

TRADE UPDATE

Recent Developments on the AfCFTA Digital Trade Protocol: Nigeria

The African Continental Free Trade Area (AfCFTA) digital trade protocol adopted in February 2024 was drafted primarily with the objective of promoting and facilitating intra-Africa digital trade. It was designed to encourage the interoperability of digital products among member State parties, facilitate the development of digital infrastructure and mandate the establishment of data protection authorities within State parties among other provisions.



Nigeria's role in the adoption of the Digital Trade Protocol

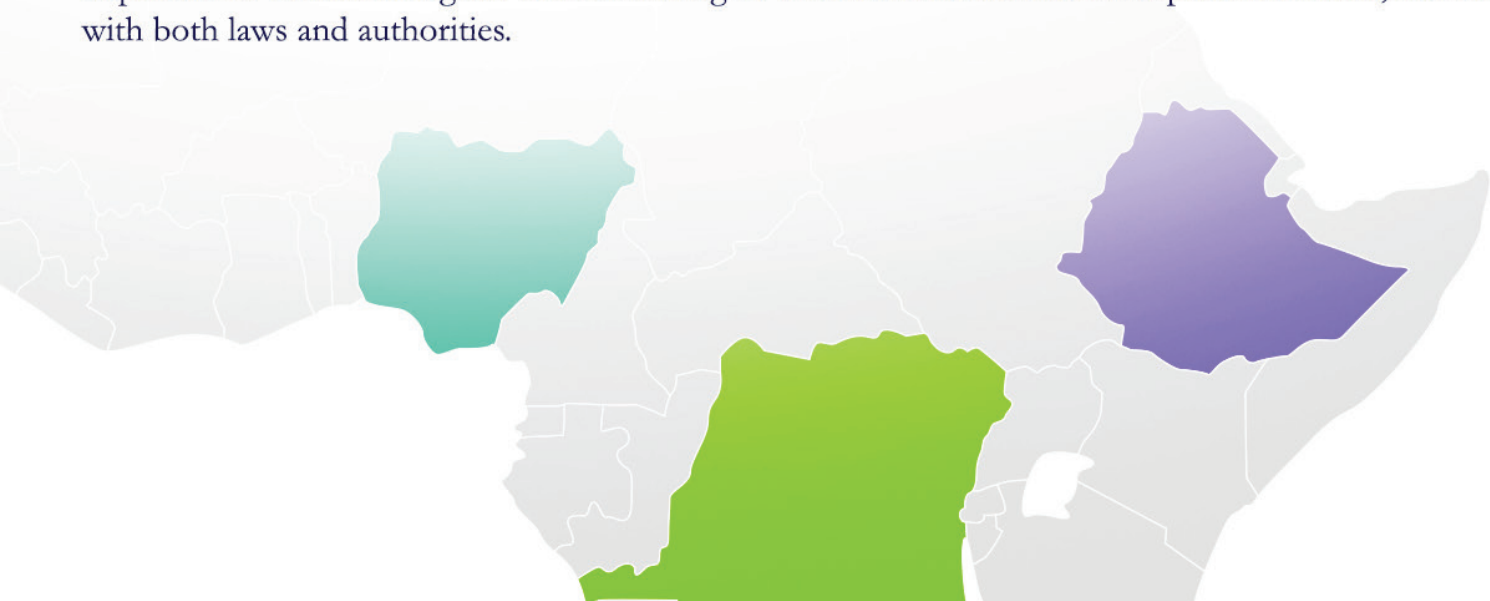
In line with the objectives of the AfCFTA Digital Trade Protocol, the Nigerian government through its Ministry of Communications and Digital Economy has made significant efforts towards the country's readiness for active engagement and subsequent adoption of the protocol and its annexes. In 2019, the National Digital Economy Policy and Strategy ("NDEPS" 2020-2030) was introduced, with the aim of leveraging digital technologies to transform the Nigerian economy into a major technology driven economy in Africa.

The strategy was dependent on the success of implementation measures, including enforcement of standard data protection regulations, primarily administered by the National Information Technology Development Agency (NITDA) at the time. In a world where data has become a considerable resource which has heralded more sophisticated challenges with data governance, these legislative data protection measures proved crucial to the country's strategic economic development plans.

The NDEPS, which laid out the long-term strategy for subsequent digital economy advancements, reinforced and provided a broader framework for the Nigeria Data Protection Regulations (2019), while supporting and emphasising the importance of data protection, through the NITDA. Subsequently the Strategic Roadmap and Action Plan ("SRAP 1.0" 2021 -2024) was established. It centred on seven (7) pillars in line with the NDEPS, namely:

- » The intention of making regulatory frameworks relevant for current realities;
- » To promote the fulfilment of the goal of 95% digital literacy and skills at both Federal and States level by 2030;
- » To ensure digital inclusion for the development of traditionally excluded citizens;
- » To set the pace for digital transformation and model on indigenous content promotion and adoption;
- » To engage youth to come up with innovative solutions to indigenous challenges;
- » To provide implementable guidance for information security, among many others.

During this period, the Nigeria Data Protection Act 2023 (the Act) was passed, which in turn established the Nigerian Data Protection Commission (NDPC). The NDPC was charged with the regulatory oversight and enforcement of the provisions of the Act thereby stepping into the role as key regulator over data protection in Nigeria. The Act however, still recognises provisions in the NDPR to the extent that these provisions have not been expressly repealed by the Act. This has been instrumental in plugging gaps and addressing ambiguities in areas which are unclear in the Act. It is important to note that Nigeria became among 37 African countries with data protection laws, and 29 with both laws and authorities.



Highlights of SRAP 1.0 (2021-2024)

According to the NITDA, the success of the plan was reported over 7 areas contained below:

» Developmental Regulation

The enactment of the Nigeria Startup Act (NSA), The Nigeria Data Protection Regulation (NDPR), which resulted in significant revenue and jobs created all over the country.

» Digital Innovation & Entrepreneurship

Approximately 345 startups were assisted and given the opportunity to participate in global forums like GITEX Global. Funding to the sum of \$400,000 in grants was secured for startups.

» Digital Literacy and Skills

More than 3.3 million individuals, inclusive of women, children, persons with disabilities and artisans were educated in digital literacy.

» Digital Transformation

The introduction of technology to the agricultural sector through the National Adopted Village for Smart Agriculture (NAVSA), and the deployment of the National Adopted School for Smart Education (NASSE) to facilitate remote teaching for 1,500 Nigerians.

» Cybersecurity

It developed standards, frameworks and guidelines for the fortification of safe online practices, cybersecurity building and threat monitoring.

» Emerging technologies

Establishment of the National Centre for Artificial Intelligence and Robotics (NCAIR) for policy formulation of AI, blockchain technology, Robotics and Internet of Things (IoT).

» Promotion of indigenous content

NITDA boosted Nigeria's ICT sector, raising its GDP share from 9.9% (2018) to 19.5% (Q2 2023). Its support for local OEMs and strategic interventions fuelled economic growth, job creation, and a stronger digital economy.

SRAP 2.0 (2024-2027)

NITDA, published the Strategic Roadmap and Action Plan ("SRAP 2.0" 2024 -2027).

This strategic plan conveniently overlaps with the adoption of the AfCFTA Digital Trade Protocol which satisfies the objective of harmonising the rules, principles and standards that support digital trade in view of achieving digital transformation and socio-economic development throughout the single market.

Contextually, SRAP 2.0's implementation is compatible with the AfCFTA's Digital Trade Protocol because it focuses on the development of digital infrastructure, the creation of a data exchange framework, the facilitation of the digital economy bill among several other objectives.

The success indicators of this latest deployment of digital policies include three (3) successful cases of the Nigerian Stack of digital end-to-end service delivery, six (6) secure scalable digital services facilitated at societal scale and eight (8) blockchain use cases by 2027, to name a few, are identifiable milestones that prove the Nigerian government's commitment

to the advancement of the AfCFTA's Digital Trade Protocol and its implementation in Nigeria.

The progression of SRAP 2.0 and its facilitation of both hard and soft digital infrastructure are recognizable among other African countries, Niger not being the least in implementation.

This strategy provides the necessary building blocks for the successful application of the eight annexes under the AfCFTA Digital Trade Protocol, namely: rules of origin for digital products, digital identities guidelines, rules on cross-border data transfers, disclosure of source code, cybersecurity, a framework for cooperation and a framework for regulation and promotion of financial technologies.

Nigeria's policy development in the sector of technology and digital economy has positioned it to lead Africa, due to the emergence of the AfCFTA Digital Trade Protocol. The timing could not be better, however, Nigeria must overcome major challenges such as clean energy generation and transmission in order to realise the full impact of these provisions in the medium to long-term.



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