 2:

- Facilitating, securing and expediting financial aspects of the E-commerce transactions:
- Online/E-payments and security

RECOMMENDED REGULATORY BEST PRACTISES

c) Approach 3:

Facilitating, securing and expediting the physical delivery of goods:

- Choice delivery channels and service providers
- Delivery Terms and Conditions
- Liability and compensation
- QoS- Late/ non delivery of products
- Returns

d) Approach 4:

General Legal and regulatory issues

- Identity Management
- Jurisdiction and choice of law
- Formation and validity of contracts

THE DEVELOPMENT OF A NATIONAL E-COMMERCE STRATEGY FOR NAMIBIA

Namibia's National E-commerce strategy calls for legislative frameworks that cover online contracts, e-signatures, consumer protection, and data privacy to create a secure and trustworthy digital marketplace:

- ❑ National Cybersecurity strategy and awareness Plan of the period 2022-2027
- ❑ Electronic Transactions Act No. 4 of 2019
- ❑ Cybercrime Bill (yet to be finalised)
- ❑ African Union (AU) Malabo Convention on Cyber Security and Personal Data Protection
- ❑ African Continental Free Trade Area Agreement (AfCFTA)
- ❑ SADC Protocol on Transport Communications and Meteorology
- ❑ SADC Draft Digital Transformation Strategy

REGULATOR

As enabled by section 20 of the Electronics Transactions Act No. 4 of 2019, the Authority is responsible for the develop regulations on E-signatures to facilitate the completion of contracts and agreements online.

- Conduct comprehensive regulatory assessment
- Prioritisation of Consumer Protection
- Address Data Privacy and Security
- Promotion of Fair Competition
- Provide regulatory guidance and support
- Monitor and Enforce Compliance

GOVERNMENT

- Develop clear government policy
- Coordinate regulatory reforms and implement the AfCFTA Protocol.
- Support regulatory frameworks
- Promote cross-border trade
- Educate businesses and consumers
- Consider environmental sustainability
- Encourage Innovation and Investment
- Coordination of all Stakeholders

CONCLUSION AND WAYFOWARD

The regulator will finalise the position paper and submit to the government as an input to the national agenda on E-commerce

- ❑ The Digital Transformation Strategy for Africa (2020-2030) (<https://au.int/en/documents/20200518/digital-transformation-strategy-africa-2020-2030>)
- ❑ SADC Digital Transformation Strategy
- ❑ African Union Draft Digital Trade protocol
- ❑ African Continental Free Trade Area Agreement (AfCFTA) (https://www.bilaterals.org/IMG/pdf/afcfta_digital_trade_protocol_-_9_february_2024_draft.pdf)
- ❑ African Union (AU) Malabo Convention on Cyber Security and Personal Data Protection (<https://au.int/en/treaties/african-union-convention-cyber-security-and-personal-data-protection>)
- ❑ East African Community (EACO) E-commerce Strategy, 12 July 2022 (<http://repository.eac.int/handle/11671/24471>)
- ❑ Electronic Transactions Act No. 4 of 2019 (www.cran.na)

- ❑ ESwatini E-commerce Readiness study, 21 August 2023
- ❑ E-Commerce Study for Enhancement of Governance and Enabling Environment in the ICT Sector (EGEE-ICT) Programme in the Eastern Africa, Southern Africa and the Indian Ocean Region Project No. CS/PROC/ EGEE-ICT /SC.01, October 19th, 2022
- ❑ <https://www.capitalfm.co.ke/business/2022/06/government-launches-kenyas-etrade-readiness-assessment>
- ❑ <https://www.oecd-ilibrary.org/sites/1885800a-en/index.html?itemId=/content/component/1885800a-en>
- ❑ https://www.researchgate.net/figure/Fig-Simple-Working-of-E-Commerce_fig1_303913864
- ❑ www.researchgate.net
- ❑ Namibia Statistics Agency, 2023 Concept note for the development of a National Physical Addressing System for Statistical and other purposes, version 0.9
- ❑ Namibia National Cybersecurity Strategy & Awareness Raising Plan

Q & A

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THANK YOU FOR YOUR ATTENTION