

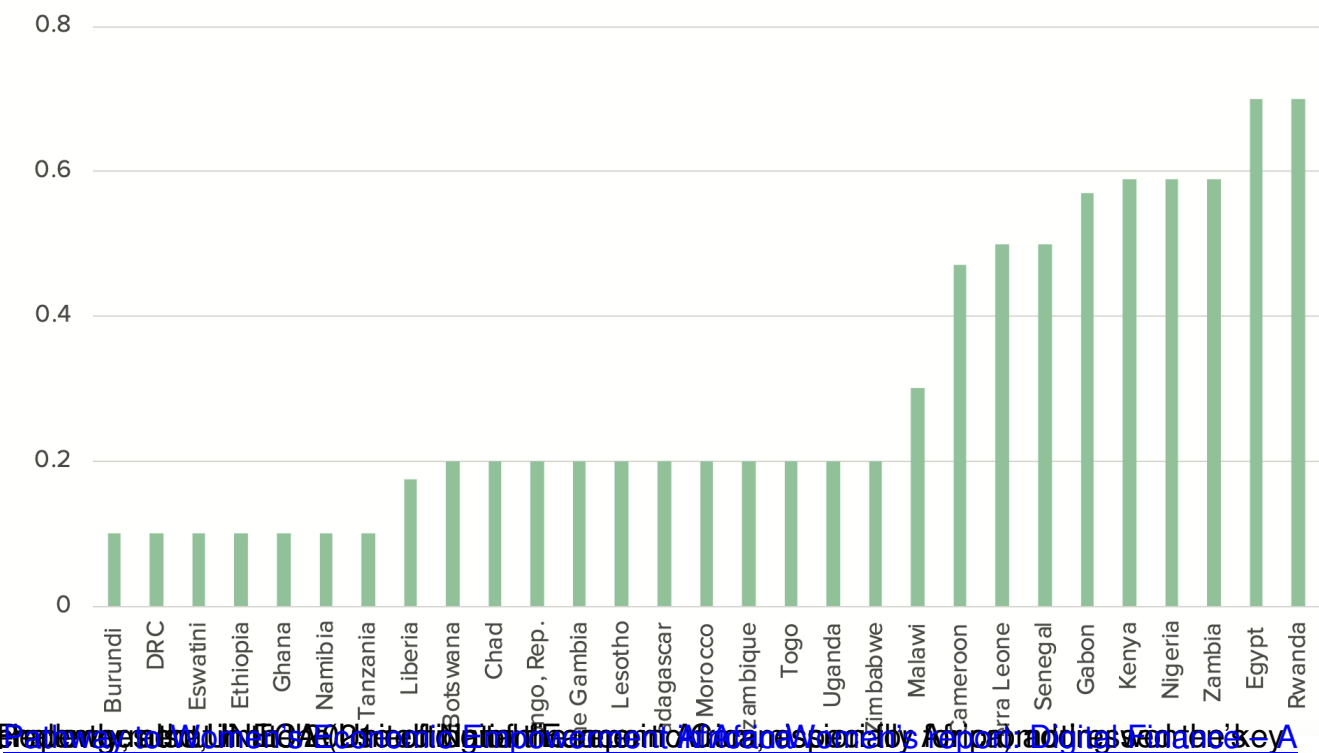
A [joint paper](#) from the World Trade Organization (WTO), the United Nations Office of the High Representative for the Least-developed Countries and Small Islands Developing States (UNOHRLLS) and the Enhanced Integrated Framework (EIF) outlines the opportunities offered by digital trade to reduce barriers to international trade for Less Developed Countries (LDCs), so to overcome the obstacles that SMEs and startups in such countries typically face.

Among the solutions proposed, the development of efficient, low-cost tools such as cross-border digital payment systems is key. Digital payments, the report notes, are a critical link for digital trade, but cross-border e-payment systems are often unnecessarily challenging to use, costly and inefficient. Benefitting from cross-border e-payment systems, and from digital services trade opportunities in general, also requires a supporting business environment, including an ICT infrastructure of sufficient quality that is available at a low cost as well as, an investment climate that supports entrepreneurship.

In Africa, LDCs maintain cross-border data policies and national regulation much more restrictive than other countries with a higher level of development, as shown in the Figure below. This may have negative consequences for trade and the ability of firms to connect and use digital platforms to provide services to both local customers and foreign clients. The recommendation for policymakers is to facilitate the development of inclusive and efficient digital payment systems, ensure their safety and reliability, improve the interoperability of bank and non-bank financial service providers, and enhance consumer trust. Equally important is that regulatory regimes support digital trade through the adoption of good regulatory practices that are recognized in foreign markets and efforts to establish recognition or equivalence systems.

Figure 6. Cross-border data policies in selected African countries

Note: Lower numbers indicate more open policy stances.
Source: Ferracane et al. (2022).



[Report by the UN Women Africa Regional Office for the African Union, Addis Ababa, Ethiopia, 2022](#)