UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Policy review

Zimbabwe

eTrade Readiness Assessment

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Ministry of
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Foreword

The UNCTAD-led eTrade for all initiative, launched at the fourteenth session of the United Nations Conference on Trade and Development (UNCTAD XIV) in July 2016, is a practical example of how to harness the digital economy in support of the 2030 Agenda for Sustainable Development. The initiative seeks to raise awareness, enhance synergies, and increase the scale of existing and new efforts by the development community to strengthen the ability of developing countries to engage in and benefit from e-commerce, by addressing seven relevant policy areas:

- 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.

UNCTAD works with Governments of developing countries and key stakeholders to improve their digital economy capabilities through eTrade Readiness Assessments. These assessments analyse the digital and e-commerce ecosystems of beneficiary countries and provide policy recommendations based on the challenges and opportunities for e-commerce development identified across the seven policy areas. To operationalize those recommendations, UNCTAD established an eTrade Implementation Support Mechanism in 2020 to increase in-country coordination support and build national capacities needed to ensure efficient and effective implementation of e-commerce policies and initiatives.

The eTrade Readiness Assessment of Zimbabwe is the thirty-ninth such assessment conducted by UNCTAD and the twentieth in Africa. It helps identify the challenges and measures to be taken to support the development of e-commerce and digital trade in line with Zimbabwe's vision for digital transformation and its development aspirations. The eT Ready development process has laid the foundation for strengthening policy dialogue and engagement with a broad range of national stakeholders.

I hope that this report will contribute to support the Government of Zimbabwe in its efforts to build a strong and safe e-commerce ecosystem favourable to its people, businesses and consumers, and in so doing, deepen its trade integration at the regional and continental level.

Torbjörn Fredriksson
Head, E-commerce and Digital Economy Branch
Division on Technology and Logistics, UNCTAD

Abbreviations

AfCFTA	African Continental Free Trade Agreement
ASYCUDA	Automated System for Customs Data
AW	ASYCUDAWorld
BMOs	Business membership organizations
BPO	Business process outsourcing
CAAZ	Civil Aviation Authority of Zimbabwe
CDS	Customs Declaration System
CIC	Community Information Center
COMESA	Common Market for Eastern and Southern Africa
CPC	Consumer Protection Commission
CZI	Confederation of Zimbabwe Industries
EGDI	E-Government Development Index
FDI	Foreign direct investment
GDP	Gross Domestic Product
GNI	Gross National Income
ICAO	International Civil Aviation Organization
ICT	Information and Communications Technology
ICTAZ	Information and Communication Technology Association of Zimbabwe
ID	Identification document
IECMS	Integrated Electronic Case Management System
IMF	International Monetary Fund
IMTT	Intermediated Money Transfer Tax
IPRs	Intellectual Property Rights
ISOC	The Internet Society
ITC	International Trade Centre
ITU	International Telecommunication Union
IXP	Internet exchange point
KYC	Know-Your-Customer
LLDC	Landlocked developing country
LPI	Logistics Performance Index
MFIs	Micro-finance institutions
MHTEISTD	Ministry of Higher and Tertiary Education, Innovation, Science and Technology Development
MIC	Ministry of Industry and Commerce
MICTPCS	Ministry of Information Communication Technologies Postal and Courier Services
MLETR	UNCITRAL Model Law on Electronic Transferable Records
MLIT	UNCITRAL Model Law on the Use and Cross-border Recognition of Identity Management and Trust Services

MOFAIT	Ministry of Foreign Affairs & International Trade
MPSE	Ministry of Primary and Secondary Education
MSMEs	Micro, small, and medium enterprises
NCC	National Competitiveness Commission
NDS1	National Development Strategy 1 2021-2025
NTFC	National Trade Facilitation Committee
NVCCZ	National Venture Capital Company of Zimbabwe
OSBP	One-Stop Border Post
OECD	Organisation for Economic Co-operation and Development
OPC	Office of the President and Cabinet
POTRAZ	Postal and Telecommunications Regulatory Authority of Zimbabwe
QoS	Quality of service
RBZ	Reserve Bank of Zimbabwe
REC	Regional Economic Community
SADC	Southern African Development Community
SMEAZ	SME Association of Zimbabwe
SMEDCO	Small and Medium Enterprises Development Corporation
SMEs	Small and medium enterprises
STEM	Science, Technology, Engineering and Mathematics
TFA	Trade Facilitation Agreement
TVET	Technical Education and Vocational Training
UNECA	United Nations Economic Commission for Africa
UPU	Universal Postal Union
USF	Universal Service Fund
VAT	Value-added tax
WTO	World Trade Organization
ZCHPC	Zimbabwe Centre for High Performance Computing
ZeSW	Zimbabwe Electronic Single Window
ZIMDEF	Zimbabwe Manpower Development Fund
Zimpost	Zimbabwe Posts
ZIMRA	Zimbabwe Revenue Authority
ZimStat	Zimbabwe National Statistics Agency
ZNCC	Zimbabwe National Chamber of Commerce
ZUNSDCF	Zimbabwe United Nations Sustainable Development Cooperation Framework
ZWMB	Zimbabwe Women's Microfinance Bank

Note

Within the UNCTAD Division on Technology and Logistics, the E-Commerce and Digital Economy Branch carries out policy-oriented analytical work on the development implications of information and communication technologies (ICTs), e-commerce and the digital economy. It is responsible for the preparation of the Digital Economy Report (DER) as well as thematic studies on ICT for Development.

The Branch promotes international dialogue on issues related to ICTs for development and contributes to building developing countries' capacities to measure the digital economy and to design and implement relevant policies and legal frameworks. It also monitors the global status of e-commerce legislation (UNCTAD Cyberlaw Tracker). Since 2016, the Branch has coordinated a multi-stakeholder initiative entitled eTrade for all (etradeforall.org), which aims to improve the ability of developing countries, particularly least developed countries (LDCs), to use and benefit from e-commerce. The initiative is also behind the UNCTAD eTrade for Women (eT4W) programme, launched in 2019, which aims to promote a more inclusive digital economy, in particular, through its network of Advocates. These female digital entrepreneurs are active in all developing regions and contribute to capacity-building, mentoring and awareness-raising activities for more inclusive gender policies.

Reference to companies and their activities should not be construed as an endorsement by UNCTAD of those companies or their activities.

The following symbols may have been used in the tables:

Two dots (..) indicate that data are not available or are not separately reported. Rows in tables have been omitted in those cases where no data are available for any of the elements in the row;

A dash (—) indicates that the item is equal to zero or its value is negligible;

Reference to "dollars" (US$) means United States of America dollars unless otherwise indicated;

Use of an en dash (-) between dates representing years signifies the full period involved, including the beginning and end years; and

Details and percentages in tables do not necessarily add up to the totals because of rounding.

Executive Summary

Introduction

E-commerce in Zimbabwe is still in its nascent stage, predominantly limited to urban areas. However, Zimbabwe's eTrade Readiness Assessment (eT Ready) highlights a growing willingness among the Government, businesses and consumers to embrace e-commerce and leverage the digital economy for economic transformation and national development. This assessment sheds light on fundamental hurdles, stakeholders' aspirations and their ongoing efforts. Overcoming identified challenges is essential for maximizing the opportunities and productivity gains that could be derived from a thriving e-commerce ecosystem.

E-commerce readiness assessment and strategy formulation

Since 2019, macroeconomic turbulences in the form of high persistent inflation, exchange rate pressures and currency devaluation, external debt arrears, among others, have destabilized the economy growth trajectory and worsened the business environment. To restore growth and a new economic course, the Government of Zimbabwe has developed an ambitious development agenda, Vision 2030, and a National Development Strategy (2021-2025) focusing on the promotion of information and communications technologies (ICTs). The development of e-government has contributed to laying the foundations of Zimbabwe's digital transformation journey, through the interconnection of government departments and the creation of the ZimConnect e-services portal. The National ICT Policy 2022-2027, the Smart Zimbabwe 2030 Master Plan and the National Broadband Plan 2020-2030 launched in March 2024, provide policy guidance towards improving access to connectivity and fostering ICT adoption in various subsectors of the economy. Stakeholders consulted have underscored the need for a clear strategy to create a level playing field for the development of e-commerce. This is even more timely in the context of regional and continental integration, in view of the implementation of the African Continental Free Trade Area (AfCFTA) Digital Trade Protocol.

As e-commerce gains increasing prominence in national policy developments and international cooperation, the need for a structured governance and sound public-private dialogue is emerging in Zimbabwe. The Ministry of Industry and Commerce (MIC) is well placed to build on the steps undertaken during this assessment to involve stakeholders and formalize an interministerial National E-Commerce Committee. To enable dialogue with the private sector and a broader range of stakeholders, there is a need to build capacities on e-commerce policy advocacy skills and create a public-private engagement framework. At the same time, building capacities for measurement of e-commerce is also needed. This could emanate from efforts aimed at overseeing the e-commerce ecosystem development, e.g., via a market observatory.

The overall development of e-commerce in Zimbabwe largely proliferates in the informal economy which employs 87 per cent of the employed population in 2023. Efforts to promote e-commerce should go in hand in hand with making it more inclusive and promoting women's economic empowerment, as the overall participation of women in the economy remains significantly lower than men.

ICT infrastructure and services

According to ITU data, less than forty percent of the Zimbabwe's population uses the Internet, with a significant urban-rural divide. The ICT sector suffers from a series of challenges, including the cost of capital and inputs to support investments in this sector, vandalism, limited sharing of infrastructures and duplication in public civil works, power outages, taxation and administrative red tape. Despite these challenges, the fibre backbone infrastructure is growing and extends for more than 11,500 km and a Computer Incident Response Team (CIRT) is being established. Last mile connectivity is mainly driven by mobile networks, notably 3G, but mostly concentrated in more profitable areas. The Government has spearheaded initiatives aimed at improving access to the Internet, via the more than 200 Community Information Centers (CICs) spread across the country and via the Universal Service Fund (USF). However, the cost of Internet connectivity is among the most expensive in the world, with taxation significantly contributing to drive such cost upward. The 10 per cent combined excise duty and health levy on airtime particularly affects users, contributing to the high costs of Internet access. Insufficient remedial actions in response to weak enforcement of Quality-of-Service standards, unfinished reforms such as the one on mobile number portability also contribute to create a less favourable environment for ICT services' users. Increasing investment in cybersecurity, power generation capacity, and greater levels of competition would encourage more private sector investments and would further the emergence of a business process outsourcing industry, in line with other rising African peers.

Trade logistics and trade facilitation

The logistics sector in Zimbabwe is too weakly structured to sustain robust growth of e-commerce. It is fragmented into a small number of licensed operators serving a narrow base clientele, and a larger set of informal service providers. The licensing framework revised in 2023 will hopefully encourage more operators to register and formalize their business. The overall range of logistics services has for a long time suffered from under-investments due to a deterioration in financing conditions. In the absence of efficient multi-modal logistics services and facilities, and with the limited network of last-mile delivery solutions and pick-up centres, parcel delivery is segmented among various operators in the logistics chain. A unified street naming and addressing system was launched in 2020, but its acceptance and use by the population should be reinforced to enable seamless e-commerce door-step delivery. The national postal operator, Zimpost, has embarked on a gradual shift towards digitalization, piloting various digital solutions and e-commerce services, such as the Zimbabwemall marketplace. Zimbabwe's Logistics Performance Index score is comparable to that of upper-middle income countries, thanks to reforms undertaken in the area of trade facilitation, including the use of an automated customs management system, ASYCUDAWorld (AW) and UPU's Customs Declaration System (CDS), the Electronic Single Window and one-stop cross-border posts, and efforts to modernize the transport infrastructure, including in the aviation sector which is key for a landlocked developing country (LLDC). Yet, further simplifying trade procedures, fostering reforms for paperless trade in line with the WTO Trade Facilitation Agreement (TFA) and better coordination among agencies would be required to further promote trade. In addition, a revised *de minimis* regime would be particularly beneficial to fluidify cross-border e-commerce.

Payment solutions

The widespread adoption of mobile money has contributed to reducing the rural/urban/gender financial inclusion gaps. Currently, 70 per cent of adult Zimbabweans have access to a transaction platform or an account that allows them to transact digitally, either through a bank or mobile money account. The National Financial Inclusion Strategy 2022-2026 aims to address persisting challenges by improving financial literacy and equitable access to more innovative and fair financial services provided through formal/regulated entities. The Reserve Bank of Zimbabwe, the financial system and payments regulator, has strived to foster competition, including in the mobile money market. Since its introduction in 2011, mobile money has grown very fast in a highly concentrated market. This growth led to multiple regulatory interventions to enable interoperability, which became fully enforced in 2020 with the establishment of a national switch platform, ZimSwitch. Moreover, efforts are underway to promote cross-border retail payments' integration at the regional and continental levels. These efforts are gradually shaping an articulated landscape of payment services, including APIs, payment gateways, e-wallets and various online/mobile banking and card-based solutions, which could act as enablers of e-commerce and the digital economy. Challenges remain with managing the foreign exchange market, restrictions on international financial transactions and uncertainties on the new monetary course following the introduction of a new currency, the ZiG, in April 2024. Moreover, the taxation of money transfers, such as the 2 per cent Intermediated Money Transfer Tax (IMTT), on e-payments continues to pose obstacles to financial inclusion and broader digital payment adoption.

Efforts towards cashless transactions and the uptake of e-payment solutions, have not been paralleled by an equivalent adoption of e-commerce by businesses and consumers, as the share of population using a mobile phone or the Internet to buy something online stood at 2.5 per cent in 2021 (World Bank Findex). Respondents to UNCTAD's consumer survey have pointed to a lack of trust in merchants, in payment solutions offered, or the overall payment system as key barriers for adoption. As a result, cash-on-delivery still represents an important component of the e-commerce experience in Zimbabwe, and concerns over online fraud and the significant share of informal e-commerce continue to hinder progress towards a fully digital e-commerce ecosystem.

Legal and regulatory frameworks

Zimbabwe has not yet enacted dedicated legislation covering e-transactions and e-commerce. The Consumer Protection Act contains provisions related to e-commerce, such as transparency requirements, price information, redress mechanisms, cooling-off clauses, and regulation of unfair business practices. A Consumer Protection Commission has been established to promote consumers' interests and facilitate dispute resolution. Zimbabwe would benefit from developing a comprehensive legal framework providing certainty as regards domestic, as well as cross-border e-commerce transactions. Among some priority measures that Zimbabwe could consider, this assessment recommends spearheading the adoption of the long-awaited Electronic Transactions and Electronic Commerce Bill and adapting the legal framework based on UNCITRAL model laws and conventions. The Cyber and Data Protection Act covers simultaneously data protection and transfer, and cybercrime and cybersecurity, with an emphasis on security rather than on commerce-related aspects. Laws and regulations on intellectual property rights are in place, although the effect of their application in the digital space has not been assessed. Similarly, the legal frameworks for digital identity and electronic signatures have not gained sufficient traction, and the necessary public key infrastructure for trust services providers is still lacking. While public procurement is transitioning to digital platforms, it does not fully leverage the potential of national ICT service providers and innovators to source goods and services to national administrations. Also, a taxation framework for e-commerce does exist but is not effectively implemented.

There is ample space to build awareness of the existing provisions and educate the market on how to leverage the existing legal framework when conducting electronic transactions. Zimbabwe would also benefit from strengthening the capacities of enforcement agencies and creating a user-friendly system for resolving disputes, especially in the context of cross-border transactions.

E-commerce skills development

Zimbabwe has a solid human capital base but only a small fraction of the population and MSMEs master productive digital skills. Significant gaps in ICT skills among teachers, unconnected and scarcely ICT-equipped schools hinder further integration of ICT in education curricula and a comprehensive digital skills' competencies framework is lacking. In response, the Government has prioritized Education 5.0 and a new Technical Education and Vocational Training Policy to mitigate the skills' mismatch and align the education and training offer with future labour market demands. Stakeholders surveyed have indicated that, to a certain extent, the current offer of education and training programs supports businesses with some level of competencies on the functioning of e-commerce. However, more targeted efforts are needed to meet the needs of start-ups, MSMEs, and women-led businesses. This includes training in the latest technologies and innovative digital applications, as well as in such core areas as logistics and delivery, processes of cross-border e-commerce, and management of online shops. This also points to the need for strengthening the capacities of business support infrastructure, fostering partnerships and providing incentives (e.g., via a Start-Up Act) to deliver business development services more aligned to the needs of a flourishing digital ecosystem. As Zimbabwe prepares for the implementation of the AfCFTA Digital Trade Protocol, enhancing public sector capacities in the intersection of e-commerce and various public policy dimensions is equally crucial.

Access to financing

Despite a diversified formal financial sector that includes 19 banking institutions and over 240 microfinance establishments, private sector financing is a major bottleneck. The Reserve Bank of Zimbabwe (RBZ) reported that loans to women, MSMEs and youth only account for about 3 to 4 per cent of total banking sector loans. MSMEs face various challenges, ranging from a costly business environment, complex fiscal and bureaucratic procedures, limited business and financial management skills, and weak corporate governance. Digital businesses are even more at a disadvantage as they often lack collaterals and credit history. As a result, most Zimbabwean small-scale businesses are self-funded, with diaspora remittances also serving as a significant source of funding, accounting for 11 per cent of the country's Gross Domestic Product (GDP). Several initiatives have been undertaken with Government support, including reforms establishing a credit registry, collaterals registry and credit guarantee scheme, as well as targeted products and financial institutions benefiting MSMEs and women entrepreneurs. Venture capital and alternative forms of financing are still marginal, requiring a more attractive and solid policy and legal framework to alleviate the financing shortages of start-ups and digital businesses.

The review of the seven policy pillars underscores the dual nature of Zimbabwe's current digital ecosystem development fuelled by e-commerce. On the one hand, the Government and the private sector have genuine aspirations to embrace digitalization at all levels, motivated by the firm belief that e-commerce can enhance productivity and contribute to the national development agenda. Various laudable initiatives have contributed to translate ambitions into concrete outcomes.

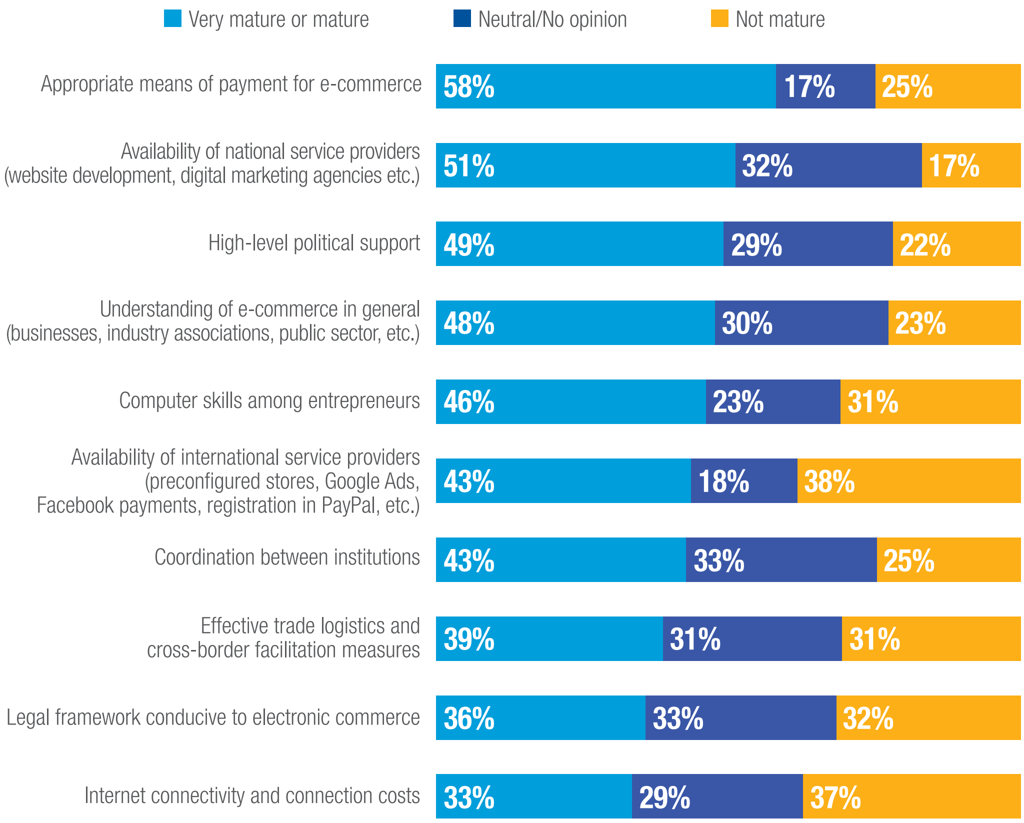
On the other hand, ongoing efforts are slowed down by a difficult macroeconomic and business environment, but also by a lack of a coherent vision and inclusive engagement framework. These are critical to guide the trajectory of public and private plans to overcome the prevailing fragmentation of the e-commerce ecosystem.

Feedback provided by survey respondents from the public and private sector (Figure 1) point at various levels of maturity across policy areas. The availability of means of payments and ICT service providers are considered among the most mature elements of Zimbabwe's e-commerce ecosystem, while affordable and widely available Internet connectivity is assessed as the least mature element.

Figure 1

Enabling factors for e-commerce development in Zimbabwe

Please evaluate the following factors related to e-commerce development based on their maturity (Public and private sector surveys, 78 responses)



Source: UNCTAD, 2024

Methodology

The eTrade Readiness Assessment of Zimbabwe was conducted to identify the main barriers and opportunities for e-commerce development in the seven policy areas of eTrade for all, by providing a detailed analysis of the digital ecosystem and identifying key policy actions for which support can be mobilized.

It used a five-phase methodology developed by UNCTAD for the project in order to (a) ensure a high level of participation and engagement of key stakeholders in the overall assessment process, (b) raise awareness of the opportunities offered by e-commerce (through capacity-building and knowledge sharing), (c) strengthen the public–private sector dialogue and enhance inter-ministerial coordination and policy coherence in the field of e-commerce, and (d) mobilize support from development partners to accelerate the country's digital transformation.

Phases from 1 to 3, involving initial consultations, institutional setting and mapping, as well as data collection, took place mainly in Q1 2024. Phase 4 involving report drafting and review took place in Q2 and Q3 2024 and validation in Q4 2024. The report was finalized by the end of 2024 and was published and launched in 2025 (Phase 5).

Phase 1. Initial consultations.

Initial consultations and outreach were conducted with representatives of the Government of Zimbabwe and of the Republic of Korea, the main funding partner of this assessment. On the margins of eWeek 2023 (Geneva, 4-8 December), meetings were organized to review the timeline and next phases of the project. Initial consultations and outreach were conducted with the UN Resident Coordinator Office (UNRCO) and resident development partners, and eTrade for all partners were informed of the project.

Phase 2. Institutional setting and mapping.

This phase included the establishment of an eT Ready core group steering the project, including teams from MIC, the Zimbabwe's Permanent Mission in Geneva and UNCTAD. This phase was also instrumental for piloting a multistakeholder inter-ministerial committee composed of designated focal points in relevant ministries and government, which was particularly helpful to build a common understanding of the objectives of the project, consolidate the stakeholders' mapping exercise, and mobilize a broader range of stakeholders. A mapping of resident development partners active in e-commerce and digital development in Zimbabwe was also initiated.

Phase 3. Data collection.

This phase included:

- Desk review. Comprehensive desk research was carried out to analyse secondary data (national and sector-specific strategies, and relevant programme and policy documents) and compile statistics and digital-related indicators.
- Online eT Ready Surveys. Three questionnaires (for the public sector, private sector and consumers) were adapted to the national context and disseminated online from 19 March to 17 June 2024. A total of 63 responses from the private sector, 45 from the public sector, and 77 responses from consumers were collected and analysed for the assessment.

- Considering the relatively small number of responses, readers should interpret with caution the surveys' results.
- National multi-stakeholder consultations. These were organized in Harare (19-20 March 2024) and Bulawayo (22 March 2024). The High-Level Opening for the Harare consultations was attended by Hon. Nqobizitha M. Ndlovu, Minister of Industry and Commerce, Hon. Tatenda Mavetera, Minister of Information Communication Technology, Postal and Courier Services, H.E. Mr. Jae Kyung Park, Ambassador of the Republic of Korea and the representative of the ITU Regional Office for Africa, Ms. Anne Rita Ssemboga, standing in for Mr. Edward Kallon, UN Resident Coordinator in Zimbabwe. Over 60 participants took part in the national multi-stakeholder consultations in Harare and over 70 participants joined the consultations in Bulawayo, of which approximately 43 per cent (in Harare) and 35 per cent (in Bulawayo) were women. These national multi-stakeholder consultations were an opportunity for representatives from both the public and private sectors (including academia, civil society and development partners in Zimbabwe) to review the main challenges and opportunities relating to e-commerce development in Zimbabwe, express their needs and share information on the state of relevant ongoing e-commerce-related priorities and actions. On the sidelines of the consultations, bilateral meetings with representatives of Zimbabwean companies were organized.

Phase 4. Report drafting and validation

The first draft of the report covering the seven key policy areas and the eT Ready Action Matrix went through an internal UNCTAD review process and peer review process by technical partners and eTrade for all partners. MIC coordinated the in-country review process by involving key national stakeholders. National eT Ready validation workshops were organized in Bulawayo and Harare, on 19 and 20 November 2024 respectively, to review and validate the results of the report and the eT Ready Action Matrix by national stakeholders.

Phase 5. Finalization and launch of the report

This final phase included:

- The final draft of the report,
- Editing, layout, and printing, and
- The national launch of the report, including a high-level policy dialogue around e-commerce and a donor roundtable to mobilize support for policy implementation.

In line with the eT Ready methodology, the seven eTrade for all policy areas were utilized as entry points.

The information provided in this report is based on qualitative and quantitative data collected from: (i) desk research, (ii) data collected from the 185 respondents from the three online surveys (public, private and consumer), (iii) the results of the national multi-stakeholder and bilateral consultations, and (iv) specific contributions made by eTrade for all and development partners. Additionally, wherever relevant, this assessment integrates cross-cutting themes such as gender mainstreaming, youth engagement, rural community support and persons with disabilities, and addresses the lack of reliable statistics related to e-commerce. These areas are considered crucial to ensuring that the digital economy fosters inclusive growth and sustainable development. While the primary focus of the report is on e-commerce, it also underscores the significance of digital trade (defined as all trade that is digitally ordered and/or delivered). The bottlenecks identified in e-commerce often overlap with those in broader digital trade, highlighting common challenges such as infrastructure gaps, regulatory barriers, and skills shortages that affect both sectors. The solutions proposed within this framework, therefore, are intended to facilitate not only e-commerce development but also digital trade more broadly.

Summary of Key Findings and Recommendations

Main Findings	Main Recommendations
E-commerce Readiness Assessment and Strategy Formulation	
• E-commerce activity is at an early stage of development, mostly an urban phenomenon and driven by the diaspora, mostly happening in the informal economy and "mobile commerce" space. • Digital economy features as a prominent national priority and an economic growth enabler in the National Development Strategy (2021-2025) and Vision 2030, as well as in various sectoral policies and strategies. However, the absence of a dedicated national e-commerce strategy and unified vision is hindering e-commerce. • Effective governance mechanisms and a public-private engagement framework are needed to steer and coordinate e-commerce development initiatives and policy dialogue. • Data-driven oversight of e-commerce market developments is lacking and there is no harmonized system to record e-commerce activities and collect statistics based on international standards. This is a major gap for designing e-commerce enabling public policies. • The "siloism" of government departments and systems is preventing seamless data exchange, integration and centralization of e-government services.	• Develop a national e-commerce strategy, with an implementation plan. • Formalize the interministerial E-Commerce Committee with a framework to engage the private sector in public-private dialogue. • Implement full interoperability and inter-connectivity of various government systems to enhance e-government services delivery. • Support the development of research hubs on the policy and regulatory aspects of e-commerce, linked to main business advocacy organizations. • Build capacities of agencies involved in the production of statistics to integrate measurement of e-commerce transactions. • Creation of a market observatory based on a public repository of e-commerce platforms and online shops, with a minimum of quality requirements for businesses to be listed.
ICT Infrastructure and Services	
• The ICT sector faces various challenges, such as telecom market concentration, high cost of capital and inputs to support investments, vandalism, limited sharing of infrastructures and duplication in public civil works, power outages, taxation and administrative red tape, as well as weak cybersecurity infrastructure. • Last-mile connectivity and limited coverage in urban areas, expensive and unaffordable Internet connectivity and devices are major challenges for businesses and households. The Internet penetration rate in Zimbabwe stands at 38.4 per cent of the population (latest ITU data, 2023). • Government initiatives, such as Community Information Centers, are bringing Internet connectivity and ICT basic facilities closer to the underserved population. The scrapping of mobile roaming charges at the regional level is also another important initiative. More efforts should be devoted to improving Quality of Service, consumer satisfaction and protection, as well as increasing power generation capacity. • Zimbabwe has a growing private ICT sector but lacks an attractive framework for a business process outsourcing industry to thrive.	• Review the ICT regulatory framework to foster infrastructure sharing and competition among telecom operators and ICT service providers. • Conduct an in-depth study to identify the ICT sector cost-drivers, with an action plan for policy interventions. • Incentivize the development and upgrade of data centres and IXPs, in collaboration with the private sector, and establish the National Computer Incident Response Team. • Enhance participation in USF-funded projects and encourage more public-private partnerships • Carry-out consumers' surveys and engage businesses and consumers advocacy organizations in the definition, monitoring and enforcement of QoS standards. • Develop a business process outsourcing strategy. • Accelerate electrification projects in rural areas, especially through incentives for independent power producers.
Trade Logistics and Trade Facilitation	
• The logistics sector in Zimbabwe is fragmented into a small number of licensed operators serving a narrow base clientele, and a larger set of informal service providers.	• Provide incentives (e.g., grants, tax breaks on investments, technical assistance) to all postal and logistics operators to adopt technological solutions and efficiency-enhancing measures.

Main Findings	Main Recommendations
• Zimpost, the national postal operator, has embraced various digital solutions and e-commerce services, e.g., the Zimbabwemall marketplace. However, Zimpost's integration into government's digital transformation processes and its capacity to support inclusion of MSMEs in e-commerce markets has room to grow. • The logistics chain is segmented due to a lack of efficient multi-modal logistics services and facilities. A deterioration in financing conditions has historically impacted the capacity to invest in building fleets and digital solutions for e-commerce, hence there is limited availability of track and trace systems, the possibility to return goods, premium express deliveries, and a network of pick-up points. • Doorstep delivery is not supported by an effective use of the new street naming and addressing system launched in 2020. • Transport infrastructure is being renovated and expanded on various routes and by carriers. The aviation sector, key for a LLDC like Zimbabwe, is pursuing several reforms, investments and internal cooperation initiatives. • Reforms in the area of trade facilitation, e.g., customs automation, the Electronic Single Window and one-stop cross-border posts, are underway. Zimpost is using the UPU Customs Declaration System but there is no interfacing between CDS and ASYCUDA World. • Trade procedures are still perceived as excessively cumbersome and call for better coordination among agencies. The current *de minimis* regime is not perceived as conducive to enabling cross-border e-commerce.	• Encourage Zimpost efforts towards digitalization and inclusion of MSMEs in e-commerce markets. • Encourage investments for shared fulfilment facilities and logistics hubs, multi-modal transport partnerships, modernization of fleets and expansion of the pick-up centres network. • Sensitize informal logistics operators on licensing requirements and related benefits of formalization. • Raise awareness of the population on the new street names and its importance for door-step delivery in e-commerce. • Enhance cross-border transport infrastructure and facilities (e.g., warehouses, fast-track procedures, IT equipment) at border posts to facilitate e-commerce express deliveries. • Implement aviation-related international commitments (such as the Chicago and Montreal Conventions) that can benefit trade and e-commerce. • Onboard agencies to strengthen their integration into the ZeSW as well as their capacities to foster paperless trade. • Develop a plan for business facilitation reforms to promote trade and cross-border e-commerce (including fast-tracking reforms in line with the WTO TFA and leveraging UNCTAD-UPU cooperation) and review the current *de minimis* threshold based on a cost-benefit analysis.
Payment Solutions	
• Financial inclusion has improved over the last few years, with 84 per cent of the population accessing some form of formal financial service, and 70 per cent accessing a digital transactional account. The increase in mobile money use has contributed to reducing the rural/urban/gender financial inclusion gaps. • Mobile money has grown fast but with a large concentration and remains dominant, but the e-payments landscape has also expanded thanks to Fintech, the emergence of e-wallets, payments gateways, online banking, and card-based solutions. • Regulatory interventions have led to enforcing interoperability, operationalization of the national switch, fostering competition, cybersecurity and RBZ's supervision. • Challenges remain in relation to restrictions on foreign exchange and international financial transactions, the introduction of new ZiG currency, cross-border retail payments, and taxation of money transfers. • Risks of online fraud, low trust, prevalence of informal e-commerce, Internet connectivity issues and cost of digital payment transactions hinder fully digital e-commerce growth and cash-on-delivery is popular.	• Implement the 2022-2026 National Financial Inclusion Strategy, promote financial literacy and the use of digital financial services among the financially excluded segments of society. • Improve financial management reforms to comply with international standards for secure and transparent international financial transactions. • Improve systems enabling regional and continental payments interoperability schemes and seamless retail payments integration. • Review the taxation provisions applied to money transfers (e.g., IMTT). • Take stock of the Fintech Sandbox experience with a view to creating a more attractive environment for Fintech promoters. • Assess technical and regulatory requirements of payment service providers to remove bottlenecks for the full and safe integration of various e-payment solutions, such as e-wallets, digital banking applications, mobile money and payment gateways, into e-commerce platforms.
Legal and Regulatory Framework	
• Zimbabwe has not yet enacted dedicated legislation covering e-transactions and e-commerce, and also lacks legal provisions addressing cross-border transactions, as per international legal instruments (e.g., UNCITRAL model laws and conventions).	• Spearhead the adoption of the long-awaited Electronic Transactions and Electronic Commerce Bill and assess incorporation of UNCITRAL conventions and model laws into domestic law.

Main Findings	Main Recommendations
• The Consumer Protection Act and the Cyber and Data Protection Act are the main pieces of cyber legislation. • The Consumer Protection Act contains provisions related to e-commerce, e.g., in terms of transparency requirements and price information, redressal mechanisms, cooling-off clauses, regulation of unfair business practices. The Consumer Protection Commission has been established to promote consumers' interests and facilitate dispute resolution. • Zimbabwe has developed legislation on intellectual property rights, but no assessment of its application in the digital space has been made. The legal framework and infrastructure covering digital identity and electronic signatures does not support the emergence of a market for trust services providers. A taxation framework for e-commerce exists but is not effectively implemented. • Awareness of the existing legal provisions and enforcement, systems for dispute resolutions, especially in cross-border e-commerce, are inadequate to build trust in e-commerce.	• Review the legal framework applicable to data protection and cybersecurity to make it more supportive of digital economy development. • Strengthen international cooperation with other police and judiciary institutions, when appropriate. • Develop a robust legal framework and institutional architecture for e-signatures and digital identity. • Undertake an assessment of the current legislation on IPRs, for IPR protection and extending limitations and exceptions, in the context of the digital economy. • Promote public procurement of 'Made-in-Zimbabwe' innovative ICT-based solutions. • Strengthen the current taxation framework applicable to e-commerce. • Organize training workshops for businesses, awareness, information and education campaigns for consumers on safe e-commerce transactions, develop online and alterative systems dispute resolutions.
E-commerce Skills Development	
• With a literacy rate at 93.7 per cent of the population, Zimbabwe's human capital is one of the country's main assets. However, only a small fraction of the population and MSMEs master productive digital skills. • The education and training sector faces several challenges, unconnected and scarcely ICT-equipped schools and ICT-unskilled teachers. • The Government is trying to reduce the skills' mismatch and anticipate future labour market needs, through modernization of higher education (Education 5.0) and a new Technical Education and Vocational Training Policy. • Current education and training programmes partially support e-commerce, but there are shortages of programmes covering latest technologies and innovative digital applications, as well as logistics and delivery, processes of cross-border e-commerce, and management of online shops. • Business support organizations are not well equipped to provide services aligned to the needs of a thriving digital ecosystem. Public sector capacities are also weak as government agencies have limited knowledge when dealing with the complexities of e-commerce.	• Strengthen the integration of ICT skills in the education sector, in line with the Education Sector Strategic Plan 2021-2025. • Encourage education aimed at reducing the anticipated labour market skills' mismatch, adopt a digital skills framework to guide digital skills development policy initiatives. • Develop training that focuses on e-commerce and digital economy specialized areas, fostering partnerships among national and international specialized institutions. • Prepare a comprehensive digital entrepreneurship support scheme, e.g., a Start-up Act, strengthen the capacities of business support organizations in providing more adequate facilities and services to the digital entrepreneurial ecosystem. • Organize training across government agencies and foreign services to better understand the market dynamics of domestic and cross-border e-commerce.
Access to Financing	
• Very limited access to financing is a major bottleneck for the private sector, loans to women, MSMEs and youth account for about 3 to 4 per cent of total banking sector loans. Most of Zimbabwean small-scale businesses are self-funded. Diaspora remittances are a key source of financing. • MSMEs are constrained by various challenges, ranging from a costly business environment, complex fiscal and bureaucratic procedures, limited business and financial management skills to weak corporate governance. Even worse, digital businesses lack collaterals and credit history. • Several initiatives have been undertaken with Government support, ranging from reforms establishing credit registry, a collaterals registry and credit guarantee scheme, as well as targeted products and financial institutions benefiting MSMEs and women entrepreneurs.	• Support the formalization of businesses, improve the macroeconomic and business environment. • Strengthen the business managerial capacities of digital entrepreneurs, in particular youth and women-led businesses, to develop sound business plans and applications for funding. • Develop tailored coaching to MSMEs on how to make better use of the available credit reference instruments. • Foster partnerships between banks/MFIs and business support institutions to develop alternative credit scoring schemes, train loan officers and credit-granting institutions to better assess loan applications of digital businesses.

Main Findings	Main Recommendations
• Venture capital and alternative forms of financing are still marginal, while targeted financing options for start-ups and digital businesses remain scarce.	• Establish a Digital Innovation Fund, combining grants and technical assistance.

Findings Under the Seven eTrade for All Policy Areas

1. E-commerce Readiness Assessment and Strategy Formulation

E-commerce in Zimbabwe is still at an early stage of development, with its main activities concentrated in major urban areas. Despite the acceleration in e-commerce uptake, triggered by the circumstances created by the COVID-19 pandemic, the deterioration of the country's macroeconomic conditions has heavily influenced the quality of the business environment. An e-government development programme has gained limited traction, constrained by challenges in harmonizing multiple government systems.

Although the Government has integrated the development of information and communications technologies (ICTs) and the digital economy in its national development agenda, a fully-fledged national e-commerce strategy is lacking. Initial steps towards policy coordination on e-commerce are ongoing but public-private dialogue remains focused on traditional sectors. The lack of a robust monitoring framework to assess market trends and measure the contribution of e-commerce to the national economy hinders evidence-based policy reforms. The development partners community can be further leveraged to build a supportive e-commerce policy environment.

1.1 Recent developments of the country's economy

Zimbabwe has experienced significant economic turbulence in recent years. After recording negative real gross domestic product (GDP) rates in 2019-2020, the country has regained growth, fuelled by a vigorous post-pandemic recovery. From a peak real GDP growth rate of 8.5 per cent in 2021, the economy has been moving at a more moderate pace, 6.5 per cent in 2022, and 5.3 per cent in 2023. Given the importance of the agricultural sector, variable weather patterns and natural disasters affect the country's economic performance and social outlook. Challenges with debt sustainability and monetary instability keep Zimbabwe's economic activity below its potential. Total public and publicly guaranteed debt stood at US$17.7 billion as of end September 2023, which constitutes 81.3 per cent of GDP. This is above the Southern African Development Community (SADC) macroeconomic convergence target of 60 per cent of GDP and 70 per cent set by the Public Debt Management Act (Chapter 22:21) of 2015. Moreover, the country has accumulated arrears on external debt since the year 2000. The Zimbabwean dollar suffered a severe depreciation, losing 521 per cent of its value against the US dollar over the year, contributing to hyperinflation that peaked at 285 per cent in mid-2022. While 3-digit inflation has receded to 52.5 per cent in May 2024, inflationary pressures remain significant although volatile exchange rates have been temporarily tamed through the introduction of the new currency, the Zimbabwe Gold in April 2024 (ZimStat, 2024). To avoid the risks of holding a devalued currency, this has driven a shift toward cashless transactions, mainly via mobile money as a more reliable medium of exchange. The widespread use of the US dollar also helps stabilize transactions, offsetting the negative impact of high volatility of the national currency. Against this background, the Government of Zimbabwe is committed to restore macroeconomic stability and has charted an ambitious development vision.

1.2 National policies related to digital transformation, ICT, e-commerce and related areas

Zimbabwe has developed a vision towards a prosperous upper middle-income nation by 2030 and laid the foundations for a vibrant and diversified economy. Vision 2030 emphasizes the creation of an open, efficient and effective business environment that fosters entrepreneurship, attracts higher flows of foreign direct investment (FDI), and ensures sustained value addition and export-led growth. It recognizes the importance of a knowledge-based economy driven by development in ICT. ICT development is at the heart of the Vision 2030 infrastructure pillar as a key enabler for growth. The focus is on increasing investments, such as expanding the fibre optic backbone and last mile connectivity, to achieve universal access by 2030. Improving the efficiency of public services by e-government systems integration and digital banking are also considered important levers. Vision 2030 also advocates for the development of a local industry to manufacture and assemble ICT products and software. Although e-commerce is not specifically mentioned, these initiatives pave the way towards a healthy digital economy, as explicitly recognized in the National Development Strategy 1, covering the period 2021-2025 (NDS1).

NDS1 was developed in 2020 at a time when the COVID-19 pandemic outbreak accelerated the uptake of digital solutions. Worldwide, this has been an eye-opener for policy makers to foster digital transformation and Zimbabwe was no exception. As a result, digital economy features as a prominent national priority and an economic growth enabler. The NDS1 builds on Vision 2030 and recognizes the need to give more impetus to the implementation of the National ICT Policy 2016-2020. It outlines in more concrete terms some lines of actions, focusing on access and usage of ICTs, investment promotion in the ICT sector, consumer satisfaction and protection of ICT users, increasing ICT literacy. NDS1 highlights for example include:

- Implementing a National ICT Device Factory,
- Building a national e-government architecture (data centre, interoperability framework and inter-connection of government systems, and a cyber-security strategy),
- Infrastructure-sharing among telecommunication companies,
- Providing incentives and implementing investor-friendly policies in the ICT sector, and
- Mainstreaming ICTs into the national curriculum and rolling out capacity development programmes.

To operationalize and expand the orientations contained in NDS1, the President of Zimbabwe launched the revised National ICT Policy 2022-2027, the Smart Zimbabwe 2030 Master Plan and the National Broadband Plan 2020-2030 in March 2024. The new policy landscape recognizes the dire need for scaling up efforts to improve access to connectivity and foster ICT adoption in various subsectors of the economy, by enabling smart solutions in various domains such as education, health, agriculture, mining, tourism, as well as e-commerce. This should result in more impetus to existing sectoral strategies to better leverage the potential of digital transformation towards trade-led growth.

Zimbabwe is actively involved in regional and international integration initiatives relevant to e-commerce.

The National Agricultural Policy Framework 2019-2030 indicates that there is great scope for modernization and digitalization of extension services and supports the move towards digital platforms for delivering subsidized inputs. It also stresses the need for digitizing the entire agriculture value chain, including to improve service delivery, which can pave the way to a better integration of e-commerce into agribusiness. The Zimbabwe National Industrial Development Policy (2019-2023) provides a blueprint for industrialization which derives from Vision 2030, and recognizes that service industries, tourism and the digital economy are going to acquire increasing importance in the future under the 4th Industrial Revolution. It also underscores the importance of preparing and positioning industry for global changes by adopting a deliberate shift towards a digital economy led by ICTs and the incorporation of robotics in local industries.

The Zimbabwe National Trade Policy 2019-2023 highlighted the need for a national e-commerce strategy to strengthen coordination among the different policy areas involved in e-commerce, streamline implementation among agencies, and set clear objectives. Stakeholders consulted during this assessment emphasized the lack of a comprehensive e-commerce framework, which is preventing the development of a level-playing field in the digital economy. The Zimbabwe National Export Strategy 2019-2023 also supports e-commerce, aiming to help exporters embrace it for marketing and international sales, especially to developed markets. Additionally, Zimbabwe plans to engage in multilateral and bilateral e-commerce initiatives to learn from successful countries.

A national e-commerce strategy is needed to foster a level playing field and set clear trade objectives for e-commerce.

Zimbabwe's participation in regional and international integration initiatives relevant to e-commerce

At the multilateral level, Zimbabwe stands with the African Group in calling for a revitalized World Trade Organization (WTO) Work Programme on Electronic Commerce, emphasizing a development-focused and inclusive approach that addresses the complexities of e-commerce and considers the interests of developing countries.[1]

At the regional level, Zimbabwe is one of the founding members of the Common Market for Eastern and Southern Africa (COMESA) Free Trade Area. In its Medium-Term Strategic Plan 2021-2025, digital transformation has a central role. The programme on Enhancement of Governance and Enabling Environment in the ICT sector - EGEE-ICT - in the East and Southern Africa and Indian Ocean of which COMESA is the lead Regional Economic Community (REC), is expected to be the major vehicle on which the gaps in the regional harmonization and creation of an enabling environment will be achieved. Zimbabwe is also an active member of the SADC, the first African REC that developed a regional e-commerce strategy, and a set of model laws to harmonize the regional legal framework. Zimbabwe is implementing various initiatives in line with the SADC Regional Indicative Strategic Development Plan 2020–2030, such as creating e-certificates of origin and one-stop-border posts, establishing a Computer Emergency Response Team, migrating from analogue to digital terrestrial television, and implementing the SADC Roaming Project. Zimbabwe ratified the African Continental Free Trade Area (AfCFTA) in 2019. Following extensive negotiations and industry consultations, the 37th African Union Heads of State Summit, held on

[1] Communication to the General Council, 13 July 2023 (WT/COMTD/W/283#WT/GC/W/875/Rev.1)

17-18 February 2024, adopted the AfCFTA Protocol on Digital Trade (Box 1). The implementation of the Protocol will provide a meaningful roadmap for the development of e-commerce in Zimbabwe, addressing crucial policy and legal aspects, with a focus on cross-border e-commerce.

Box 1
AfCFTA Protocol on Digital Trade in a nutshell

This legal instrument aims to accelerate technology-driven innovation and commerce in Africa by promoting intra-African digital trade, enhancing cooperation on digital matters among State Parties, and creating a transparent, secure, and trusted digital trade ecosystem. The Protocol creates a standardized framework aimed at reducing trade barriers and fostering an interconnected continental marketplace. It covers all digital trade measures implemented or maintained by State Parties, defining digital trade as digitally-enabled transactions of goods and services. The Protocol addresses areas such as data governance, protection, cross-border flows, online consumer protection, cybersecurity, and emerging technologies, including artificial intelligence. This is relevant for companies operating across various African jurisdictions, addressing challenges related to regulatory and commercial interoperability, compliance costs, and limited market access.

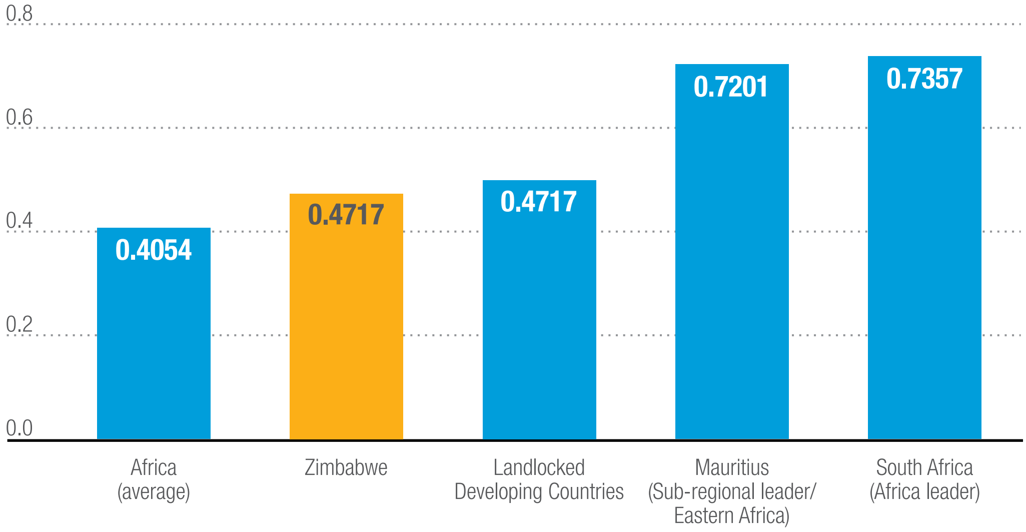
The Protocol ensures market access for digital products and guarantees equal treatment for domestic and foreign digital services. It emphasizes the inclusion of underrepresented groups and micro, small, and medium enterprises (MSMEs) in the digital economy, acknowledging their role in innovation and growth. By focusing on data governance and consumer trust, the Protocol aims to create a transparent and secure digital trade ecosystem, addressing concerns of businesses and consumers. Additionally, it underscores the need for regulatory frameworks that promote digital literacy, innovation, and access to financial technologies, which are essential for leveraging the digital economy for industrialization. The Protocol states that State Parties shall not impose customs duties on digital products transmitted electronically while respecting provisions on Rules of Origin (to be determined and adopted in a separate annex). It introduces measures to facilitate trade such as paperless trading, electronic contracts, invoicing, digital identities, and payments. It also acknowledges the need for cross-border data transfers by electronic means, subject to exceptions based on legitimate public policy objectives and security concerns, with further details to be provided in an annex which is still under negotiation.

Source: UNCTAD, 2024

1.3 E-government

Zimbabwe ranks 138 out of 193 countries surveyed in the latest E-Government Development Index (EGDI) 2022 (Figure 2). This figure is above Africa's average and with a value close to the one of landlocked developing countries, but far below regional leaders, such as Mauritius and South Africa in the upper middle-income group.

Figure 2
The EGDI value and its subcomponents in Zimbabwe and selected comparators



Source: UNCTAD, based on EGDI (2022)

The EGDI combines three dimensions, namely ICT development, online services delivery and human capital. Zimbabwe has a relatively well-developed human capital which is reflected in a high value in the Human Capital Index (0.6463). However, this only partially compensates for the less positive placements in the Telecommunication Infrastructure Index value (0.3843) and Online Service Index value (0.3845). The challenges in the telecommunications sectors are also reflected in the ICT Development Index score of 2023, developed by the International Telecommunication Union (ITU), combining indicators looking at various aspects of universal and meaningful connectivity. The score for Zimbabwe of 42.7 is below that for Africa and other Landlocked Developing Countries (LLDCs), which stand at 47 and 58, respectively.

ICT-related policies have furthered the development of e-government in Zimbabwe. From the inception of the Zimbabwe E-Government Framework and Implementation Strategy in 2010, e-government initiatives have been led by the E-Government Unit in the Office of the President and Cabinet (OPC), in close cooperation with the Ministry of Information Communication Technologies Postal and Courier Services (MICTPCS). The latter has made considerable efforts in equipping and connecting to the Internet ministries and departments up to the district level.

However, the integration of government platforms and systems remains a challenge. Most of the platforms were created separately and each entity's back-office systems mostly work in isolation. The World Bank Digital Economy Diagnostic Report of 2021 (World Bank 2021) has analysed the state of digital government platforms. It highlighted the "siloism" set-up under which various government departments are operating, which is not conducive to data sharing and collaboration. Efforts to centralize and harmonize government portals have been made through the creation of a unified government portal (zim.gov.zw). The connection of ministries' platforms is led by the Government Internet Service Provider (GISP) established by the OPC, but oversight functions and upgrading are constrained by insufficient financial resources. As a result, maintenance is intermittent and compliance with standards and guidelines for content management are difficult to monitor. To ensure continuity of services, government officials mostly use personal email addresses and institutional social media accounts tend to provide more updated information than official websites. NDS1 has prioritized the development of national e-government architecture, including an interoperability and inter-connectivity framework for various government systems.

ZimConnect is the one-stop shop for e-services delivery. Registered users have access to several e-services, ranging from a number of licenses and permits for investor applications, land and mining, deeds search, companies name search and registration, among others. Applications for eVisas, driver's license, passports and payments of taxes are also possible via related websites of the responsible ministry or agency. Other government agencies have also embraced digitalization. For example, the Judicial Service Commission has recently introduced the Integrated Electronic Case Management System (IECMS), in line with the concept of e-court, which involves filing of cases electronically, automatic case allocation to judicial officers, electronic case tracking and management from filing to finalization and virtual hearings. Further efforts are needed to revamp the ZimConnect portal, expand outreach, better centralize e-services and reinforce interconnection among various government departments to streamline access to a larger set of e-services. However, these efforts may be limited by ongoing connectivity issues, which hinder the growth of e-government and e-commerce in Zimbabwe, as reflected in UNCTAD survey results (Figure 1).

1.4 Policy coordination and public private dialogue

Mainstreaming e-commerce into national development agendas is a relatively new public policy objective in developing countries, but it is becoming increasingly prominent in policy making. About half of the respondents to the UNCTAD survey have recognized the maturity of high-level political support for the development of e-commerce and policy coordination among institutions (Figure 1). E-commerce development in Zimbabwe is still in its early stages, lacking a national strategy and cohesive institutional coordination. While there has been a focus on ICT infrastructure development, and more recently on the digital economy, mainly led by the MICTPS and Postal and Telecommunications Regulatory Authority of Zimbabwe (POTRAZ), there is no shared understanding of e-commerce based on international standards and definitions (Box 2) as per the results of the multi-stakeholder consultations undertaken during this assessment. Many perceive e-commerce through social media and subjective views, which risks undermining national policy discussions. To improve, Zimbabwe should prioritize raising awareness across government departments and establishing a unified national vision for an inclusive e-commerce ecosystem.

Better connectivity and integration of government platforms and systems are essential to improve the delivery of e-services.

Box 2
Defining e-commerce in an international context

There is no single universal definition of e-commerce. As a result, various formulations have been developed and used by governments, businesses and civil society. The blurred lines of the digital economy do not help to develop a single and comprehensive definition that can be universally and unambiguously used. One of the first definitions most relevant in the international context was the one developed by the WTO for the Work Program on Electronic Commerce in 1998, which refers to "the production, distribution, marketing, sale or delivery of goods and services by electronic means". A narrower definition was later developed for measurement purposes by the Organisation for Economic Co-operation and Development (OECD) and used since 2009 defining e-commerce as "the sale or purchase of goods or services, conducted over computer networks by methods specifically designed for the purpose of receiving or placing of orders.[2] The goods or services are ordered by those methods, but the payment and the ultimate delivery of the goods or services do not have to be conducted online." While e-commerce ordering is often accompanied by online payment, this is not a defining feature of it; orders placed online but paid for on delivery, on collection, or at any other time, by card, cash, or any other means all count as e-commerce transactions.

Any good or service can be ordered via e-commerce, and so e-commerce is not a "sector" in its own right, but cuts across all industries and products. Additionally, an e-commerce transaction can be between enterprises, households, individuals, governments, and other public or private organizations. The Handbook on Measuring Digital Trade (IMF, OECD, UNCTAD, WTO, 2023) defines digital trade as "all international trade that is digitally ordered and/or digitally delivered." It thereby combines two defining characteristics: digital ordering and digital delivery, recognizing the multidimensional nature of digital trade and the potential overlap between digitally ordered and digitally delivered transactions. Digitally ordered trade refers to "the international sale or purchase of a good or service, conducted over computer networks using methods specifically designed for the purpose of placing or receiving orders," thereby closely aligning with the OECD's e-commerce definition – but with a focus only on international transactions. Digitally-delivered trade, which covers services exclusively, encompasses "all international trade transactions delivered remotely over computer networks." The two criteria of digital ordering and digital delivery inherently fit within the WTO's definition.

A variety of business models have evolved that do not necessarily fit within these definitions. For example, commercial transactions that occur over or are facilitated by classified ads platforms or online messaging apps, without any features specifically designed for the purpose of placing or receiving orders (e.g. a shopping cart or "buy it now" incorporated option). These are often a central component of the digital ecosystem in developing countries and have been labelled as mobile commerce or social commerce. While such transactions may not strictly fall within the formal definitions described above, they can be considered as enablers for digital transformation and an entry point towards developing formal e-commerce and digital trade.

Source: UNCTAD, 2024

By leading this assessment, the Ministry of Industry and Commerce (MIC) has taken a bold step towards laying the foundations for the development of an e-commerce policy development agenda. The Commerce and Consumer Affairs Department has taken the operational responsibility of stakeholder mobilization. To do so, it has first convened a core working group of ministries and public sector agencies to facilitate communication and outreach. Going forward, this might evolve into an inter-ministerial committee,

[2] As well as sales over the Internet, this includes orders placed over private networks, such as those used to manage supply chains in certain industries. It excludes orders placed by phone, fax, or manually typed emails because although these may be made over the Internet, they are not via methods specifically designed for the placing and receiving of orders.

which could be instrumental in implementing the recommendations of the assessment. To properly establish itself as a lead ministry in the e-commerce domain and be able to steer the work of the said committee, it would be useful to repurpose existing structures or establish a dedicated unit within MIC. This should be staffed and empowered to oversee developments in the e-commerce ecosystem and effectively interface with various stakeholders. Also, it will be crucial to ensure high-level leadership and coherence with other close structures. For example, the National ICT Policy 2022-2027 foresees the establishment of a National ICT Policy Advisory Council. Similarly, an Interagency Fintech Working Group was established, led by the Reserve Bank of Zimbabwe (RBZ).

Public-private dialogue on business reforms is not unchartered territory in Zimbabwe, but it is a relatively new concept in the area of e-commerce. Zimbabwe can count on a relatively well-structured private representation from a number of leading membership-based organizations (Table 1). In addition, there are various organizations of different sizes and with a more sectoral and geographical focus. There are also organizations that advocate for inclusivity, and in particular the economic empowerment of women, youth entrepreneurship and inclusion of people with disabilities.

Table 1
Main national business organizations in Zimbabwe

Organization	Main activities
Confederation of Zimbabwe Industries (CZI)	CZI is the largest organization with members from the manufacturing as well as trade, transport, ICT, education and professional services, making up 36 sub-sectors of the Zimbabwean economy. It boasts a wide range of industry-related research, business intelligence and networking programmes that enable CZI to be a key player in policy dialogue.
Zimbabwe National Chamber of Commerce (ZNCC)	With offices in Harare and Bulawayo, as well as Gweru, Livingstone (Victoria Falls), Masvingo and Mutare, ZNCC provides business development services to its members and through advocacy activities it provides a channel of communication between businesses and the various authorities in Zimbabwe. ZNCC has also partnered with the United Nations Economic Commission for Africa (UNECA) to enhance business knowledge of the trade opportunities offered by the AfCFTA.
SME Association of Zimbabwe (SMEAZ)	SMEAZ's mandate is to help start-ups and SMEs to grow in scale. It provides marketing and business development services, including an online business directory and a marketplace. SMEAZ also offers an "Escrow Service", which is described as a facility to protect buyers, as well as ensure payment to sellers, through the provision of an intermediary - known as the Escrow Agent - who ensures that goods or services are delivered as specified by the seller, prior to the buyer's money being released to the seller.

Source: UNCTAD, 2024

Despite an articulated network of business support organizations, their involvement in digital-related issues remains, at varying degrees, relatively marginal. The capacity to develop policy-relevant inputs and positions in the digital economy is rather weak. With the exception of the Information and Communication Technology Association of Zimbabwe (ICTAZ), the focus of existing business membership organizations is more on traditional sectors of Zimbabwe's economy. ICTAZ is involved in various activities, with specific focus on fostering digital literacy. However, its capacity to carry out policy-oriented research and engage in advocacy in the area of e-commerce is limited.

Stakeholders consulted during this assessment have pointed out the importance of having a better structured and more inclusive representation of the interests of businesses engaging in various e-commerce activities. The creation of a public-private sector engagement framework on e-commerce with government support, would encourage business organizations to re-focus their activities. For example, this would include by joining forces towards building poles of expertise (e.g., a policy research unit) around the regulatory aspects of the digital economy and other policy implications in a fast-evolving environment driven by technological innovation.

1.5 Production of and access to relevant statistics

Information and data on the dimension and characteristics of Zimbabwe's e-commerce activities are scarce. As mentioned above, the challenges in identifying and defining e-commerce make it difficult for organizations that produce data to consistently track and monitor e-commerce activities. The Zimbabwe National Statistics Agency (ZimStat) and POTRAZ are leading some notable efforts. In 2020, they carried out the ICT Access by Households & Use by Individuals Survey, based on ITU methodology. The survey, the third of this kind (carried out in 2010 and 2014), while not covering e-commerce per-se, provided useful information on the habits of Internet users purchasing goods and services online. In early 2024, the two institutions went further and launched the ICT Access and Use by Businesses Survey. It covers areas such as Internet utilization, e-commerce activities, and expenditure on ICT equipment and services. These kinds of surveys will help provide more granular information from a business perspective.

Going forward, these efforts should be pursued and data collection should rely on internationally agreed methods. For example, the Handbook on Measuring Digital Trade (IMF, OECD, UNCTAD, WTO, 2023) focuses on measuring trade in goods and services that are digitally ordered/digitally delivered in a way that is internationally comparable, and considers the role of digital intermediation platforms. The limited availability of timely, robust, and comparable statistics makes it difficult for policymakers to establish benchmarks and monitor progress in their transformation to a digital economy and engagement in digital trade, to guide digital economy policy that works for development. In order to build its capacity to produce national official statistics on e-commerce and the digital economy, Zimbabwe has an interest in deepening engagement in the context of the Working Group on Measuring E-commerce and the Digital Economy. In the third meeting of the Working Group in November 2022, Zimbabwe highlighted that the COVID-19 crisis increased the share of e-commerce in total retail trade, although this was not recorded in official statistics. Budgetary challenges have hampered efforts to produce them. However, a concerted effort to be led by ZimStat is needed to integrate the new functions, tools and skills required to produce statistics in this area, which can be supported by development partners.

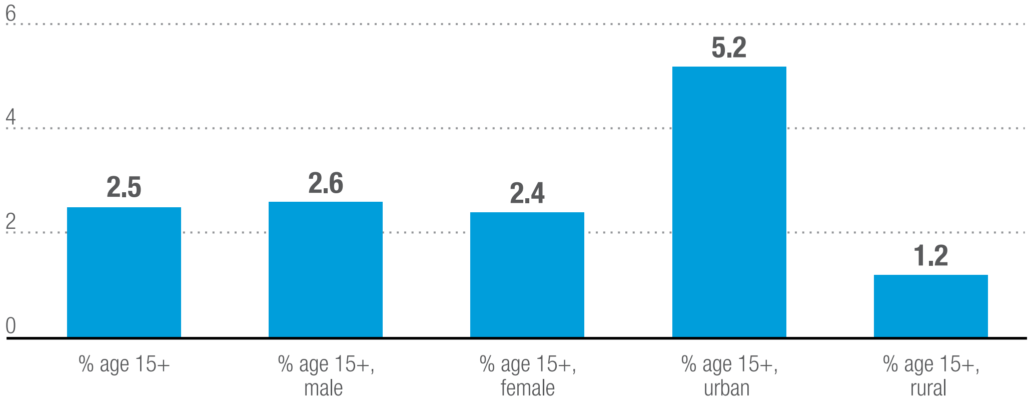
1.6 E-commerce activity and opportunities

E-commerce activity in Zimbabwe is at an early stage of development, mainly concentrated in major urban areas and the informal economy. The 2020 ICT Access by Households & Use by Individuals Survey highlighted for example that during the surveyed period:

- 3.8 per cent of the sampled population used the Internet to buy or order goods or services;
- 42 per cent of those buying online paid cash on delivery;
- 41 per cent of those buying online collected their deliveries from a pick-up or service point; and
- No interest, preference to shop in persons, lack of skills, knowledge or confidence were cited as the main barriers from those that used the Internet but did not shop online.

Overall, e-commerce concerns only 2.5 per cent of the population (Findex 2021). The limited e-commerce penetration in rural regions can be attributed to factors such as lower labour force participation,[3] inadequate infrastructure, and restricted internet access, which collectively hinder the growth of e-commerce outside urban centres, mainly Harare and Bulawayo. The share of people shopping online is more than four times higher in urban areas than in rural areas. Conversely, the gender disparity in e-commerce participation is relatively minor (Figure 3). Zimbabwe has made good progress in promoting women's economic empowerment, but the overall participation of women in the economy remains significantly lower than men. The employment to population ratio, that is the proportion of working age population in employment, stands at 46.9 per cent for males and 28 per cent for females.

Figure 3
Share of the population that used a mobile phone or the Internet to buy something online (in percentage)



Source: UNCTAD, based on Findex (2021)

Furthermore, e-commerce is largely informal and reflects the structure of the Zimbabwean economy, characterized by a significant share of informality. According to several sources, the informal sector in Zimbabwe is one of the largest in the world, accounting for approximately two thirds of the Zimbabwean economy (ZNCC, 2023). Informally employed persons were 86.8 percent of all employed persons in 2023, as per ZimStat figures.

Over the last few years, entrepreneurial initiatives have led to the creation of online stores and marketplaces. An International Trade Centre study (ITC, 2023) has found that 85 per cent of the businesses surveyed have no online presence through a dedicated website, only 12 per cent of small and medium enterprises (SMEs) have one compared to 91 per cent of large firms. Financial constraints discourage businesses from building a sustainable presence in the digital space. E-commerce activities have evolved without an adequate legal framework and many operators have ventured into social media marketing. No central repository exists to keep track of players active in the market. Zimbabwe might consider establishing an observatory to monitor market trends and keep track of the activities of market operators. Over time, this observatory might provide the foundations to establish a trust labelling system that can be used to ensure adherence to minimum quality and consumer protection standards by e-commerce businesses.

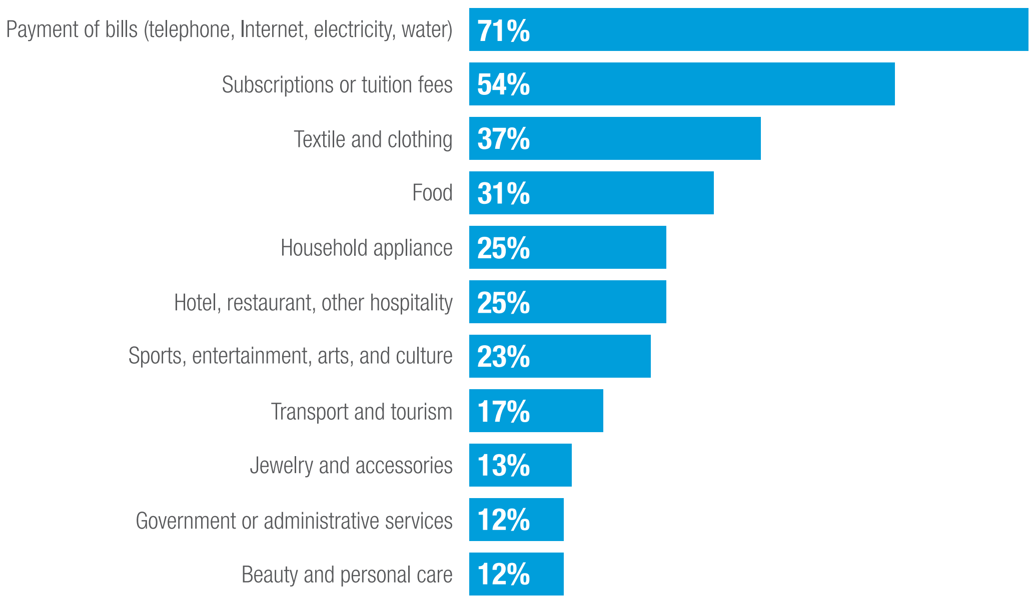
Only 12% of SMEs have a website compared to 91% of large firms.

[3] Labor force participation rate for persons in urban areas was at 62.7 per cent, while for persons in rural areas it was 36.4 per cent in 2023, according to a ZimStat labour force survey (Q4 2023).

Some useful information on e-commerce in Zimbabwe can be found via online aggregators, such as 'ShopRank', and specialized news outlets, such as TechZim, which includes a section on e-commerce market updates. Additionally, e-payments platforms, such as Paynow, report that only a limited number of companies are engaged in e-commerce, with many of the most notable ones connected to foreign operators. Paynow also reports that a significant portion of transactions is conducted by individuals outside Zimbabwe, highlighting the important role of the diaspora in contributing to the growth of e-commerce in Zimbabwe.

According to UNCTAD's consumer survey (Figure 4), payment of bills (telephone, Internet, electricity, water), along with subscriptions and tuition fees, are the most common online transactions. Textile and clothing, food, and household appliances are the most popular products sold online. Hotel, restaurant, and other hospitality services, transport and tourism, sports, entertainment, arts, and culture contribute to diversify the e-commerce consumption basket. Jewellery and accessories, beauty and personal care, furniture and home decoration, handicrafts are relatively niche markets. Government or administrative services, as well as medical services remain rather marginal, indicating significant potential for growth in these areas.

Figure 4
Products and services most purchased by consumers via e-commerce
What types of products and services do you buy online?
(Consumers survey, 52 responses)



Source: UNCTAD, 2024

Several well-known online shops in Zimbabwe gained popularity during COVID-19, particularly those focused on food delivery. Examples include 'Fresh in a box' which specializes in fresh produce delivery and 'ShopExpresszw' which offers a wider range of fresh products and staples. 'Mukuru Groceries', originally a popular remittance provider, has evolved into a service for South African-based customers, primarily from the Zimbabwean diaspora, for sending groceries to their families back home. Similarly, the 'Malaicha' platform, although it is not based in Zimbabwe, allows customers to select shops in Zimbabwe for buying goods and sending deliveries. In 2023, new start-up businesses entered this lucrative market, such as 'Kambudzi'. 'OK Zimbabwe', a leading supermarket retailer, provides a diverse range of products, including groceries, houseware products, and basic clothing and textiles. 'Everything Zimbabwean' 'Union Hardware', 'Zimall', 'Zim Megastore', 'Daily Sale Shop', are all mall-type marketplaces with a focus on groceries, as well as ICT goods and houseware, sport and leisure equipment. Stakeholders consulted have emphasized that users of e-commerce services are often confronted with some issues in business-to-consumer (B2C) transactions. For example:

i. when businesses selling online have also a physical store, they do not often provide incentives to use the online channel. As a result, the online channel remains more a visibility feature than a convenient transactional option;
ii. some sellers accept orders without having items in stock, leading them to search for suppliers. This can result in delays and unpredictable outcomes in the transaction follow-up; and
iii. when merchants sell goods, they do not necessarily take responsibility for the whole transaction, shifting the liability to the logistics service provider or other party in the value chain. As a result, if issues occur during the delivery of the parcel, merchants might refuse to address consumer complaints.

In addition to the private sector, there are also Government-backed initiatives supporting B2C e-commerce. Leveraging the vast reach of the postal network, Zimpost has established a national e-commerce marketplace, 'Zimbabwemall' (see Box 4), integrating payments and delivery logistics by individuals, and businesses, linking local, regional and international markets. ZimTrade, the trade promotion agency of Zimbabwe, has also established a B2B platform, 'Shop@Zim', to promote e-commerce exports and has partnered with the Tanners Footwear and Leather Manufacturers Association of Zimbabwe to explore venues for promoting trade of Made in Zimbabwe leather products via e-commerce. The latter has also established a partnership with 'AfriVend', a Zimbabwean e-commerce marketplace specialized in diaspora and international e-commerce sales. In the area of services, some companies offer online graphics and web design services that can be bought online (e.g. 'Syrup Web Services'). There are also some opportunities for paying utility bills and local taxes, as well as for telecommunication services (e.g. data bundles or subscriptions) and travel packages, among others. Classified ads websites such as 'ZimCart' also provide a meeting platform to facilitate offline transactions. As transactional platforms are increasingly used, online classified ads appear to be losing popularity but still have the lion's share, as 68 per cent of online marketplaces in Africa surveyed by ITC are classified ads (ITC 2020).

An e-commerce policy, with an institutional and business support framework is gradually emerging in Zimbabwe but requires strategic vision to streamline and better articulate ongoing and future stakeholders' initiatives. In this regard, development partners could play a more important role. Development assistance has stagnated in recent years, primarily due to the country's deteriorating macroeconomic conditions, resulting in limited focus on enhancing e-commerce and digital economy capabilities. The 2022-2026 Zimbabwe United Nations Sustainable Development Cooperation Framework (ZUNSDCF) is aligned to NDS1. The development of a digital economy features prominently under the "prosperity" pillar, where the UN system recognizes its potential, including e-commerce, to contribute to sustainable economic growth with decent employment opportunities. The implementation of the ZUNSDCF under the leadership of the UN Resident Coordinator Office, is a good starting point to call for greater coordination support and harmonize initiatives of development partners aimed at enhancing the readiness of Zimbabwe to engage in, and benefit from, e-commerce.

2. ICT Infrastructure and Services

Improving access to Internet connectivity, in terms of affordability, coverage and quality is a key priority for enhancing the country's readiness to engage in, and benefit from, e-commerce. Despite reforms to boost the ICT sector competitiveness, the market remains highly concentrated and requires updated regulation, greater competition, and public-private cooperation to reduce the wide urban-rural digital divide and provide more affordable Internet access. Macroeconomic conditions have hampered investments in ICT infrastructure, including more efficient data centres and IXPs, as well as a better structured cybersecurity response capacity.

The level of under-investments has been exacerbated by issues such as vandalism, limited sharing of infrastructures and duplication of public works, power outages, fiscal measures and administrative red tape. While gradually reducing, the country also suffers from a gap in electricity generation capacity. As a result, Zimbabwe is one of the most expensive markets in the world for broadband connectivity and lacks a competitive cluster of specialized ICT service providers.

2.1 Overview of the ICT sector

The structure of the ICT sector in Zimbabwe today originates from the Post and Telecommunications Act, (Chapter 12:05), in force since 2000 and its subsequent modifications. MICTPCS spearheads the development of appropriate policy and regulatory frameworks, as well as infrastructure and capacity development that facilitate the promotion of ICT, telecommunications, postal and courier services. POTRAZ is Zimbabwe's regulatory authority for the postal and telecommunications sector. Among its main attributions, POTRAZ manages licensing and regulatory functions, sets standards and codes, promotes the interests of consumers and other users in respect of the quality and variety of postal and telecommunication services provided. It also has the responsibility to maintain and promote effective competition and to monitor prices to eliminate unfair business practices among licensed service providers. It also encourages the expansion of postal and telecommunication services and technology upgrades.

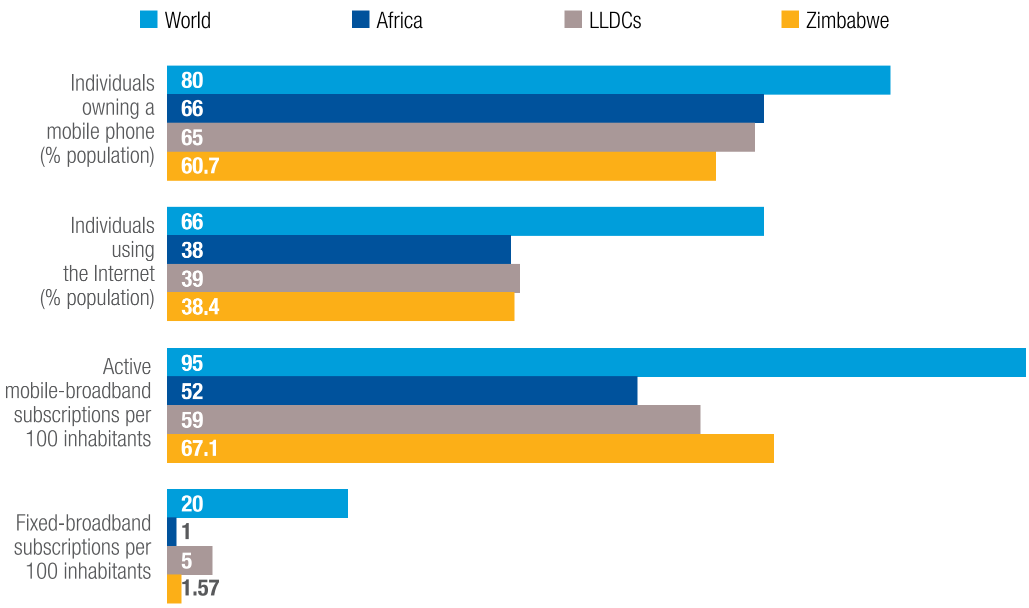
On the demand side, mobile phone ownership in Zimbabwe stands at 60.7 per cent of the population with only 25.6 per cent owning a smartphone. There is a significant urban-rural divide, with 46 per cent among urban area smartphone ownership compared to just 14.5 per cent in rural areas (ITU DataHub) .[4] The ICT market in Zimbabwe is dominated by mobile broadband connectivity, at a level above the averages in Africa and LLDCs. According to the latest data from a quarterly POTRAZ report (Q4 2023), the mobile subscriptions penetration rate has reached

[4] While latest available on mobile phone ownership are for 2023, data on smartphone ownership refer to 2020. See: https://datahub.itu.int/data/?e=ZWE&i=28318 (last access March 3, 2025).

97.7 per cent, although it is important to note that a portion of the population might have multiple subscriptions. Globally, the use of fixed-telephone, and fixed-broadband in particular, has receded and this trend is even more pronounced in Africa, including Zimbabwe. Overall, the Internet penetration rate in Zimbabwe, defined as the proportion of individuals who used the Internet from any location in the last three months, either via a fixed or mobile network, stands at 38.4 per cent (Figure 5).

Figure 5
Selected connectivity indicators in Zimbabwe and aggregates

(In percentages, and by group aggregates)



Source: UNCTAD, based on ITU (2024)[5]

On the supply side, the market share of mobile telecommunication services is highly concentrated, with one private operator, Econet, serving approximately 80 per cent of voice, Internet and data traffic. A second major operator, Netone, covers most of the remaining share, and Telecel serves a residual 1 to 2 per cent of the market, both of them State-owned. Africom and Liquid Intelligent Technologies (a subsidiary of Econet) have the lion's share of the fixed-telephony broadband market, together with a handful of other operators, such as TelOne (State-owned), Dandemutande, Powertel, and Telecontract.

The legal framework derived from the Post and Telecommunications Act of 2000 has been instrumental in opening the sector to non-state-owned telecom operators. Zimbabwe would benefit from reviewing and expanding the regulatory framework, to make it more supportive of competition and innovation, to foster an open digital economy and cross-border integration. POTRAZ developed a converged licensing framework in 2021 to lower entry barriers and stimulate more competitive forces and improve service delivery, but this has not yet translated into major telluric shifts in the overall sector configuration and functioning. Stakeholders consulted

The mobile telecom market is highly concentrated: one operator accounts for 80% of voice, Internet and data traffic.

[5] Data for aggregates - Africa, LLDCs and World - are for 2024, derived from ITU's publication "Measuring digital development: Facts and Figures 2024". ITU data for Zimbabwe refer to 2023 and are derived from ITU DataHub https://datahub.itu.int/data/?e=ZWE&c=701&Connectivity=Access (last access March 3, 2025).

during this assessment have highlighted several issues limiting investments in the sector, that increase operating costs and impact quality of service delivery, such as:

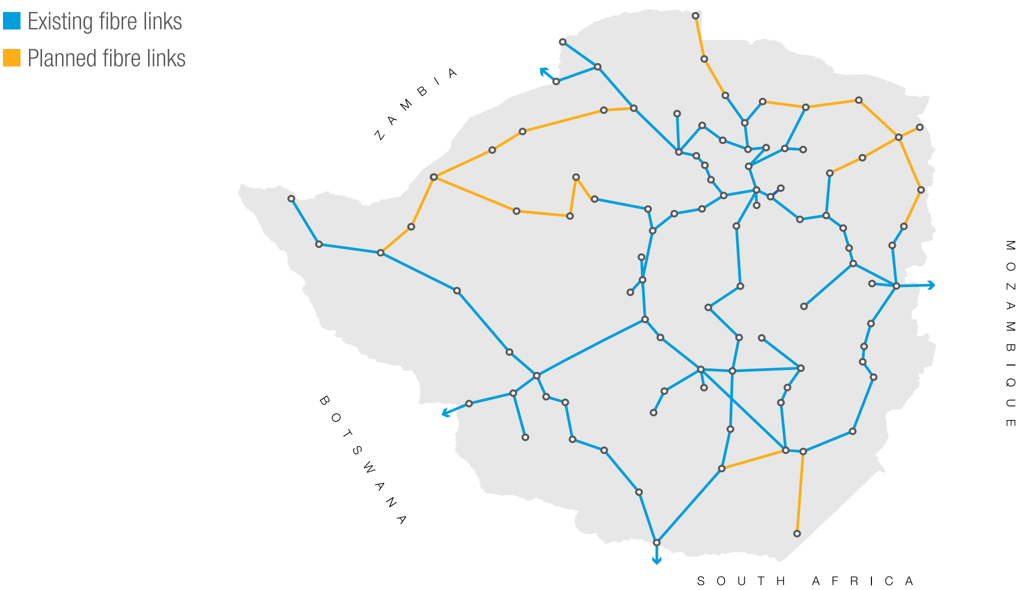
i. ICT inputs (equipment, capital) are heavily externally sourced, hence significantly affected by foreign exchange fluctuations and restrictions;
ii. low uptake of local ICT services applications in government procurement
iii. recurrent vandalism, theft of equipment and installations;
iv. limited infrastructure-sharing, duplication and redundancy in public works;
v. electricity costs and unstable power supply;
vi. fiscal burden applied to ICT operators and consumers;
vii. lengthy and bureaucratic processes, absence of a one-stop shop for approvals for infrastructure deployment; and
viii. lack of a holistic approach to coordination, with duplication among regulatory agencies.

The above challenges constrain the ability of the ICT sector to contribute to the emergence of a vibrant domestic e-commerce ecosystem. The revised National ICT Policy 2022-2027, the Smart Zimbabwe 2030 Master Plan and the National Broadband Plan 2020-2030 outline the roadmap for the development of the ICT sector. A coordinated implementation of these various policy tools will provide a good foundation to address some of the structural challenges affecting the Zimbabwe ICT sector.

2.2 Connectivity infrastructures and Internet penetration

The structure of the ICT sector in Zimbabwe today originates from the Post and Telecommunications Act, (Chapter 12:05), in force since 2000 and its subsequent modifications. MICTPCS spearheads the development of appropriate policy and regulatory frameworks, as well as infrastructure and capacity development that facilitate the promotion of ICT, telecommunications, postal and courier services. POTRAZ is Zimbabwe's regulatory authority for the postal and telecommunications sector.

Figure 6
Zimbabwe's fibre backbone network



Source: POTRAZ, 2022

The gap analysis presented in the National Broadband Plan highlights the need to upgrade the infrastructure, for example by investing in laying underground cables, to reduce the vulnerability of overhead wires. In March 2024, the second phase of a major infrastructure project was inaugurated to enhance the inter-city network from Beitbridge to Victoria Falls via Bulawayo, up to Harare. Built underground along the railway line, the new 1,500 km long-haul leg built by Dark Fibre Africa Zimbabwe is ready for commercial deployment and promises benefits in terms of increased data traffic capacity, improved reliability (less redundancy and lower latency), as well as scalability. Improving broadband speeds will require effective management of rights of way and the adoption of a Dig Once policy, to avoid duplication of civil works, for example when cables are laid along transport infrastructures and need to be refurbished or expanded.

To streamline bandwidth capacity and data traffic, efforts could be made to better use some critical infrastructure, such as Internet exchange points (IXPs) and data centres. There are two main functional IXPs, of which one is owned by private Internet service providers. The Government has recognized the value of converging into the regional SADC IXP, the Harare Internet Exchange, to keep Internet traffic generated in the region within the region. In the same vein, the country has limited data storage capacity compliant with the highest international security standards. The National Data Centre, inaugurated in 2021 in Harare, has not yet attracted significant scale, requiring a more robust framework for data management standards and mitigation of cybersecurity risks. The establishment of a national CIRT, with the support from ITU, is a high priority project to protect the integrity of data hosted in Zimbabwe and build market confidence.

Last-mile connectivity and Internet penetration are mainly driven by mobile networks. Users connected by fibre cables are a small portion of individuals, businesses, and government and public sector entities in central urban areas of main cities. Although the number of base stations installed by mobile operators constantly increased until 2017, this growth began to decelerate as a result of tighter fiscal measures applied to the ICT sector (GSMA 2023a). While there has been a gradual shift towards increasing 4G/LTE (2289 base stations, 21 per of the total), 2G offers the broadest coverage (4665 base stations, 46 per cent of the total) followed by 3G (3478 base stations, 33 per cent of the total). Roll-out of 5G technology started in 2022, and there are now 27 base stations, mostly in Harare. High-speed mobile connection is mainly an urban phenomenon, as telecom operators have intensified their efforts in areas where it is more profitable.

To address for these market failures, the Government of Zimbabwe has established the Universal Service Fund (USF) under the Postal and Telecommunications Act. The USF is a pool of funds sourced from contributions by all operators licensed by POTRAZ, including mobile operators, Internet Access Providers, and the fixed line operator. Several projects funded by the USF have been reported in local media, including the construction of Community Information Centers (CICs), the distribution of computers with Internet connectivity to schools and universities, and the relocation of several network towers across the country. However, public concerns regarding the governance and transparency of the USF have emerged. Adopting a more participatory management approach and improving communication about these projects could help alleviate public misperceptions (GSMA 2023b).

According to the latest available data for 2022, 94.2 per cent of the population is covered by a mobile network, while 84.3, 40.1, and 2.7 per cent of the population are covered respectively by 3G, 4G and 5G mobile network (ITU 2024). While there is no significant gender gap according to the latest ITU data, the urban-rural divide remains significant as 53.6 per cent of urban

The urban-rural divide remains significant, with Internet use in urban areas three times higher than in rural areas.

dwellers use the Internet compared to 16.1 per cent in rural areas (ITU DataHub, latest data are for 2020). To encourage access to the Internet and improve digital literacy, the Government has established CICs in villages in rural areas across the country. These centers provide various services, including free Internet surfing, free computer training, as well as affordable printing, photocopying, and scanning services. Of the 202 CICs established so far by POTRAZ, 146 are located at Zimpost post offices, 24 are containerized units in rural areas, and 32 are brick-and-mortar structures, though 20 of these are still under construction.

2.3 Affordability and quality of digital connectivity and IT services

The high cost of Internet connectivity is a major hurdle constraining the development of an inclusive digital ecosystem in Zimbabwe. Broadband expenses consume a significant part of households' income in Zimbabwe, with the data-only mobile broadband basket accounting for almost 5 per cent of the per capita Gross National Income (GNI) (Figure 7).

Figure 7
Data-only mobile broadband basket, as a percentage of GNI per capita, in Zimbabwe and selected group comparators

Source: UNCTAD, based on ITU DataHub (2023 data, except for LLDCs, 2021)

The pricing of Internet connectivity and the affordability for users came as a recurrent issue in multi-stakeholder consultations held in Harare and Bulawayo. The different challenges faced by the ICT sector highlighted in section 2.1 are all contributing to drive costs upward. Taxation, for both operators and consumers, plays a role in this regard. These are, among others:

i. a 15 per cent generalized Value Added Tax rate;
ii. a 10 per cent combined excise duty and health levy on airtime;
iii. a 1.5 per cent contribution to the USF collected on revenues of the telecom operators;
iv. US$6 cents per minute tax on international incoming traffic (part of the Telecommunications Traffic Monitoring System); and
v. 25 per cent custom duty on imported smartphone devices (or US$50 levy).

Zimbabwe's high-cost economy is influenced by broader macro-economic factors, making it crucial to improve the efficiency of the ICT sector to enhance national competitiveness. The National Competitiveness Commission (NCC), a public entity under the Ministry of Industry and Commerce, aims to foster a competitive environment for Zimbabwean businesses through evidence-based research, policy and regulatory analysis. This includes the publication of the annual flagship Competitiveness Reports. The NCC could consider producing granular analysis of the main cost drivers in the ICT sector. This analysis could identify how costs accumulate along the service delivery value chain and recommend policy interventions to reduce expenses, particularly regarding Internet connectivity prices. Such recent developments include the scrapping of mobile roaming charges by Botswana, Malawi, Zambia and Zimbabwe in 2023, part of a project spearheaded by SADC, based on guidelines developed by the Communication Regulators' Association of Southern Africa (CRASA). After a long stand-off, POTRAZ approved in May 2024 satellite Internet services offered by Starlink in partnership with a local company, IMC Communications. This long-awaited move offers Zimbabwean consumers a more diverse range of connectivity options.

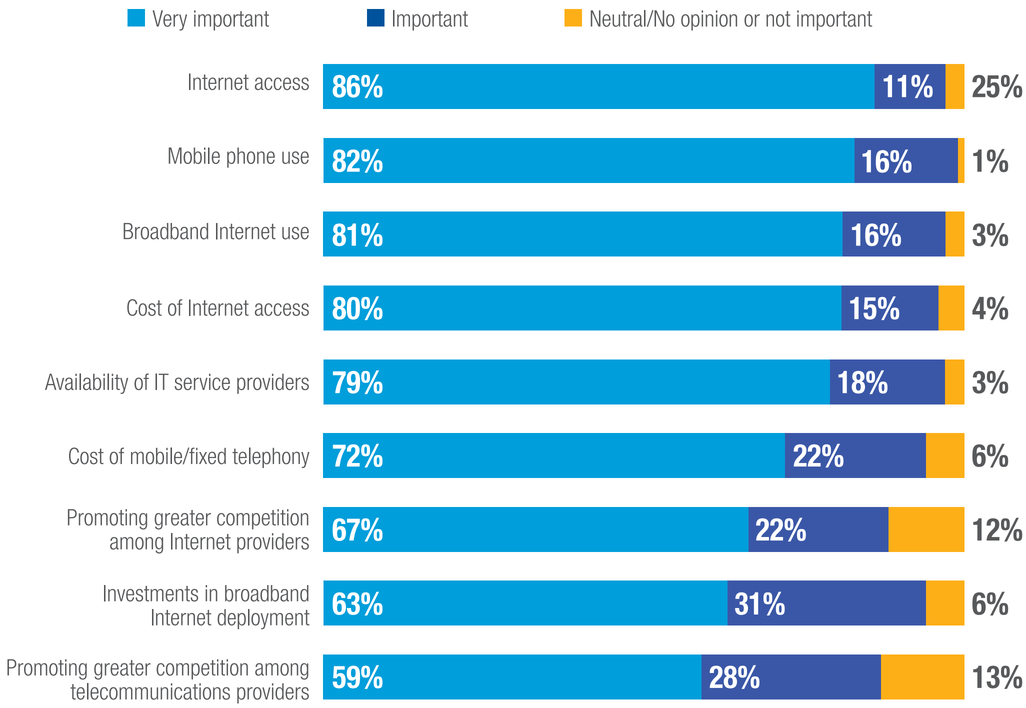
In addition to high costs, Zimbabwean Internet users are frustrated with the poor quality of service (QoS) which is often below expectation. Despite the introduction of QoS regulations by POTRAZ in 2015, enforcement mechanisms remain weak. Stakeholders consulted during the assessment feel that customers lack effective mechanisms to lodge complaints and seek redress for shortfalls in service delivery of Internet services providers. While there is common understanding in Zimbabwe on the structural impediments that afflict the ICT sector, consumers feel that telecom operators are given too much leeway in setting prices, terms and conditions for customers, without being held accountable for poor performance. These concerns are gaining prominence and in April 2024, POTRAZ organized a meeting with key players under the theme “Enhancing Price Transparency and Quality of Service for Telecommunications Services in Zimbabwe”. While there is no quick solution to improve quality and affordability, enhancing public-private dialogue and integrating consumers' perspectives are essential to design user-centric solutions in the long-term. Also, barriers to switching operators for better deals, such as Mobile Number Portability, need to be addressed. Despite POTRAZ announcing such plans in 2014, implementation is lagging behind.

The results of the eT Ready surveys among the public and private sectors highlight the importance of scaling up efforts to improve affordability and access to the Internet, particularly via mobile phones (Figure 8). Promoting a more competitive environment for Internet and telecom providers, as well as ensuring that IT services providers are widely available, were also considered as very important by most of the respondents, though in smaller numbers.

Zimbabwe has a growing private ICT sector in various areas including web development, software development, mobile app development, network installations, and more recently new specialized companies are involved in developing more sophisticated solutions based on blockchain technology and artificial intelligence. However, the availability of these service providers varies significantly outside of major urban areas. Business process outsourcing (BPO) was eyed as a promising growth sector for Zimbabwe, leading to the establishment of the Harare-based OmniContact BPO, a subsidiary of Econet Wireless. To fully capitalize on this potential, Zimbabwe needs a more consistent policy framework to support BPO development and create competitive clusters of specialized ICT service providers. This would help build a more attractive BPO offer and enable the country to compete with rising BPO African hotspots like Ethiopia, Ghana, Kenya and Rwanda.

> Stakeholders consulted have cited unaffordable and poor quality connectivity as major hurdles to e-commerce development.

Figure 8
Priorities in the area of ICT infrastructure and services to create an enabling environment for e-commerce
Please assess the following items according to their level of importance for creating an enabling environment for e-commerce in your country, in terms of ICT infrastructure and services (Public and private sector surveys, 74 responses)



Source: UNCTAD, 2024

2.4 Access to electricity

Half of Zimbabwe's population does not have access to electricity, with a significant urban/rural gap. 85 per cent of the population in urban areas have access to electricity, compared to only 15 per cent in rural areas (SEforALL 2023). The country is not fully self-sufficient to meet its energy demand, but the gap has reduced significantly over the last few years, particularly with the deployment of Hwange's coal power station at its full capacity, in addition to the Kariba hydro power plant. In 2024, imports are expected to stabilize at 200 megawatts. The sector is plagued by inefficiencies that result in power shortages that, according to World Bank data, are estimated to cost the country a total of 6.1 per cent of GDP per year, comprising 2.3 per cent of GDP in generation inefficiencies and excessive network losses and 3.8 per cent of GDP on the downstream costs of unreliable energy (World Bank 2023).

A number of measures have been put in place to manage the energy needs of the Zimbabwean population, with implications for the ICT sector. To prevent overloading of the power grid, load shedding is carried out to balance the demand and supply of electricity, causing sometimes unpredictable and lengthy power outages. The stability of power supply is critical to make ICT connectivity infrastructure work efficiently. Quality of service in Internet access in Zimbabwe is negatively affected by these power outages. To reduce the digital divide in rural areas, mobile operators in Africa, including in Zimbabwe, are investing in building mobile base stations across the country with off-grid power generation, supported by the Government. These mobile towers are often run by diesel generators and initiatives are ongoing to increase the use of renewable energy, mostly through solar plants. The use of solar energy through micro-generation kits is playing an important role in improving clean energy access while leveraging digital and financial tools, and thereby promoting economic participation and social inclusion, particularly in rural areas (Box 3).

Box 3
Social inclusion and off-grid power generation: The experience of Powerlive

Powerlive is a women-led social enterprise established in 2018, whose mission is to provide clean energy, such as solar kits, to marginalized areas. The enterprise serves in particular off-grid residential households, small scale farmers and schools in the rural and peri-urban areas of Zimbabwe. "Starting the company was not easy, especially as women, since social biases made it harder to gain trust", said Vonai Nehanda, Powerlive's Chief Operations Officer, on the margins of the multi-stakeholder consultations in Harare.

Solar-powered modular equipment is supplied mostly via a mobile-money based "pay as you go" model through a network of over 100 trained agents, most of whom are women. To manage client relations, agents are trained to use Angaza, a digital solution specialized in pay-as-you-go models in Africa. In turn, agents also train beneficiaries, currently over 25000, on how to use mobile phones, promoting digital literacy and micro-entrepreneurship. While the competition for solar-powered household kits is increasing, especially in more lucrative urban markets, Powerlive has been able to expand its reach in rural areas with support from grants provided by the Energy and Environment Partnership Trust Fund, EEP Africa, a multi-donor clean energy financing facility hosted and managed by the Nordic Development Fund.

Source: UNCTAD, 2024

Going forward, the Government of Zimbabwe has prioritized measures in the NDS1 to increase electricity supply, modernize the infrastructure and improve efficiency, with the goal of increasing electrification to 54 per cent of the population and eliminating reliance on imports by 2025. Key measures include providing incentives to enhance the productive capacity of independent power producers and promoting scalable electricity-generating solutions in remote rural areas.

3. Trade Facilitation and Logistics

Zimbabwe's Logistics Performance Index (LPI) score is close to the average for upper-middle income countries, but the e-commerce logistics sector is relatively embryonic. It faces a fragmented ecosystem, a burdensome regulatory regime, and a large informal sector. The national postal operator, Zimpost, is working on digital solutions and e-commerce services such as the Zimbabwemall marketplace. The logistics services sector has suffered from under-investments, lacking integration with infrastructure, such as warehouses and fulfilment centres and has limited automation. While transport infrastructure remains underdeveloped, investments in airports, major inland transport corridors and dry ports are underway. Zimbabwe has also made strides in naming streets, but greater acceptance and adoption by the population are needed to enhance door-step delivery.

Initiatives like the Electronic Single Window and one stop cross-border posts aim to simplify the trade regime. The country is actively pursuing trade facilitation reforms in line with the WTO Trade Facilitation Agreement and cooperating with partners in COMESA and SADC regions. Other noteworthy initiatives include the upgrading of ASYCUDAWorld, the Electronic Single Window and one-stop cross-border posts, among others. It would benefit from expanding reforms for paperless trade to simplify trade procedures, including a revision of the current *de minimis* threshold, ultimately fostering a more supportive environment for e-commerce.

3.1 The postal sector

In Zimbabwe, the postal sector is regulated by POTRAZ, under the Postal and Telecommunications Act. The postal services market is characterized by an uneven playing field. On the one hand, there is a handful of licensed operators engaged in both national and international services. On the other hand, a myriad of informal businesses operates without a license, creating significant disparities within the sector.

Stakeholders consulted for this report pointed to unclear regulations regarding e-commerce deliveries, creating logistical hurdles for businesses and impacting their ability to operate efficiently. The Regulation governing postal licenses has been recently amended. Statutory Instrument 110 of 2023, amending the 2001 Postal and Telecommunications (Postal Services) Regulations (Statutory Instrument 238 of 2001) has introduced new categories of operators. In addition to the "Postal General" acting as national designated postal operator, namely Zimpost, there are four commercial courier service licenses: International, Regional (applicable to the African continent), Domestic/Inter-city and Domestic/Intra-city. The intra-city license is categorized into two classes: class I will be for courier services provided within a city or town area and class II will be for courier services provided within a rural district area. The articulation of these licenses, with more flexible coverage, duration and requirements, is meant to provide an incentive for formalization. In the long term, it will be important to analyse the impact of this new licensing scheme. In particular, to assess if the costs of the licenses and other fiscal and administrative requirements will be attractive enough to encourage formalization of a growing number of operators, as difficulty to comply with the licensing requirements, and the costs of the licenses have been cited by stakeholders as outstanding challenges faced by the delivery sector.

Zimpost is struggling with decreasing revenues due to the decline in mail volumes and efforts to embrace digital transformation to adapt to changing customer needs, technological advancements, and increasing competition. In response to these challenges, Zimpost has embarked on a national digitalization programme. A number of systems and services have been digitalized and Zimpost has partnered with POTRAZ to install CICs at most post offices. In 2020, Zimpost also launched the 'zimbabwemall.post' online platform, with support from the Universal Postal Union (UPU), marking the beginning of Zimpost's e-commerce journey (Box 4).

Box 4
Zimbabwemall: a marketplace leveraging Zimpost's assets

Launched in 2020, Zimbabwemall encompasses typical features of a virtual shopping platform, including categorized browsing, free registration, and various payment options. However, it distinguishes itself with a business model focused on partnership, inclusion, and high-security standards. The platform supports trade at three levels: cross-border exports by MSMEs, overseas purchases from e-sellers and domestic transactions involving local e-sellers. Local sellers can register on Zimbabwemall for free and offer their products and services, paying 2 per cent of the gross sales amount. Zimpost provides pick-up and last-mile delivery services for all purchases made through the mall. Additionally, Zimpost facilitates customs clearing for imports and exports.

As of February 2022, 138 e-sellers had registered on the platform, attracting over 70,000 unique visitors from countries including Zimbabwe, the United States, South Africa, the United Kingdom, and Mauritius. Local businesses benefit from access to domestic and international markets without additional investment in technology, thanks to Zimbabwemall's utilization of Zimpost's secure Internet infrastructure based on the top-level domain ".POST", which is managed by the UPU. This domain prioritizes security, reliability, and international postal standards, benefiting both the platform and its users. Zimbabwemall is designed to be interoperable, facilitating integration with various online platforms, and to foster accessibility and convenience by offering multi-currency payment options and multilingual support (UPU 2022).

UNCTAD analysis has shown that, similar to Zimbabwemall, several African governments are partnering with development partners to establish national e-commerce platforms in the form of third-party marketplaces. These have proven to be a meaningful channel to promote the visibility and collaboration of domestic e-commerce ecosystem players, build capacities and mutualize resources. However, more needs to be done to effectively connect these platforms with regional networks and major private sector players, to help them ensure a more profitable and sustainable business model that promotes trust and promises scalability.[6]

Source: UNCTAD, 2024

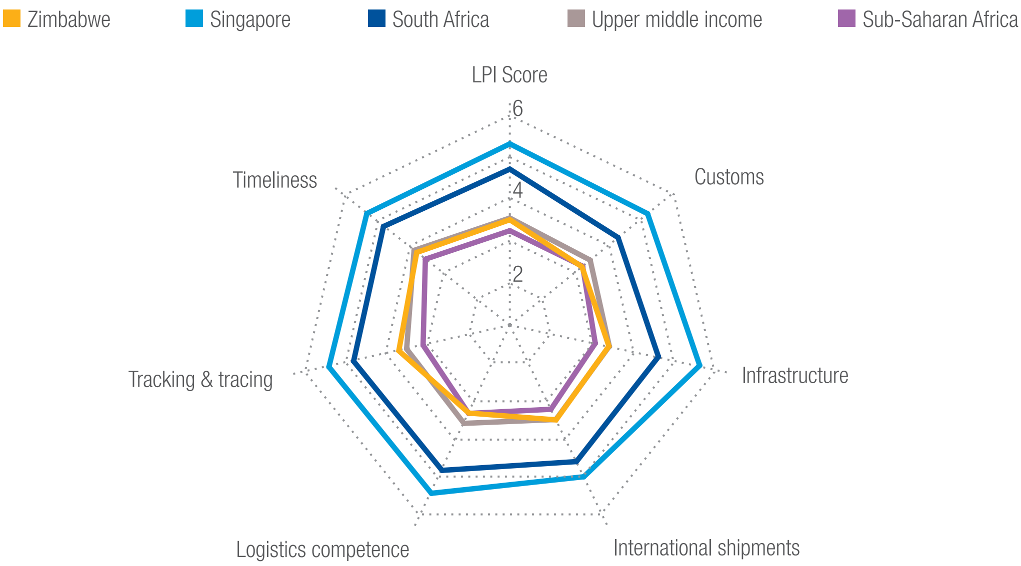
6 This was an outcome of a session dedicated to "Lessons learnt on sustainable platforms and e-commerce marketplaces" building on the findings of UNCTAD work conducted as part its eTrade Implementation Support Mechanism (UNCTAD 2023), and work undertaken by ITC and UNDP, during the eTrade Capacity Building Workshop (9-10 May 2024, Geneva).

In light of market developments calling for more digitally-driven business models, Zimpost faces challenges in keeping its structure fit for purpose. With support from the African Development Bank, Zimpost was undergoing a performance review in 2024 to assess governance and technical operating systems, processes and procedures to guide interventions by Government aimed at improving Zimpost's delivery capacity. Zimpost has an interest in leveraging its network of more than 200 post offices, to further integrate the government's digital transformation processes, for example, in the provision of services to citizens linked to public registries. In addition to promoting Zimpost efforts towards digitalization, Zimpost could capitalize on its extensive network and experience acquired with CICs and Zimbabwemall to foster inclusion of MSMEs in e-commerce markets and contribute to their skills development (see also section 6.2).

3.2 The logistics infrastructure and services

Zimbabwe ranks 97 in the World Bank's Logistics Performance Index (LPI). The LPI is an interactive benchmarking tool and an indicator of how well countries facilitate trade through efficient logistics services.[7] Zimbabwe's LPI score (2.5) is close to the average for upper-middle income countries, and even slightly outperforms others in areas like international shipments and tracking and tracing. Yet, in the customs and logistics competence areas, Zimbabwe's score is more in line with the Sub-Saharan average (2.24) (Figure 9).

Figure 9
Zimbabwe's LPI scoring with selected comparators



Source: UNCTAD, based on World Bank LPI database

The transport infrastructure in Zimbabwe faces several challenges but remains open to improvement. The road infrastructure network has deteriorated, with many roads and bridges showing signs of distress such as potholing, cracking, and rutting. The Government has allocated US$480 for a comprehensive road rehabilitation

[7] The LPI is composed of six key factors, including the speed and simplicity of the customs process, the quality of trade and transport-related infrastructure, the ease and convenience of international shipments, the competence and quality of logistics services (i.e. transport operators and customs brokers), the ability to track and trace consignments, and respecting delivery times.

programme led by the Ministry of Transport and Infrastructure Development, targeting both urban and rural areas to revitalize damaged infrastructure, for example through resurfacing of regional trunk roads and major highways, reconstruction of vital bridges and drainage systems.

Being a landlocked country, Zimbabwe relies on dry port facilities for its import and export activities, with a major ongoing project in Namibia at Walvis Bay. It is at the crossroads for major African trade routes, the North-South Corridor, connecting ports in Durban with Dar es Salaam. The crossing points with Zambia at Chirundu, and with South Africa at Beitbridge, make Zimbabwe the epicentre of new investments to rehabilitate the highway and modernize the borders' trade infrastructures. The rehabilitation and reopening of the railway connecting Zimbabwe to the port of Beira in Mozambique in 2023 has provided new lifeblood to a critical trade corridor.

As an LLDC, the country's aviation infrastructure and logistics are essential to the global connectivity upon which e-commerce development depends. Various initiatives are ongoing to enhance capacity, efficiency, and upgrade facilities to meet international safety standards and implement legal requirements, including those provided by the International Civil Aviation Organization (ICAO) and international conventions.[8] Harare's International Airport has benefited from a significant refurbishment and expansion programme, representing an investment of USD153 million. The regulatory and governance framework has been strengthened through the Civil Aviation Amendment Act, No. 10 of 2018, with the separation of the Airports Company of Zimbabwe (private) from the Civil Aviation Authority of Zimbabwe (CAAZ). In addition to benefiting from the services of several major global carriers and their intercontinental networks, Zimbabwe has a national carrier, Air Zimbabwe (Pvt) Ltd. Despite ongoing improvements, data on air transport performance in Zimbabwe is difficult to obtain and stakeholders must rely on information provided by the private sector.[9]

The offer of logistics services is not optimal to support a robust and trusted e-commerce ecosystem. Only a few licensed courier operators have services which cater for both domestic and cross-border e-commerce businesses, such as online parcel tracking systems, return options, premium express deliveries and a sufficiently developed network of pick-up points. Some operators are affiliated with major international players, such as DHL, FedEx, Skynet, and UPS, primarily targeting a limited number of higher income clientele, the diaspora and upper-end international e-commerce. It is relatively common to have sellers deliver parcels through private individuals, small informal businesses, or seek the help of bus companies to handle them for long-distance shipping. Zimpost has an important role in the e-commerce scene as operator of its own e-commerce platform, as third-party e-commerce logistics partner and in virtue of its universal service obligations.

The quality and cost of logistics services have been impacted by under-investments in the sector and overall fragmentation. In general, services tend to be point-to-point and are not well integrated within a multi-modal infrastructure, involving shared warehouses and fulfilment centres. More remote areas experience much lower delivery frequencies than major urban agglomerations. There is a shortage of specialized vehicles for handling perishable

Under-investments, sector fragmentation and weak integration of logistics facilities and services hinder e-commerce growth.

8 For example, Zimbabwe is a signatory to the Convention on International Civil Aviation (the Chicago Convention), is part of the Single African Air Transport Market initiative led by the African Union and has engagements with RECs (e.g., COMESA Air Transport Liberalisation Programme). It has also just acceded to the Convention for the Unification of Certain Rules for International Carriage by Air (the Montreal Convention of 1999) in October 2024. The latter provides a modern liability regime for cross-border transport of goods by air and paperless trade (e.g., via the use of electronic records, such as the electronic air waybill and other transport documents). The government must now begin domestic implementation of the instrument.

9 This is an area where ICAO can provide support, in particular to CAAZ, by providing the needed technical assistance to comply with various requirements mandated by the Chicago Convention.

Zimbabwe has made steady progress in implementing trade facilitation reforms and digitizing customs processes.

goods, affecting the quality and lifespan of delivered products. The sector has also been impacted by a credit crunch at a time when investment in capital equipment, e.g., trucks, tracking systems, gadgets, and vehicle tracking systems, is needed. After a period of low investment during the COVID-19 era, investment by postal and courier operators has gained new traction, leading to a huge improvement in the capital expenditure by postal and courier operators to acquire delivery vehicles, hardware and software (POTRAZ 2022).

While Zimbabwe has a structured street naming system, the reluctance to adopt new names and the challenges to infrastructure may complicate last-mile and doorstep delivery for e-commerce. The street naming system in Zimbabwe was reformed in 2020 along the names of prominent national, African and international political and cultural figures and references, but many people continue to use the old names or rely on popular buildings and landmarks for navigation. This can lead to confusion and affect the overall efficiency of e-commerce operations, particularly for last-mile and door-step delivery, which is the final step in the logistics chain when goods reach the end customer. The current situation, where old street names persist in common usage despite official changes, can lead to potential challenges in ensuring timely and accurate deliveries, thus increasing cost for businesses and consumers.

Going forward, continued investments and strategic planning are needed to enhance the country's logistics capabilities. The level of digitalization and process automation of the delivery service providers needs to be improved. Such efforts should go hand in hand with targeted skills development of the work force to align with the specific needs of the e-commerce market. Additionally, upgrading the transport infrastructure and raising public awareness of new street names could significantly improve e-commerce logistics outcomes.

3.3 Trade facilitation

Zimbabwe has undertaken several significant reforms to facilitate trade, aligning itself with commitments under international and regional trade agreements to enhance cross-border trade and e-commerce. Zimbabwe ratified the WTO Trade Facilitation Agreement in 2018 and has a current rate of implementation of commitments standing at 86.6 per cent, with a deadline of 2029 to fully implement all the provisions of the TFA. Zimbabwe is also actively cooperating at the regional level with COMESA and SADC in the implementation of transit and trade facilitation measures. Additionally, Zimbabwe is engaged in efforts related to the AfCFTA, which aims to enhance trade and economic integration across the African continent. The country has bilateral trade agreements with a number of countries, including an interim Economic Partnership Agreement with the European Union. Zimbabwe's trade facilitation score has improved from below 30 per cent in 2017 to 51.61 per cent in 2023, according to the UN Global Survey on Digital and Sustainable Trade Facilitation.[10]

In a recent review on the implementation of the Vienna Programme of Action of Landlocked Developing Countries (2023), Zimbabwe highlighted some flagship initiatives and achievements to date, which include:

i. The roll-out of the Automated System for Customs Data (ASYCUDAWorld), the UPU Customs Declaration System (CDS), Zimbabwe Electronic Single Window (ZeSW) system, and the Authorised Economic Operators programme;
ii. The adoption of the COMESA Simplified Trade Regime for small-scale cross-border traders, the

[10] The survey covers measures featured in the WTO's TFA, as well as in emerging regional and global initiatives on paperless trade or e-trade. It also includes measures designed to ensure more inclusive participation in trade, such as measures specifically targeted at SMEs or women traders. See: https://www.untfsurvey.org/economy?id=ZWE

Yellow Card Insurance Scheme and Carrier License, the harmonization of road transit charges, axle load limits, and vehicle dimensions with SADC and COMESA standards, along with the implementation of the electronic cargo tracking system, participation in corridor management institutions, and the reduction of police roadblocks, which have further streamlined transit processes; and

iii. The establishment of one-stop border posts (OSBPs) to improve border facilities and streamline border crossing procedures and formalities. The country has one operational OSBP at the Chirundu Border Post between Zambia and Zimbabwe while the implementation of three more OSBPs is underway.

While not specifically targeting e-commerce and digital trade, these reforms and commitments are designed to reduce trade costs and improve the efficiency of cross-border transactions, which ultimately will facilitate the growth of e-commerce related to goods in Zimbabwe and the region. The Zimbabwe Revenue Authority (ZIMRA) has made strides in embracing digitalization, upgrading the ASYCUDAWorld, encouraging the adoption of ZeSW by multiple agencies, fostering e-payments and use of scanners in customs clearance procedures and controls, facilitating interconnection with other customs authorities (i.e. Zambia). In November 2024 ZIMRA launched an electronic tariff platform, eTariff, useful for navigating Zimbabwe's customs tariffs and trade regulations, with quick access to tariff codes, legal notes, duty estimations. Similarly, Zimpost has adopted the UPU CDS, which allows data to be exchanged between Customs and designated operators. This means that customs formalities can be completed prior to the arrival of postal items and the overall customs clearance process is more efficient and measurable. However, there is yet no interfacing between the two systems, CDS and ASYCUDA.

Multi-stakeholder consultations have highlighted the importance of further facilitating the application of reforms, for example by:

i. improving self-certification and reducing the need for third-party verifications (i.e., in the context of the administration of rules of origin);
ii. facilitating compliance and making the application of sanctions more transparent (i.e., in the administration of import licenses);
iii. strengthening the coordination between financial institutions and ZIMRA, to avoid duplication of documentary evidence (i.e., multiple stamps);
iv. onboarding more ministries into the ZeSW and improving ICT connectivity at border posts; and
v. reducing the number of administrative instructions.

The *de minimis* issue is also an area requiring attention. The term refers to a value threshold below which imported goods are exempt from customs duties and/or taxes, which is set at US$10 in Zimbabwe. Setting an appropriate *de minimis* threshold is crucial for developing countries to foster B2C e-commerce growth. Low *de minimis* thresholds can fragment trade by splitting consignments into smaller items. Raising the *de minimis* level simplifies imports, reduces customs-related delays and costs, and encourages cross-border e-commerce, but may lead to lost revenues and a competitive advantage for foreign suppliers. This argument is often not carefully balanced with an in-depth analysis of the cost of collection of duties and taxes arising from low-value shipments. The International Chamber of Commerce recommends a preferred *de minimis* value of no less than US$ 200 to be applied to the value of the goods and not to the dutiable amount, with clearances not requiring the mandatory use of customs brokers. The Shipping and Forwarding Agents' Association of Zimbabwe (SFAAZ) has suggested a threshold of US$ 100 as a suitable possible compromise.

A more informed debate would help strike the right balance in pursuing reforms in this area, as well as engaging in fora where regulatory issues of cross-border e-commerce are discussed. Setting a threshold requires a multifaced, cross-cutting assessment that reflects the needs of all key stakeholders and includes domestic realities, the economic outlook, policy objectives and consumer policy regimes. This could be complemented by robust and solid economic modelling of the impacts of implementing *de minimis* rules. At the same time, it should be considered that in Zimbabwe, similarly to many developing countries, capacity deficits persist regarding the handling of cross-border e-commerce. Training customs authorities dealing with digitally traded goods, especially at airports, is essential to ensure the timely processing of parcels arriving by air. Developing countries could take into consideration various approaches in setting *de minimis* thresholds, either applied individually or jointly, depending on public revenue goals, policy objectives or consumer welfare targets (UNCTAD, 2025).

Zimbabwe would benefit from further pursuing reforms in line with the TFA, for example by:

- implementing expedited shipment procedures (using the latest modules in ASYCUDAWorld for air cargo and express couriers) and electronic payment of duties and taxes on foreign trade transactions,
- leveraging UNCTAD – UPU cooperation to implement an interface between ASYCUDAWorld and the UPU Customs Declaration System to fast-track clearance of postal parcels, and
- implementing the UN Model of a national Trade Information Portal in line with Article 1 of the WTO TFA.

The World Customs Organization has also developed an E-Commerce Package, including the Framework of Standards on cross-border e-commerce as well as documents supporting its implementation. This can provide useful guidance to stakeholders in Zimbabwe for an effective management of cross border e-commerce. Trade facilitation reforms tailored to e-commerce could be achieved collaboratively and better coordinated by the existing National Trade Facilitation Committee (NTFC). The country's NTFC would benefit from extending its membership by including key stakeholders, such as Zimpost, and might consider creating an e-commerce subcommittee.

4. Payment Solutions

Zimbabwe has made significant strides in expanding financial inclusion, with 84 per cent of the population having access to some form of formal financial services, and 70 per cent using a bank or mobile money account for digital transactions. However, notable urban/rural disparities persist, along with significant gender-based gaps, especially in terms of financial literacy. Active regulation and cooperation among agencies overseeing the ICT sector and the financial system have enabled the emergence of various players in the e-payments industry, especially following the introduction of effective interoperability among payments' systems in 2020.

Despite these advancements, challenges such as managing the foreign exchange market, restrictions on international financial transactions, and taxation of money transfers, have constrained Fintech innovations and the further growth of the digital payments ecosystem and e-commerce. Trust among all the stakeholders in online financial transactions is weak, making cash-on-delivery an important component of the current e-commerce experience, in a market largely dominated by informal MSMEs and flawed by risks of online fraud.

4.1 Financial inclusion

Financial inclusion in Zimbabwe has been a significant focus, with the government and financial institutions working towards increasing access to financial services for the population. The latest FinScope Consumer Survey (2022) estimates financial inclusion at 88 per cent of the adult population (aged 18+), 11 points higher than in 2014, including those formally and informally served.[11] While the scale of the informal financial sector serves an important share of the adult population, this is the only option for 4 per cent of the population and has halved since 2014. As a result, 84 per cent of the population has access to some form of formal financial service, a proportion that is 15 points higher in urban areas (94 per cent) than in rural areas (79 per cent). The increasing widespread use of mobile money has contributed to reduce the rural/urban financial exclusion gap and has been key in closing the formal financial inclusion gender gap. Furthermore, 70 per cent of adult Zimbabweans have a transaction platform or an account that allows them to transact digitally through either a bank or mobile money account. The number of mobile money accounts continued to grow in 2018 and 2019, as mobile money became a very popular option in Zimbabwe where it continues to be widely used. An important share of the country's GDP is transacted via mobile money, although it has decreased

70% of adult Zimbabweans have a digital bank or mobile money account.

[11] Formally served have/use financial products and/or services provided by a formal financial institution, governed by a legal precedent of any kind and bound by legally recognized rules (e.g. banks, microfinance institutions, mobile money, money transfer agencies, etc.) Informally served have/use financial products and/or services which are not regulated and operate without legal governance that would be recognized (e.g., credit and savings groups, burial societies, community-level clubs and individuals). Source: FinScope Consumer Survey 2022, p. 26-27.

between 2018 and 2022 (Table 2), in connection to some outstanding challenges (e.g. the deterioration of macroeconomic conditions) and critical regulatory interventions highlighted in section 4.3 (such as restrictions on mobile money agents and taxation issues).

Table 2
Mobile money accounts and value of transactions (as a share of GDP), per year

	2018	2019	2020	2021	2022
Number of registered mobile money accounts per 1,000 adults	1'566.38	1'732.13	1'498.67	1'368.28	2'191.25
Value of mobile money transactions (during the reference year) (% of GDP)	63.41	54.14	25.05	20.36	18.77

Source: UNCTAD, based on IMF Financial Access Survey

Despite progress, many challenges remain, such as financial illiteracy and gender inequality, a lack of formal identification documents and limited trust in the financial system, the need to sustain macroeconomic and exchange rate stability induced by the adoption of the new currency ZiG (Zimbabwe Gold) in April 2024, rural poverty, and high transaction costs. Zimbabwe launched its 2022-2026 National Financial Inclusion Strategy (NFIS II), emphasizing the importance of focusing on the usage of quality financial services and products, hence their affordability, fairness and transparency, provided through formal/regulated entities. The strategy identifies four main pillars, with the objective of promoting:

i. the creation of new and innovative financial assets and new ways of using existing financial assets to expand access to and usage of quality, efficient and affordable digital financial services by the population at large and target groups in particular;
ii. the safety and protection of consumers of financial services through high quality financial knowledge and skills necessary to make informed financial decisions;
iii. entrepreneurial ventures, economic growth and development at community level, through microfinancing and capacity building; and
iv. the equitable and just distribution and sharing of opportunities and resources for all through transformation of the provinces and districts into economic hubs that contribute to the growth of the local gross domestic product.

Financial inclusion is crucial for e-commerce because it ensures that individuals and businesses, regardless of their size or financial status, have access to useful and affordable financial products and services. This inclusivity also enables consumers to have access to various payment options, making transactions more seamless and convenient. Additionally, enhancing financial literacy, especially for women, and targeting products that can be easily accessed by rural households is crucial for promoting financial inclusion and empowering these communities. Such efforts can lead to increased participation in e-commerce, ultimately benefiting the economy as a whole.

4.2 Regulation of e-payment solutions

The growth of e-payments in Zimbabwe has been supported by an articulated financial sector and regulatory development. The role of the Reserve Bank of Zimbabwe (RBZ) as the regulator of the financial and payment systems is governed by the Reserve Bank Act (Chapter 22:15) enacted in 1999 and the National Payment Systems Act (Chapter 24:23) enacted in 2001. The Banking Act (Chapter 24:20) enacted in 2000, the Bills of Exchange Act Chapter (14:02) first enacted in 1895, the Bank Use Promotion and the Suppression of Money Laundering Act (Chapter 24:24) enacted in 2004, as well as the Exchange Control Act (Chapter 22:05) first enacted in 1965, as well as all relevant amendments of the various acts cited, complement the regulatory architecture upon which the RBZ derives its powers and resources to regulate, supervise, oversee and ensure the stability and safety of the national payments system. The RBZ has taken a proactive stance towards furthering openness to competition of the payment ecosystem, by issuing a series of directives, circulars and guidelines, including:

i. in 2014, the National Payment Systems Directive which limited restrictive practices of mobile money operators via exclusive agent agreements. This was followed in 2015 and 2016 by regulatory interventions from POTRAZ requiring telecom network operators to assign USSD to banks on a non-discriminatory basis, so as to promote competition in the mobile money sector;
ii. in 2017, the Retail Payment Systems and Instruments guidelines which provided a framework to strengthen safety and soundness of payment schemes and products, in particular electronic payments. The guidelines introduced a definition of “e-money” as a monetary value stored in a device, such as a SIM card or a server, and accessible via mobile, telephone, Internet, cards or similar products. The guidelines also mandated operators to establish adequate operational infrastructure to ensure interoperability and reliability of the system and no operator or issuer shall enter into infrastructure sharing agreement, including agreements with agents, without RBZ approval;
iii. in 2020, Statutory Instrument 80 of 2020 Banking (Money Transmission, Mobile Banking and Mobile Money Interoperability) Regulations issued by the Ministry of Finance and Economic Development which mandated telecom operators providing mobile money, in addition to being licensed by POTRAZ, to offer their services in line with the National Payment Systems Act, under the supervision of the RBZ. The regulations were instrumental in strengthening previous provisions and clearly enforce interoperability of different payment systems’ providers, in particular mobile money and mobile banking, via the national payment switch.[12] ZimSwitch was also officially designated as the national payment switch in August 2020;
iv. in 2021, the Risk Based Cyber Security Guideline, which provided guidance to regulated entities, i.e. payment services providers, in developing tools and procedures, as well as increasing compliance with standards and fostering a culture aimed at strengthening cyber-risk management capabilities and coordination; and
v. in 2022, Circular NPS/01/2022 - Risk based Transaction Limits which increased mobile banking transactional limits to promote the use of the local currency.

These regulatory developments reflect a dynamic and evolving financial sector landscape in Zimbabwe. Cooperation between regulatory agencies has favoured the emergence of various

[12] The switch was defined as a recognized payment system by the RBZ which has an interface with ATMs, POS, mobile payment system and Internet based e-commerce portals, that enables the interchange of payment, clearing and settlement instructions between the payment systems and features a single interface with regional and global payment platforms which enter into agreement with the national payment switch.

players and contributed to make the use of e-payments more pervasive.

4.3 Uptake of e-payment solutions

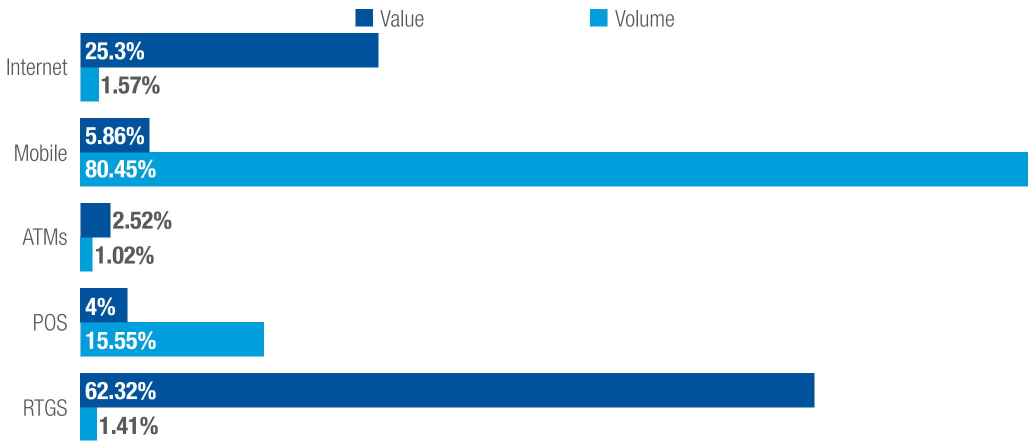
Technological developments, government interventions, regulatory developments and other initiatives have shaped what is today a relatively well-articulated payment ecosystem through various platforms (Table 3).

Table 3
Overview of main e-payment systems in Zimbabwe

Type of platform	Main activities and operators
Real-time gross settlement system – (RTGS)	Inter-bank platform for electronic funds transfer, most suited to large value payments, integrated in the SADC RTGS
ZimSwitch	Created as an interbank shared infrastructure, it was designated as Zimbabwe's national switch in 2020. It includes applications, such as the ZimSwitch Instant Payment Interchange Technology, ZIPIT, connecting banks and mobile wallets.
Mobile money wallets	Several providers (linked to telecom operators): • EcoCash (EcoNet), • TeleCash (TeleCel), and • OneMoney (NetOne).
Banks and banking-related services	In addition to bank-issued cards linked to (Visa, Mastercard, Union Pay), several banks offer mobile banking and digital banking solutions (e.g., First Capital Bank, Standard Charterer Zimbabwe, Ecobank, CABS, etc.)
Other payment service providers and gateways	Payserv (payments and business process outsourcing), MyCash (hybrid bank card/mobile wallet), IceCash (e-payment solution), Paynow (payment aggregator, API solution), TouchAfrica, (IT services, API solution), ZimSwitch Online (API solution), DPOpay (API solution), and Pesepay (API solution)

Source: UNCTAD

Figure 10
Percentage share of e-transactions processed through the National Payment Systems in volume and value



Source: UNCTAD,based on RBZ data (Q4 2023)

> Technological developments, government interventions and regulatory developments have driven e-payments growth.

The move towards cashless payments in Zimbabwe has been largely driven by mobile money (Figure 10). Banks were early movers in this area when the first debit and credit cards appeared in Zimbabwe and integration in the banking industry occurred with the creation of ZimSwitch in 1994. The need to have an extended physical network of points of sale (POS), and cash in/out machines (ATMs) to enable card-based transactions, which increased the cost of services, mitigated the widespread adoption of cards as an alternative to cash.

With the launch of the first mobile money solution in 2011, there has been an acceleration towards the adoption of cashless transactions in Zimbabwe. The reliance of mobile money on simple USSD technology that can be used without Internet access, makes it still a popular option in more remote areas of the country where connectivity is a major issue. Mobile money has gained a prominent role across the African continent. Its impressive growth in Zimbabwe was affected by various monetary shocks which have boosted its acceptance and widespread adoption. Its growth has been remarkable over the last decade, with mobile money seen as a means to maintain value and transact in times of acute exchange rate fluctuations and hyperinflation, and more recently, as a way to avoid contacts during the COVID-19 pandemic outbreak. Mobile money has also been widely adopted for government-to-citizen payments. Moreover, thanks to regulatory interventions aimed at operationalizing interoperability of payment systems, mobile money and e-wallets, APIs and bank-based payment solutions are more integrated today.

Developments in the market for digital payments have not been without challenges over the last few years. Initial growth gave rise to a highly concentrated market, with one operator, EcoCash, playing a dominant role as mobile money operator. On the one hand, this has allowed rapid adoption by the population thanks to the network effects and economies of scale of the incumbent operator. On the other hand, it has created resistance to competitive pressures. The banking sector has been slow to realize the benefits of digitally driven business models and emerging Fintech industry. Despite attempts to promote interoperability among various payment system's operators, this was only effectively enforced after 2020. At the same time, the growth in mobile money use increased the appetite of government to collect resources and scrutinize the money market movements. Zimbabwe introduced an Intermediated Money Transfer Tax (IMTT) equivalent to 2 per cent of the value of electronic payments, such as mobile money, electronic and bank transfers. Since 2020, activities of mobile money agents have also been heavily restricted, following a ban on their cash-in/cash-out transactions suspected of contributing to the instability in the foreign exchange market. These measures have slowed down the tremendous growth in mobile money transactions over the decade 2011-2020.

In an attempt to re-gain control over its monetary policy and foster macroeconomic stability, a gold-backed digital currency was introduced in October 2023. The move towards the ZiG, the newly denominated national currency, was given a boost in April 2024 when the currency started to be traded, backed mainly by gold and other precious minerals and anchored to a basket of foreign currencies. This has paved the way to discussions towards re-instating the operations of mobile money agents. Following its June 2024 Article IV consultations, the IMF acknowledged that the ZiG official exchange rate has so far remained stable, ending a bout of macroeconomic instability in the first 3 months of the year (when ZWL depreciated by approximately 260 per cent). Assuming that macro-stabilization is sustained, cumulative inflation in the remainder of the year is projected at about 7 per cent.

Improvements in the stability of the macroeconomic and monetary environment will further improve Zimbabweans' financial transactions across borders. Cross-border bank payments depend on the use of corresponding banking arrangements and due to sanctions imposed over the last two decades, it has become more costly and cumbersome to process international payments. Zimbabwe is seeking greater integration of retail payments at the regional and continental level. Overall, SADC members are closely tied to one another in terms of economic and social development. Costs to send cross-border retail transactions remain prohibitively high in the SADC region, making it difficult to formalize high-volume, low-value flows (Cenfri 2023). The SADC region has introduced the "Transactions Cleared on an Immediate Basis Payment Scheme", which aims to establish payment corridors across the region. Zimbabwe is also on the forefront of the roll-out of the Pan African Payment and Settlement System (PAPSS), which currently links 13 African central banks, including RBZ. This is one of the pillars of the AfCFTA and is led by Afreximbank. Ultimately, the PAPSS will allow a trader in one country to instruct their local bank to pay a supplier in another participating country in their local currency, eliminating costly intermediation fees.

The road towards a more conducive environment for digital financial transactions is bumpy, but it has substantial support. The RBZ has paid particular attention to new players in the Fintech industry and is spearheading a Fintech Regulatory Sandbox. As described in the dedicated one-stop portal (frs.rbz.co.zw), this is intended for innovators in the financial services sector who have already developed their service, product or business model and are ready to undertake a proof of concept through monitored market testing. The sandbox guidelines set out the objectives and principles of the sandbox and provide guidance to the applicant on the application process and information to be provided to RBZ. A survey conducted in the early stages of the sandbox roll-out indicated that participants anticipated positive improvements in cybersecurity awareness, product development time, and the monitoring of Fintech developments in the country, despite some reservations regarding the skills capacity of the RBZ to manage the scheme and the protection of intellectual property (Mapuranga 2024). RBZ's latest available Annual Report states that, as of 31 December 2022, twenty-three applications were received for sandboxing while twenty additional applications were at various stages of evaluation. The second largest share of applications comes from the products category of retail payments, and to a lesser extent, APIs, mobile money and transfers. The cost of digital transactions is among the main hurdles cited by stakeholders constraining a wider uptake of digital payments. The RBZ, together with POTRAZ and ZNCC, among others, have been advocating for the removal of the IMTT and are committed to reducing ICT-related cost drivers

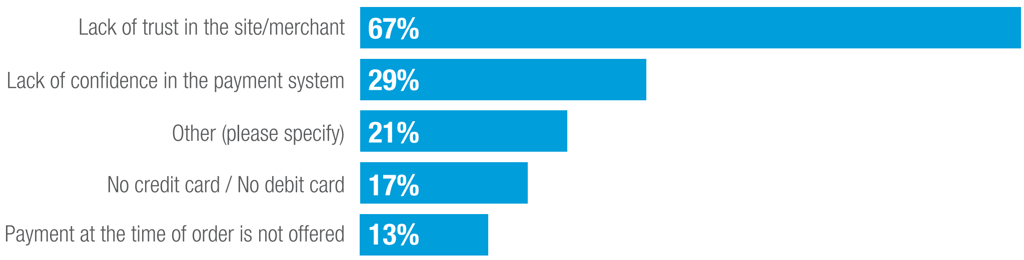
4.4 Payment solutions and e-commerce

Despite the financial inclusion gap having shrunk in Zimbabwe, largely driven by a strong uptake of mobile money and an increasingly dynamic offer of e-payment solutions, this has only partially contributed to the growth of e-commerce by businesses and consumers. According to 2021 Findex data, the share of population using a mobile phone or the Internet to buy something online in the past year was 2.5 per cent (Figure 3). The share goes up to 12.1 per cent of the population, considering those using a mobile phone or the Internet to make payments, buy things, or to send or receive money using a financial institution account (age 15+). A closer look at how Zimbabweans use mobile money reveals that the most common transactions include purchasing airtime, paying for goods and services, and money transfers, with utility payments also representing an important portion of such transactions (see also Figure 4).

Respondents to UNCTAD's consumer survey (Figure 11) echo the concerns raised during the multi-stakeholder consultations, pointing to a lack of trust or confidence in the merchant, or in the payment solutions offered, or the overall payment system. Stakeholders consulted have referred to some major impediments that are restricting closer integration of e-payments into e-commerce. Network downtime, costly Internet connectivity and the extra-cost of digital payment transactions are discouraging factors of the digital experience. The proliferation of informal trading activities drives e-commerce under the surface of a rule-based ecosystem and impedes the development of a fully digital e-commerce experience. Particularly in the context of B2C involving the delivery of goods, attempts have been made by digital platforms to propose escrow services, meaning that customers are charged when ordering online but the payment is not released to the merchant until the order is fulfilled. These mechanisms have not gained popularity among merchants and consumers. Merchants tend to prefer greater control over their customers' relationships, while customers often prefer cash-on-delivery transactions to avoid an electronic payment transaction.

Trust issues, high transaction costs and connectivity challenges limit the integration of e-payments with e-commerce.

Figure 11
Reasons for paying on delivery
Why do you pay on delivery? (Consumers survey, 24 responses)



Source: UNCTAD, 2024

5. Legal and Regulatory Frameworks

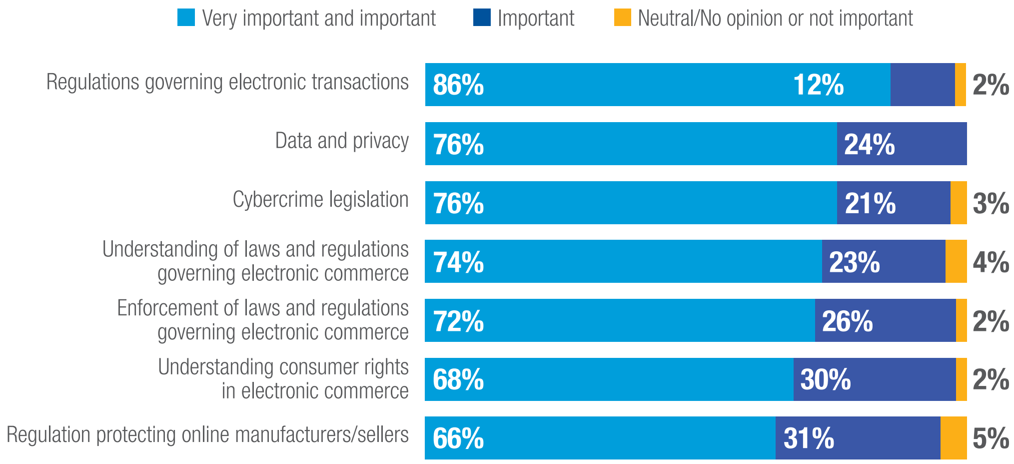
Zimbabwe has developed a legal framework covering several aspects related to e-transactions and e-commerce, but it lacks comprehensive legislation. A long-awaited bill addressing these gaps is under review. In the meantime, consumer protection laws and guidelines set basic requirements for transparency, redress mechanisms and fair business practices. Data protection regulations were developed in tandem with cybercrime and cybersecurity laws. A series of international legal instruments could further strengthen the legal framework for cross-border e-commerce.

Efforts to regulate e-signature and digital identity systems remain incomplete, and trust service providers lack clear guidelines. Intellectual Property Rights (IPRs) laws need to be adapted to the digital space and e-procurement does not fully support local digital solutions. While Zimbabwe has developed provisions to tax e-commerce, expected benefits have yet to materialize. Low awareness of e-commerce laws and the absence of a user-friendly dispute-resolution system further hinder e-commerce use.

5.1 Key laws and regulations applicable to digital transactions and e-commerce

Over the last decade, Zimbabwe has undertaken several initiatives aimed at establishing a regulatory framework on electronic transactions, consumer protection, data protection, cybercrime and cybersecurity. To varying degrees, respondents to the eT Ready surveys have underscored how these areas are critical to an enabling environment for e-commerce (Figure 12). In addition to these areas, there is the need to make progress on a robust legal framework for regulating electronic transactions.

Figure 12
Importance of legal reforms to create an enabling environment for e-commerce
In your opinion, how important are the following items for creating a legislative and regulatory framework conducive to the development of electronic commerce? (Public and private sector surveys, 66 respondents)



Source: UNCTAD, 2024

Electronic transactions

Currently, there is no specific legislation dealing with electronic transactions. Regional efforts have been made to harmonize the legal framework in this area by SADC ICT Ministers via the HIPSSA project (Harmonization of ICT Policies in Sub-Saharan Africa), supported by ITU. In 2012, the SADC Model Law was adopted, inspired by the UNCITRAL Model Law on Electronic Commerce (1996) and the United Nations Convention on the Use of Electronic Communications in International Contracts (2005). Zimbabwe's commitment to this initiative translated into the drafting of the Electronic Transactions and Electronic Commerce Bill in 2013.

The main provisions of this Bill are designed to provide a comprehensive legal framework for electronic transactions and e-commerce, including:

i. legal recognition: the Bill grants legal recognition to electronic communications and writings, ensuring that electronic forms of contracts and signatures are considered as valid as their traditional paper-based counterparts;
ii. electronic signatures: it provides for the legal effect of electronic signatures and secure electronic signatures, establishing their validity and enforceability in electronic transactions;
iii. admissibility of electronic evidence: the Bill makes provisions for the admissibility and evidentiary weight of electronic evidence, which is crucial for resolving disputes in e-commerce;
iv. dispatch and receipt of electronic communications: it outlines the rules for determining the time and place of the dispatch and receipt of electronic communications, which is important for contract formation and transaction timing;
v. service providers: it seeks to limit the liability of service providers in certain circumstances, which is essential for encouraging the growth of e-commerce platforms;
vi. regulation of certification authorities: the Bill includes the regulation of certification authorities that issue

electronic signatures, ensuring the integrity and trustworthiness of electronic transactions;

vii. automated message systems: there are provisions on the use of automated message systems in electronic transactions, acknowledging the increasing role of automation in e-commerce;

viii. online marketing: the Bill addresses online marketing practices, including the prohibition of certain types of unsolicited electronic marketing;

ix. consumer rights: it emphasizes consumer rights in electronic transactions, such as the right to review the electronic transaction before finalizing and the obligation of suppliers to display clear information about their products and services; and

x. consumer protection: the Bill aims to protect consumers in the online environment by regulating electronic marketing practices and providing safeguards against unsolicited commercial communications.

The Bill aimed to modernize the legal framework for electronic transactions, aligning it with international standards and practices, to enhance legal certainty, consumer confidence, and business innovation. However, its adoption has been delayed due to socio-economic, legal, and political challenges. Meanwhile, regulatory initiatives on consumer protection, data protection, cybersecurity, and taxation of electronic payments and e-commerce, have progressed more rapidly. The Bill was finally approved by the Government Cabinet only in 2021 but remains to be formally enacted. Its revision is on the agenda of the work of the 10th Parliament which took up its functions in late 2023.

In the absence of an e-commerce law, consumer protection legislation promotes safe and transparent e-commerce transactions, but its implementation is weak.

Adopting international legal benchmarks could enhance the interoperability of Zimbabwe's legal framework with foreign jurisdictions and refine its draft bill where relevant. Zimbabwe has not ratified the United Nations Convention on the Use of Electronic Communications in International Contracts, although the Electronic Transactions and Electronic Commerce Bill already incorporates its main substantive provisions. The Convention aims to ensure that contracts concluded, and other communications exchanged electronically, are as valid and enforceable as their traditional paper-based equivalents. The UNCITRAL Model Law on Electronic Transferable Records (MLETR, 2017) builds on the above Convention and provides a legal framework that recognizes electronic transferable records as functionally equivalent to traditional paper-based documents. This is crucial for e-commerce, where transactions often involve electronic documents, such as bills of lading, bills of exchange, promissory notes, and warehouse receipts. By aligning with international standards, the MLETR would enable Zimbabwean businesses to engage in cross-border e-commerce more seamlessly, by ensuring that electronic transferable records are legally valid not just domestically but also in international trade. The MLETR also stipulates the use of reliable methods to maintain the integrity and control of electronic records from their creation until they cease to have effect. As e-records are technology-neutral, they can accommodate various technologies, including distributed ledgers and blockchain, which are increasingly relevant for secure and transparent e-commerce transactions.

Consumer protection

In Zimbabwe, consumer protection for e-commerce and digital transactions falls under the Consumer Protection Act (Chapter 14:44) enacted in 2019, in particular Sections 52-54. It applies to all for-profit entities and also extends to unregistered operators. It has an extraterritorial effect, applying to suppliers of goods and services with their residence or principal office either within or outside of Zimbabwe. The main provisions of the Consumer Protection Act in Zimbabwe that apply to e-commerce and digital transactions only partially compensate for the absence of an overarching legal framework on e-transactions. These provisions, in line with the United Nations Guidelines for Consumer Protection, mainly cover transparency of the transaction, redressal mechanisms and unfair business practices, and in particular:

i. full disclosure: suppliers must provide full information about the products being sold online, including the full price of the goods or services (i.e., transport costs, taxes and any other fees or cost) and all terms of the agreement (including the return, exchange and refund policy of the supplier, as well as any alternative dispute resolution to which the supplier subscribes);
ii. protection of personal information: suppliers are required to protect the personal information of online consumers and security of payments;
iii. right to redress a transaction: the supplier shall give the right to the consumer to review the accuracy of the electronic transaction and withdraw from it, before finalizing the order. At the same time, if a transaction is cancelled the consumer shall return the goods to the supplier where applicable, cease using the services, and the supplier shall refund all payments made by the consumer minus the direct cost of returning the goods;
iv. cooling-off clauses: consumers have a 7-day cooling-off period to cancel an electronic transaction without reason or penalty and are eligible to a full refund. The only charge that may be levied on the consumer is the direct cost of returning the goods; and
v. regulation of unsolicited commercial communication: there are regulations for unsolicited commercial communication with consumers, requiring suppliers to provide an option to opt out of further communication.

However, translating these provisions into clear terms and conditions in online transactions and contractual obligations remains weak. Limited capacity and compliance costs to fully abide by the law are also major hurdles. Informal operators interpret laws and regulations more loosely and do not necessarily refer to them in online transactions.

The Act also established the Consumer Protection Commission (CPC) which became fully operational in 2023. Its mandate is to protect consumers from improper trade practices, unfair and fraudulent conduct. It also coordinates consumer activities and liaises with consumer organizations and the competent authorities and agencies locally and outside Zimbabwe to protect consumer interests by providing a system of consensual resolution of disputes and investigating prohibited conduct and offences. For the enforcement of consumers' rights, the Commission may issue compliance notices, but Courts are the ultimate authority to issue orders and award damages.

Overall, the judiciary and extra-judiciary systems, e.g., courts, complaints-handling authorities, alternative dispute resolution mechanisms (e.g., arbitration and mediation), are not well structured, accessible or well-equipped to deal with the variety of transactions and emerging businesses in the digital economy. Despite progress made in e-court management through the roll-out of the Integrated Electronic Case Management system, this impetus towards digitalization has not permeated into alternative dispute resolution mechanisms, since online dispute resolution for cases dealing with e-commerce is not available in Zimbabwe. Clear and efficient mechanisms for resolving online disputes, considering the cross-border nature of e-commerce, need to be developed.

During the consultations undertaken as part of this assessment, the CPC acknowledged several challenges faced by consumers using e-commerce, including unsafe products, unfair business practices, and insufficient dispute resolution mechanisms, especially for cross-border transactions. Additionally, concerns about breaches of consumer privacy and lack of coordinated action among member States were noted. Consumers are not often aware of their rights, and even when they are, redressal mechanisms are difficult to find. Hence, there is a pressing need to empower consumers and enhance their confidence in digital markets. At the same time, stakeholders consulted stressed the importance of striking a good balance between protecting consumers, building trust and enabling businesses to thrive, especially in the early stages of development of a local digital ecosystem.

The Consumer Council of Zimbabwe is the principal consumers advocacy group and has raised concerns on the effective protection of consumers in the digital space. POTRAZ issued the Consumer Protection Guidelines for the Telecommunication Sector in 2023. These are a useful resource to build awareness, educate consumers and service providers on how to better enforce rights and obligations, as well as on the role competent authorities can play.

The Zimbabwe National Consumer Protection Policy 2024-2028 is in its final stage of preparation, confirming the priority that the Government gives to the issue. The draft version recognizes the importance of conforming the consumer protection framework to regional and international conventions on consumer protection ratified by Government, such as the SADC Declaration on Regional Cooperation on Competition and Consumer Policies, COMESA Competition Regulations and the United Nations Guidelines for Consumer Protection and Sustainable Development Goals. It also underscores how the evolution of cross-border e-commerce has created a need for cooperation on consumer protection amongst jurisdictions. To protect consumers, the Policy will engender cooperation with consumer protection agencies from regional and international trading partners, enhancing cross border cooperation in consumer protection efforts.

Data protection, cybersecurity and cybercrime

Zimbabwe has taken a deliberate approach to regulating these various areas under the same legal framework. Initially tabled as the Cybersecurity and Data Protection Bill, 2019, the bill was later enacted as the Cyber and Data Protection Act [Chapter 12:07] in 2022. The Act is an attempt to consolidate and strengthen the legal framework applicable to the use of data, particularly personal data (storage, access and protection). At the same time, it extends its coverage to areas such as cybercrime and cybersecurity and specifically includes the following provisions:

i. It designates POTRAZ as Data Protection Authority and recognizes individuals' rights to protect their personal data or information. It mandates a data controller or processor to process (collect, use, disclose, erase, etc.) such personal data or information, in accordance with the individual's rights. With regards to cross-border transfers of personal information, the law obligates data controllers to ensure that adequate levels of protection are available in the recipient country or recipient international organization. Cyber and Data Protection Regulations have been developed in 2022 by POTRAZ, yet to be enacted, dealing with the licensing and registration of data controllers, as well the designation and functioning of data protection officers.
ii. It amends sections of the Criminal Code to address cybercrime, hacking and unauthorized data collection and breaches, cyber-bullying and harassment, transmission of data containing unlawful content, and to ensure the admissibility of electronic evidence for such offences.
iii. It introduces the Cybersecurity and Monitoring of Interception of Communications Centre in the Office of the President, amending the Interception of Communications Act. It also provides for a Cyber Security Committee advising the ICT Minister.

Under the SADC Harmonised Cybersecurity Legal and Regulatory Framework, there are three model laws which are currently being reviewed:

1. the SADC Model Law on Computer Crimes and Cybercrimes;
2. the SADC Model Law on Data Security; and
3. the SADC Model Law on Electronic Transactions and Electronic Commerce.

The review will provide guidance for future legal reform initiatives in Zimbabwe. By including the powers of the State to access personal data and monitor communication traffic, the data regulations regime weakly prioritizes commercial aspects linking data to the digital economy, in favour of a security dimension (UNECA 2021). Stakeholders emphasized the importance of prioritizing commercial aspects in implementing data protection legislation during the validation workshop of this assessment. Best practices suggest that having an independent and dedicated data protection authority ensures stronger oversight, credibility, and enforcement. Zimbabwe's current approach (consolidating responsibilities within POTRAZ) may limit specialized focus on data protection. Decoupling privacy and data protection from regulations addressing cybercrime and cybersecurity would be more in line with international good practices, such as the Council of Europe Convention 108+ on the Protection of Individuals with regard to Automatic Processing of Personal Data. This will ensure that data privacy rights are not compromised by the broader objectives of cybersecurity.

The RBZ has issued a "Risk Based Cyber Security Guideline" applying to payments and the financial sector. The Cyber and Data Protection Act incorporates some provisions of the Budapest Convention on Cybercrime. Zimbabwe may consider acceding to the said convention, as well as to other relevant comparable instruments,[13] particularly to strengthen international cooperation, as domestic capacities in these areas are weak. Stakeholders consulted identified combating cybercrime and online fraud as key to fostering a safer e-commerce environment.

5.2 Other laws and regulations related to digital transactions and e-commerce

Digital identity (ID) and trust services

Digital identity refers to the unique set of information and attributes associated with an individual or organization that is used to identify them within the digital world. Unlike paper-based IDs,[14] digital IDs can be authenticated remotely over digital channels. In the early 2000s, the Zimbabwean Government introduced biometric identification documents (IDs) but these did not lead to the establishment of a sound framework for the development of digital identity. Challenges related to the registration of citizens and identity theft, as well as concerns over privacy and surveillance risks, have slowed down plans for establishing a digital ID infrastructure. UNECA is establishing a roadmap for African governments to implement digital ID systems in line with the African Union Digital Transformation Strategy and has outlined several principles for building digital ID infrastructure in Africa, such as:

i. systems should have robust mechanisms for verifying and authenticating identities, and ensure the privacy and security of users' data;
ii. systems should capture the minimum amount of data necessary, be standardized, interoperable and scalable, enabling their use across different sectors and government agencies; and
iii. each user should have a unique digital identity, the use should be voluntary, and users should give their consent before their data are used.

Balancing privacy regulations with business needs is needed to foster trust in digital transactions and cross-border trade.

[13] For example, when ready for signature and ratification, Zimbabwe may consider joining the United Nations Convention against Cybercrime. A draft text was approved by the UN General Assembly in August 2024, see document A/AC.291/L.15 available at: https://documents.un.org/doc/undoc/ltd/v24/055/06/pdf/v2405506.pdf

[14] Except paper-based documents that require validation through an electronic connection, such as biometric passports.

Digital ID initiatives require strong political support and leadership from government institutions. The African Union Convention on Cyber Security and Personal Data Protection (Malabo Convention) is a reference legal instrument for African states to develop cybersecurity and data protection laws, by upholding data protection standards and privacy rights. Its goal is to foster data usage in e-commerce by implementing effective cybersecurity laws, addressing concerns for countries using digital ID systems to boost Africa's digital economy.

Digital ID systems may provide the identity component of electronic signatures and other relevant trust services. A digital ID system offering a higher level of assurance may be used in electronic signatures and other trust services that are associated with legal provisions, such as those using a Public Key Infrastructure. In Zimbabwe, the Deeds Registries Amendment Act of 2017 provides for embryonic legislation regarding digital signatures, although it falls short of being framed within the context of a robust certification framework. The Zimbabwe E-Transactions and E-Commerce Bill contains provisions for the regulation of certification authorities and their role in verifying the security of electronic signatures. To align these provisions with international standards, Zimbabwe may consider revising its legal framework to bring it into line with the UNCITRAL Model Law on the Use and Cross-border Recognition of Identity Management and Trust Services (MLIT, 2022). The MLIT can provide a legal framework that supports the digital identification of individuals and entities, as well as the use of trust services, including e-signatures. A core provision of the MLIT is the functional equivalence between offline and online identification using reliable methods, which is crucial for e-commerce activities.

Intellectual property rights

Zimbabwe's intellectual property rights framework is designed to protect and manage the creations of the mind, such as inventions, literary and artistic works, industrial designs, trademarks, and other forms of intellectual property. Zimbabwe is a member of the World Intellectual Property Organization and applies international patent and trademark conventions, which help harmonize the protection of intellectual property rights in the context of global e-commerce. Zimbabwe is a member of and headquarters the African Regional Intellectual Property Organization. The country's various IP-related legal texts include:

i. the Trade Marks Act (last amended in 2016) and Regulations (2005);
ii. the Copyright and Neighbouring Rights Act (last amended in 2004) and Regulations (2006);
iii. the Patents Act (last amended in 2002);
iv. the Industrial Designs Act (amended in 2002) and Integrated Circuit Layout Designs Act (enacted in 2002); and
v. the Intellectual Property Tribunal Act (enacted in 2010).

Copyright and related laws protect digital content such as software, multimedia products, and databases, which are the backbone of many e-commerce platforms. Trademark laws protect brands and logos, which are essential for establishing a business's identity and consumer trust in the digital marketplace. Zimbabwean law requires formal registration of IPRs with the Zimbabwe Intellectual Property Office, the African Regional Intellectual Property Organisation, or under the Madrid (International Trademark) System before they can be enforced. Weaknesses in the enforcement of IPRs laws in Zimbabwe remains an outstanding issue. Furthermore, while IPRs legislation is relatively well-developed, a thorough assessment of its implications and effects of its application in the digital space is lacking. Such an assessment would be useful to adapt IPRs legislation balancing the interests of rights holders and users, fostering innovation and investment in new digital products and services, which is essential for the growth of the digital economy.

Procurement

The main law governing public procurement in Zimbabwe is the Public Procurement and Disposal of Public Assets Act (Chapter 22:23), which came into effect in 2018. This Act provides for the control and regulation of public procurement and the disposal of public assets to ensure that such procurement and disposal is done in a manner that is transparent, fair, honest, cost-effective, and competitive. It also establishes the Procurement Regulatory Authority of Zimbabwe. The Act also laid the foundations for the establishment of an electronic procurement system, eGP, launched in 2023. Implementation has started in phases, with the onboarding of suppliers, verification of the documentation and invitations to State entities to submit their procurement plans.

The Act contains provisions that allow procuring entities to give preference to bids from Zimbabwean or local suppliers, provided this preference is explicitly stated in the bidding documents. This aligns with the Government's goal of taking affirmative action to promote the "Buy Zimbabwe" initiative, by developing dedicated policies and measures that promote local content, particularly in public procurement. The aim is to create more opportunities for local businesses. During stakeholder consultations, concerns were raised about the perceived lack of trust in locally developed ICT-related solutions and applications. Many expressed doubts on the ability of Zimbabwean entrepreneurs to develop safe and innovative solutions, leading to a bias in favour of foreign products. One example cited was a Know-Your-Customer (KYC) solution licensed by RBZ, which is used in advanced markets in South-East Asia but has not been adopted by local banks, highlighting this reluctance to trust homegrown solutions.

5.3 Taxation

Small-scale businesses often opt to remain in the informal economy due to the burdensome nature of tax compliance. According to a survey conducted by the ZNCC in 2019, a business operating locally must make at least 51 payments across various tax categories to achieve tax compliance. This complexity of tax compliance, including multiple payments across different categories, outdated laws, limited automation, and the need to travel, are common barriers to formalization (Bhoroma, 2022). The ZNCC 2023 State of Industry and Commerce Survey (ZNCC, 2023) further highlights that tax evasion along with other cumbersome regulations or requirements, continues to push companies to remain in the informal sector.

Recognizing the growing emphasis on enhancing domestic resource mobilization within African economies, taxation of e-commerce has become a public policy issue in Zimbabwe. Several forms of direct and indirect taxation have been introduced targeting the digital economy. The introduction of the Intermediated Money Transfer Tax affecting electronic money transfers, including mobile money, was the first major attempt to collect revenues from electronic payments. Section 12 of the Income Tax Act (Chapter 23:06) was amended in 2019 to impose a tax equivalent to 5 per cent of the assessed income from digital services provided by what is termed the "Electronic Commerce Operator, defined as "an operator selling, providing or delivering services from outside Zimbabwe by the use of a telecommunications network or electronic means (and whether mediated by computers, mobile telephones or other devices) to customers or users in Zimbabwe." This definition primarily targets major foreign social media, entertainment platforms and marketplaces, whose services were increasingly used in Zimbabwe and worldwide. The law set a monetary threshold of US$500k that the e-commerce operator would earn from Zimbabwean sources, each year and 30 days from reaching the monetary threshold and the operator would have to appoint a representative taxpayer in Zimbabwe. Since 2020, Zimbabwe requires non-resident vendors of digital services to customers (B2C and B2B) in Zimbabwe to register for and collect value-added tax (VAT) if their sales

> Small-scale businesses often opt to remain informal due to burdensome tax compliance.

exceed ZWD 1 million (KPMG 2024). Despite these taxation measures, the capacity to effectively manage the collection of these revenues is questioned. Moreover, the high threshold set for income tax on foreign digital services makes it hard to reach, and even less so if also taking into account that an unknown amount of transactions remains unrecorded (Dzindikwa 2022). In view of these challenges, it is recommended to build capacity in this area, to improve the existing e-commerce taxation framework and implementation capacities, learning from emerging good practices and recommendations (Box 5).

Box 5
An overview of taxation of e-commerce with a focus on Africa

Africa represents a significant and expanding market for global e-commerce. On average, VAT is the largest source of tax revenue in African jurisdictions. The challenges of collecting VAT on rapidly growing e-commerce sales are creating substantial pressures on VAT systems both in Africa and globally. These challenges include collecting VAT on the increasing sales of online services and digital products to private consumers (such as apps, streaming, gaming, and ride-hailing) and on online sales of low-value imported goods, often sold by foreign merchants. Whilst the majority of African countries have a VAT or equivalent system in place, under existing rules, VAT is often not effectively levied on these sales. Given these developments, governments are concerned about the erosion of their indirect tax bases due to e-commerce's ability to go unnoticed or undetected by tax authorities. Enforcing relevant tax legislation to accommodate digitalization remains a significant challenge both in African countries and globally. As a result, tax authorities worldwide need to identify the value created by digital and virtual businesses engaging in e-commerce transactions, determine how and where that value should be taxed, and figure out how legislation should be amended and enforced accordingly.

Key recommendations for addressing tax issues related to foreign suppliers and e-commerce include the need to review the definition of tax residence for businesses and introduce the notion of fixed establishment, allowing tax resident customers to withhold tax due by foreign suppliers. To manage administrative costs and fragmentation, it is suggested to harmonize the *de minimis* rule at a regional level. Monitoring non-resident vendors requires their registration, making buyers liable for VAT due by non-resident sellers, using VAT reverse charge mechanisms, and designing simplified registration regimes as seen in Kenya, Nigeria, and Tanzania. Digital platforms can play a central role in tax collection and information sharing to regulate e-commerce effectively. Implementing simplified registration and compliance regimes for non-resident vendors is recommended to avoid cumbersome procedures and ensure compliance. Regional coordination can help harmonize tax regulations, secure revenue, and support economic integration. Reinforcing the corporate income tax base through withholding tax mechanisms and revising double taxation agreements, as per the 2021 United Nations Model Double Taxation Convention between Developed and Developing Countries, can limit profit tax erosion. Further, the cited Convention contains a new provision for taxing the digital economy, namely Article 12B for taxing income from Automated Digital Services. Engaging in national consultations with stakeholders, namely the business community and e-commerce operators would be beneficial when designing a new collection regime. Follow-up and communication when implementing tax collection provisions, for example through client response teams as it is the case in Uganda, can enhance compliance. Such teams are meant to deal with tax matters and act as customer service within specific departments, helping to clarify changing tax rules landscape for domestic and foreign vendors. Adopting common principles and improving capacity-building options with support from international organizations can ensure fair tax revenue allocation, a simple taxation system, and robust administrative capacity in developing countries.

Source: UNCTAD[15]

[15] A recently released study by UNCTAD (2025) can help understand the significant implications and challenges of e-commerce and digital trade for taxation authorities, based on the policies put in place by several countries. Available at: https://unctad.org/system/files/official-document/dtlecde2024d2_en.pdf

6. E-commerce Skills Development

Zimbabwe boasts a relatively well-developed human capital, with almost universal literacy, particularly in urban areas. However, ICT skills remain limited, resulting in low adoption of productivity-enhancing technologies by MSMEs. Challenges in the education sector, such as a shortage of trained IT teachers and poor connectivity in schools are being addressed with the support of development partners. To foster e-commerce growth, a comprehensive digital skills competency framework is essential to address the skills mismatch. While some businesses are gaining basic e-commerce skills, there is a shortage of business-oriented training programs focused on Start-Ups and MSMEs.

A coordinated approach within the fragmented Technical Education and Vocational Training (TVET) sector, supported by the 2023 TVET Policy, is needed. Similarly, strengthening public sector capacities is increasingly important in the context of AfCFTA implementation. Fostering partnerships between various digital business support organizations and providing incentives for innovative MSMEs and Start-Ups was underscored by stakeholders consulted. This bodes well for advocating for a Start-Up Act, a tool gaining traction in many African countries.

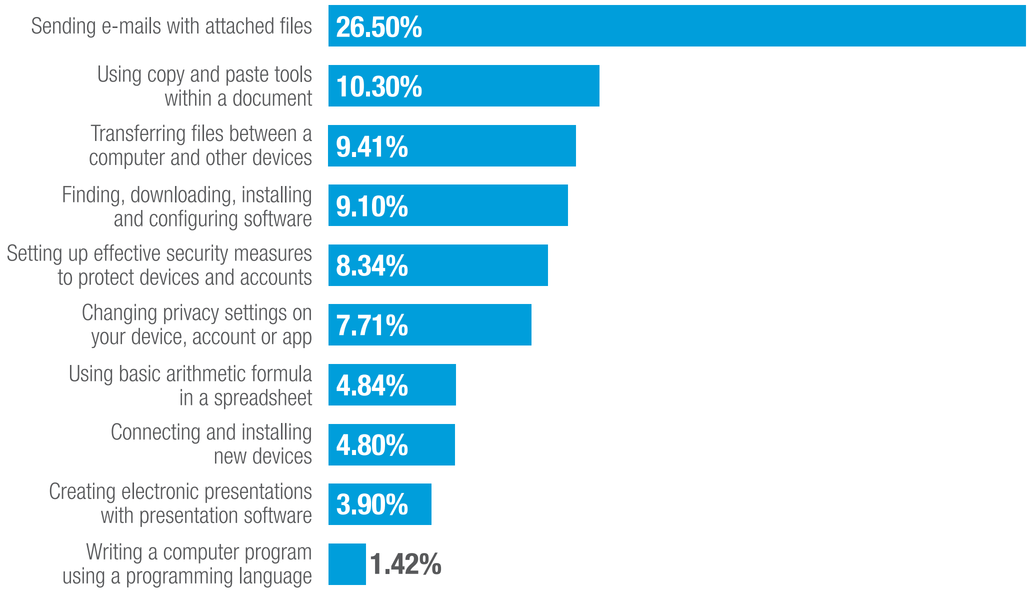
6.1 ICT competencies and digital skills mismatch

Zimbabwe has a good human capital base, a well-educated and literate population but only a handful of the population possesses basic ICT skills. The World Bank Human Capital Index (0 min. - 1 max.) pools a series of indicators and is measured in terms of the productivity of the next generation of workers relative to the benchmark of complete education and full health. Zimbabwe's score (0.47) is in line with the average of lower middle-income countries (0.48) and above the average of Sub-Saharan African countries (0.40). According to data from ZimStat (2022 Population and Housing Census), the national literacy rate stands at 93.7 per cent, is almost universal in urban areas (97.1 per cent) and remains relatively high also in rural areas (91.3 per cent), with no significant gender imbalance. Gross enrolment ratio for population aged 4-24 stands at 99.4 per cent and remains high until lower secondary school (82.1 per cent) but drops significantly at upper secondary school (13.4 per cent). Financial constraints (particularly for men), marriage and pregnancies (particularly for women) are amongst the main reasons behind leaving school. Only 10 per cent of the population have some basic ICT skills, such as the ability to send emails and process documents (Figure 13). The gap is wider in rural areas where limited access to Internet connectivity, electricity and training facilities are a paramount challenge to building an inclusive digital skills development infrastructure. This contributes to a low usage of productivity-enhancing technologies by MSMEs.

Figure 13

Proportion of individuals with ICT skills

What types of products and services do you buy online?
(Consumers survey, 52 responses)



Source: UNCTAD, based on ITU DataHub (latest data, 2020)

The education sector is a primary vector to foster digital literacy efforts. The Education Sector Strategic Plan 2021-2025 has outlined several challenges, such as sustainably financing the system, addressing vulnerabilities related to shocks and weather-related catastrophes, coping with the impacts of the COVID-19 pandemic, building the sector's institutional capacities including in ICT, teacher's skills and infrastructure development, and supporting access, quality, equity and inclusivity.

The Government of Zimbabwe is intensifying efforts, in collaboration with development partners, to enhance the ICT infrastructure and teachers' ICT skills, thereby increasing digital literacy levels. Collaborating with ITU and UNICEF through the GIGA project, the government aims to close the Internet connectivity gap in schools, where only 31 per cent of the country's primary and secondary schools currently have Internet access. MICTPS and POTRAZ have also joined forces to equip schools with computer labs. Collaboration between UNESCO and the Ministry of Primary and Secondary Education (MPSE) started in 2020 through the "Rapid teacher training programme on open, distance and online learning in Zimbabwe" to address the educational challenge posed by the COVID-19 pandemic. This initiative aimed at equipping teachers with skills necessary to deliver distance education and integrating ICT in their teaching. It introduced teachers to essential digital skills and remote learning methods as part of the first phase of the "Transforming Education in Africa" project, a collaboration between UNESCO and the Republic of Korea which supports the development of national ICT-in-education policies.

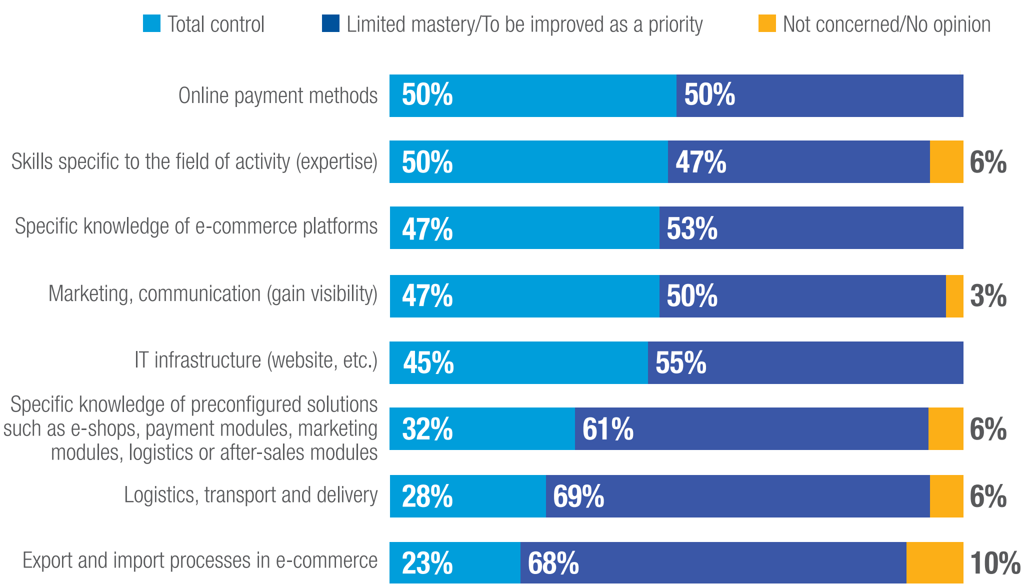
The skills and training offer mismatch constrain the development of a digital economy in Zimbabwe.

The skills mismatch is a significant barrier to building strong foundations for the development of the digital economy in Zimbabwe. According to an ILO report (2022), a National Critical Skills Audit conducted in 2018 highlighted critical skills shortage in engineering and technology (93.5 per cent) and natural and applied sciences (96.95 per cent). While there is a skills surplus in business and commerce

(121 per cent), there are notable deficiencies in specialized areas such as marketing and advertising, business and administration, accounting and taxation, management and administration, transport services and logistics, banking, and insurance. In response, the Ministry of Higher and Tertiary Education, Innovation, Science and Technology Development (MHTEISTD) restructured the education curriculum, incorporating innovation and industrialization pillars alongside traditional education pillars (Education 5.0). The 2022 Census underscored the underrepresentation of women in the Science, Technology, Engineering and Mathematics (STEM) field, with only 22 per cent STEM students and 32 per cent of ICTs students being women. The ILO report called for a more robust and coordinated framework to anticipate future labour market skills and ensure that skills development programmes align with these needs. As a follow-up the Government developed a National Action Plan for strengthening Zimbabwe's Labour Market Information and Skills Anticipation System. A new Critical Skills Audit is ongoing in 2024, which will incorporate the Government's orientations contained in the National Policy for ICT, providing a broad framework for enhancing digital skills development.

Stakeholders consulted during the assessment commended the efforts to realign education and training systems with the needs of the economy, in line with the country's Vision 2030. They underscored the importance of tailoring higher education and professional training to meet the skills required by the private sector, particularly in the area of e-commerce and other fast evolving areas like artificial intelligence and data analytics. Findings from the private sector survey show mixed results (Figure 14). While some businesses demonstrated confidence in critical skills for e-commerce, such as online payment methods, marketing and communication, IT development skills, many others exhibited a limited mastery in areas like logistics and delivery, cross-border e-commerce, and setting up online platforms. The latter are areas to be strengthened as a priority.

Figure 14
The skills base in businesses
How would you rate your own mastery of the following skills for running your business? (Private sector survey, 33 responses)



Source: UNCTAD, 2024

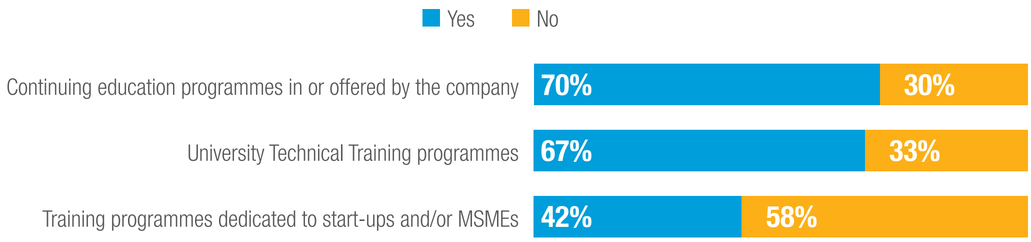
A dedicated plan is essential for developing digital skills, beginning with a comprehensive digital skills framework to guide policy initiatives. The Zimbabwe Council for Higher Education has the mandate to design and recommend quality assurance systems for higher education. However, analysis by the World Bank (2021) highlights the absence of an overarching framework to guide digital skills training across all levels of the education sector.

6.2 Higher education and professional training programs

The majority of private sector survey respondents (Figure 15) agreed that the current ICT training offer meets the country's needs for the development of e-commerce and the digital economy. This is particularly true for technical training programmes offered by universities and continuing education programmes offered by companies, but not the case of training programmes dedicated to Start-Ups and/or MSMEs (see Figure 15). Moreover, 80 per cent of respondents have reported that that they never benefited from start-up incubation or MSMEs support programme.[16]

Figure 15
Adequacy of the offer for digital skills training

Does the current ICT training offer meet the country's needs for the development of e-commerce and the digital economy? (Private sector survey, 33 responses)



Source: UNCTAD, 2024

Tertiary education establishments, namely state universities, are the main skills development providers relevant for e-commerce and digital economy. For example, the University of Zimbabwe in Harare offers various degree programmes in business administration and management, computer engineering informatics and communications. The Harare Institute of Technology offers an interesting programme on "technopreneurship" covering various critical e-commerce skills, including data analysis and presentation, digital marketing, content creation, web site design and maintenance, search engine optimization, artificial intelligence and machine learning, financial management skills, and cyber laws. Bulawayo is home to the National University of Science and Technology, a leading establishment with various degrees and research programs in areas related to science and technology, communication and information sciences, business and commerce.

The Technical Education and Vocational Training (TVET) sector is highly fragmented and lacks a comprehensive oversight body (AUDA-NEPAD 2022). TVET programmes are offered by a variety of public and private institutions. Public institutions comprise agencies, teachers' colleges, universities, polytechnics, and technical schools. The Zimbabwe Manpower Development Fund (ZIMDEF) is responsible for funding the development of critical and highly skilled

[16] The support of the UPU might be sought to support MSMEs, for example via the TradePost project for piloting e-commerce community centres in remote areas, to be used as facilities to train MSMEs and women on how they can use postal, financial and digital services to access e-commerce markets.

human capital in Zimbabwe, under the direction of the Minister of Higher and Tertiary Education, Innovation, Science and Technology Development. ZIMDEF undertakes infrastructure development projects and innovation projects at selected institutions of higher learning. This has seen ZIMDEF funding the construction of innovation hubs at some of the country's state universities, among other projects. The Zimbabwe Centre for High Performance Computing (ZCHPC) located at the University of Zimbabwe offers courses ranging from artificial intelligence and big data analytics, to cloud engineering, cybersecurity, blockchain technologies, robotics and the Internet of Things, among others. TelOne, the state-run telecom operator, has a Centre for Learning which offers a variety of short and long professional courses, including many areas relevant to e-commerce. This training establishment is in the process of upgrading its status to a state university to be able to offer academic degree programmes. Private institutions include business confederations, large companies, NGOs and other independent training centres, among others. The need for streamlining the TVET sector reflects the urgency to reform the overall tertiary and higher education sector to improve the quality and relevance of programmes (World Bank 2020). The Cabinet approved a TVET Policy in 2023 which should chart a way forward to better organize the TVET sector, better coordinate training services provided and ensure that such training is in line with a competence-based National Qualification Framework.

Stakeholders consulted have emphasized the need to adapt training programs and help integrate graduates into the private sector, closing the gap between formal education and on-the-job training. Efforts in this area will require a coordinated approach between universities, public and private vocational training schools, including in the framework of continuing education. Collaboration between the private sector, higher education and research organizations would enable a better alignment of business needs, especially MSMEs, with universities and other specialized public and private sector programs. This could be facilitated via internship agreements between universities and companies venturing into digitally driven business models, to enable a better exchange of class-based learning with knowledge practice. Research-based organizations and business federations also would benefit from stepping up their internal training and research programs to include a broad range of themes linked to digital economy, to sustain more targeted capacity building for their networks. Strengthening international cooperation can also be beneficial. Collaborations and exchanges between higher education establishments, the professional community, foreign training institutes and international organizations could help keep abreast of the latest developments in the digital space.

> Stakeholders consulted emphasized the need to adapt training programs and bridge education-employment gaps.

6.3 Other digital skills development and capacity building initiatives

A plethora of entities, varying in size and structure, have entered the digital capacity building ecosystem, driven by the demand from a generation of vibrant digitally-savvy young entrepreneurs. However, the support ecosystem is fragmented, lacking a central directory that is effectively managed in partnership with the Government or a major business-membership organization.

The Harare Founder Institute has compiled a useful list based on a sequential framework for business growth. During the idea stage, new entrepreneurs get inspired, learn best practices, develop skills, validate ideas, and begin to build their team and products. ITWeb and Techzim are useful sources to collect market information. FuckUp Nights Harare, the Shasha Network and a few meet-up groups and networking events provide opportunities for connection and collaboration within the entrepreneurial community. They are committed to supporting Start-Ups by providing inspiration and helping entrepreneurs turn their business ideas into reality. About twenty entities actively provide training, advice and validation for entrepreneurial projects while building teams through skills development events and start-up bootcamps. These include, among others, international players like Impact Hub Harare, Inco Incubators and Startup Huddle, as well as locally grown tech hubs, co-working spaces and start up incubation programs, like Tech Hub Harare, the Business Hub, Eight2Five, iZone Hub, the Entrepreneurs Network of Zimbabwe. Additionally, state universities have established incubations and innovation labs to further support entrepreneurial development. Banks have established facilities, like Stanbic Incubator Hub and Steward Bank Incubation Pod to support innovation. There are also IT developers' groups, such as the Google Developer Groups Harare and women meet-up groups like PyLadies Harare and SheCodes. POTRAZ Hackathon and Zimhack provide networking and collaborative opportunities for IT developers. A number of platforms are available to make pitches and presentations, including prizes and competition organized by telecom operators and other entities.

Organizations like Tofara Online actively promote the digital empowerment of women and youth (Box 6). Other entities and partners in Zimbabwe are working to promote digital literacy and inclusion for disadvantaged groups, particularly in rural areas. The Zimbabwe Information and Technology Empowerment Trust (ZITET), a local NGO, focuses on advancing digital equity in under-resourced communities through capacity building and professional development initiatives, advocacy, research, and information dissemination. The Internet Society (ISOC) Zimbabwe Chapter advocates for the inclusion of persons with disabilities in the digital economy. In 2023, ISOC partnered with POTRAZ to deliver a Basic Digital Skills Training Programme in Masvingo, benefitting 31 members of the Zimbabwe Association of the Visually Handicapped. The Food and Agriculture Organization launched in 2023 the Digital Village Initiative, aiming to transform at least 1,000 villages into digital village hubs offering a variety of ICT-enabled services.

Box 6
Empowering women and youth through digital skills and literacy: the case of Tofara

Tofara Online is a digital marketing and innovation consulting trust based in Harare. Founded by Ms. Tofara L. Chokera, a self-taught digital evangelist since 2016, the organization has thrived through social media, growing a large followers' base, delivering tutorials and more personalized mentoring to inspire people, especially young women, to enhance their digital skills. Tofara Online Trust is today an award-winning and internationally recognized social impact venture that empowers women, youth and MSMEs to embrace digital skills for business, career development and personal brand. The trust offers digital strategy consultation, coaching and mentorship services. For example, as an implementing partner for the Talent 4 Startups Program, an initiative of Digital Africa aimed at supporting the training of young people in technology and digital professions across the African continent. To keep pace with the rapid advancement of artificial intelligence and foster gender diversity and inclusion, Tofara Online Trust inaugurated an initiative called Women in Artificial Intelligence Global Network in April 2024. During the stakeholders' consultations, it was suggested that entities like Tofara Online could further contribute to building digital skills in rural areas, by partnering with the Community Information Centers in villages across the country, given the higher male attendance rates in usage statistics.

Source: UNCTAD, 2024

These entities can play a very important role in supporting and strengthening the capacities of innovative business projects' developers. However, stakeholders consulted during the assessment have highlighted some of the challenges related to the support infrastructure for Start-Ups and businesses. Performance metrics are often based on the number of Start-Ups onboarded and other immediate requirements linked to winning donor-funded grant competitions, instead of prioritizing the capacity to reach scale and survive in the market. Sustainability is often an issue, as many such entities struggle due to the country's deteriorating economic conditions. Facilities often fall short of meeting the demand and operational hurdles undermine their effectiveness and the quality of services provided. Market intelligence services are underdeveloped, resulting in limited access to up-to-date market information, regulatory developments and knowledge networks, which creates an unsupportive environment for business development. The fragmentation of entities and initiatives leads to missed opportunities for collaboration in building targeted and accessible business development services. Specialized services, such as accounting, administrative support, legal advice and mentoring often come at prohibitive costs for Start-Ups and MSMEs. Addressing these challenges requires a comprehensive approach to strengthen the support infrastructure for business development. Across Africa, this is being increasingly translated into adopting laws that foster a participatory approach to designing rules, strengthening supportive structures and creating incentives for entrepreneurs to innovate and enable digital transformation processes. Following the examples set by Tunisia and Senegal, countries such as the Democratic Republic of Congo, Côte d'Ivoire, Mauritania and Nigeria have passed Start-Up acts, while proposals are underway in Ethiopia, Ghana, Kenya, Rwanda and Uganda.

Survey respondents emphasized the public sector's critical role in developing the skills necessary for e-commerce. They highlighted the need for officials in relevant ministries to have a solid understanding of e-commerce and called for e-commerce awareness programmes targeting consumers. This underscores the urgent need to enhance skills across ministries and public sector agencies as regards the interconnected policy areas of e-commerce and digital trade, particularly in the context of the opportunities presented by the AfCFTA Digital Trade Protocol. At the international level, this also requires deepening relations through Zimbabwe's foreign trade diplomacy in priority markets, in collaboration with ZimTrade, Zimbabwe's trade promotion organization. At the same time, awareness-building programmes must extend beyond government agencies to promote e-commerce among the general public, focusing on safe transactions' practices and clearly defined rights and obligations for all parties involved.

> A Start-Up Act could promote innovative businesses and digital skills development.

7. Access to Financing

Zimbabwe has an articulated financial sector, where banks, micro-finance institutions (MFIs), and other financial service providers have enhanced financial inclusion. However, access to credit remains low, particularly for youth, women businesses and MSMEs, with most financing coming from personal savings and informal sources like family and friends. The business environment lacks strong incentives for small-scale private sector actors to operate in the formal economy, constraining private sector creditworthiness due to poor collaterals and weak business management skills.

Although reforms in credit registry, collateral and guarantees, have improved funding prospects for MSMEs, venture capital and alternative financing remain underdeveloped. There is a pressing need for targeted funding schemes and enhanced financial advisory services to support startups and MSMEs in the digital economy.

7.1 Private sector financing by banks and MFIs

The banking sector in Zimbabwe is a central component of the financing landscape and comprises 19 institutions, namely 13 commercial banks, 5 building societies and 1 savings bank. The RBZ oversees financial stability, enforcing capital adequacy and promoting stricter prudential standards for systematically important banking institutions. Non-performing loans are under control. A cyber security maturity assessment was conducted in 2022 by RBZ to help strengthen the readiness of financial institutions in addressing threats, in view of the increasing adoption of new technologies and digital solutions in the delivery of financial products. Efforts to boost anti-money-laundering and combating financing of terrorism are ongoing and Zimbabwe was removed from the Financial Action Task Force grey list in 2022. The concentration of the banking sector remains relatively moderate, with the top five banks holding 65.40 per cent of total commercial banking assets, according to the 2022 RBZ Financial Stability report. These leading banks are either fully or partially foreign-controlled while the rest include State-controlled banks and banks with mixed foreign and local private capitals.

In addition to the traditional banking sector, MFIs play a vital role in promoting financial inclusion, with 8 licensed as deposit-taking and 238 credit-only MFIs. The MFIs sector has been constantly growing over the last few years in terms of registered entities and the number of branches. Overall, assets and loans are also rising and the sector remains relatively profitable, but the level of portfolio-at-risk remains significantly above the international benchmark of 5 per cent. The formal domestic financial sector also includes four state-controlled development finance institutions, including the Small and Medium Enterprises Development Corporation (SMEDCO), IDBZ, AFC Land & Development Bank and IDCZ. In addition to payment system providers, RBZ also regulates remittances services. Zimbabwe also has a capital market, with a stock exchange regulated by the Securities and Exchange Commission of Zimbabwe. Savings and Credit Cooperative Societies (SACCOs)- while not regulated by RBZ, operate under the purview of the Ministry of Women Affairs, Community, Small and Medium Enterprises Development.

The National Financial Inclusion Strategy 2022-2026 recorded significant progress in formal financial inclusion from 69 per cent of the adult population in 2014 to 83 per cent in 2022, reducing the financial exclusion gap, as well as the gender gap (Box 7).

Box 7
Improving access to finance to reduce the gender gap in financial inclusion

Zimbabwe has made significant strides in advancing women's financial inclusion through a combination of coordinated efforts and supportive policies. Institutional coordination involving government ministries, development partners, financial regulators, and private sectors has been pivotal. The establishment of the Zimbabwe Women's Microfinance Bank (ZWMB) has been instrumental in providing tailored financial solutions to women and MSMEs, particularly in rural areas. The ZWMB's innovative products such as the mobile-based loan "Katsaona" have enabled women to address financial emergencies and invest in agriculture and livestock, thereby increasing income and employment opportunities.

Moreover, regulatory changes in the banking laws, which have enhanced consumer protection, improved infrastructure development, including Internet connectivity, and credit registry reform, have further reduced barriers for women entrepreneurs. The introduction of women's desks and SME units in banking institutions has further supported the development of gender-specific financial products and services. Despite these advancements, challenges persist. There is a need for comprehensive sex-disaggregated data to better understand and address the financial behaviours and needs of women. Continued efforts in digital financial literacy will also empower women to effectively use digital financial services. To sustain progress, policymakers must continue to prioritize gender-intentional policies and regulatory frameworks that address the unique challenges faced by women in accessing and utilizing financial services.

Source: UNCTAD, based on AFI (2023)

The banking sector alone has experienced an increase in the uptake of formal banking products from 30 per cent in 2014 to 46 per cent of the adult population in 2022, largely driven by the increase of transactional products. Despite improvement in overall access to financial services, access to bank financing remains a major bottleneck, only partially alleviated by the growing microfinance offer. The overall level of bank credit to the private sector as a percentage of GDP amounts to 8.8 per cent, a slight increase from the record low of 5.2 per cent in 2019, according to World Bank data. The rebound was supported by an increase in loans and deposits. However, it is still significantly lower than the average 45.5 per cent in lower middle-income countries. Furthermore, the proportion of loans to women, MSMEs and youth remains low at approximately 3-4 per cent of total banking sector loans (RBZ 2022 Financial Stability Report). Years of high interest rates at three digits and restrictions on international financial transactions have heavily constrained traditional credit lines to the private sector. It remains focused on the shorter term and creditworthy clients, with strong collaterals and guarantees, which is typically not the profile of most of the players in the country's e-commerce ecosystem. Remittances from the Zimbabwean diaspora, particularly from South African and the United Kingdom

Financial inclusion rose from 69% to 83% from 2014 to 2022, positively impacting the gender gap.

are an important funding component for Zimbabwean households and entrepreneurs. Personal remittances received in 2022 accounted for 11.27 per cent of GDP.

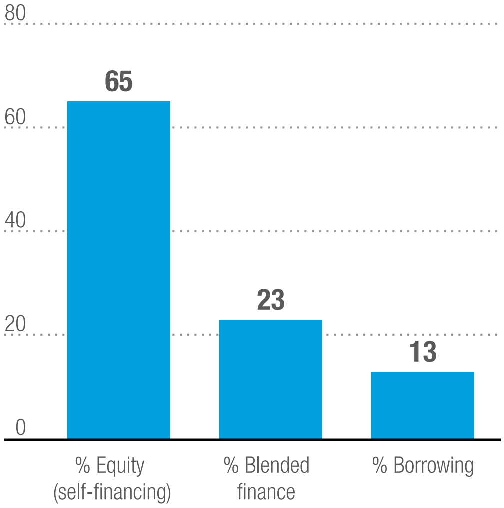
7.2 Challenges faced by MSMEs in accessing credit

The FinScope MSME Survey (2022) recorded that 1 in 7 MSMEs are formally registered or have a trading license. Stakeholders consulted have stressed the costly business environment in which MSMEs in Zimbabwe operate, driven by the high costs of Internet and electricity, as well the volatility of inputs' prices sourced externally in foreign currency. These factors, among others, contribute to maintaining the small-scale private sector in the informal economy. The process of setting up, operating, and growing a business can be complex and time-consuming particularly for MSMEs. As a result, MSMEs operate in the informal economy and are precluded from accessing credit options. In addition, those businesses often lack the necessary skills to manage their finances effectively, which can make it difficult for them to obtain credit. Many do not have the assets required to secure a loan through adequate collateral. Even with formal corporate governance structures, MSMEs often lack the processes that banks require to access creditworthiness. Many MSMEs are too small to be considered viable investment opportunities by traditional lenders, leaving the majority of MSMEs unable to meet their financing needs through the formal sector.

A survey of MSMEs (Chaora, 2022) revealed that 55 per cent of the enterprises sourced start-up funds from local family and friends, while 8 per cent relied on remittances from family and friends outside Zimbabwe and personal savings. Banks and microfinance institutions only contributed to 6 and 7 per cent of funding options, respectively. Less than 5 per cent of them consider credit unions, the Government, or grants from international organizations as significant funding sources. According to the same survey, to sustain operations and grow, 57 per cent of the enterprises surveyed rely on personal savings, from salary or other business initiatives. Other networks such as savings and lending groups, family and friends, remittances and fellow business colleagues account for approximately 6 to 8 per cent of the enterprises. Banks and MFIs play a residual role, together with the Government of Zimbabwe, as well as loan sharks, representing less than 5 per cent. Only 14 per cent of small enterprises applied for loans from formal entities like banks or MFIs. Key barriers include inaccessible loans at their bank (36 per cent), lack of information (19 per cent) and insufficient documentation (11 per cent). High interest rates, lack of collateral, fears of inflation and overall lack of trust in the system were also noted as reasons for not applying for a loan. Loan rejections were mainly due to weak cash flow (30 per cent), unmet collateral requirements (25 per cent), or incomplete paperwork (16 per cent).

These data are in line with the eT Ready survey respondents, where the strong majority make use of self-financing sources to invest in e-commerce (Figure 16).

Figure 16
Financing sources of e-commerce investments
How did you finance your e-commerce investment? (Private sector survey, 31 responses)



Source: UNCTAD, 2024

Stakeholder consultations indicated the critical need for MSMEs to understand business and financial planning, as well as the availability of services available such as mentorship programmes. They also pointed to the importance of training investors to better engage with small businesses and understand the unique characteristics of MSMEs in the local context.

7.3 Entrepreneurship support and alternative forms of financing

A number of initiatives have been undertaken over the last few years to facilitate access to financing for households and MSMEs, including:

i. the development of a credit reference architecture, comprising the Central Credit Registry, the Collateral Registry (movable assets, such as cars, livestock and agriculture equipment, among others, are eligible for registration) and the MSME Credit Guarantee Scheme managed by the Export Credit Guarantee Corporation of Zimbabwe, a subsidiary of the RBZ;

ii. the roll-out of MSME-specific products and services with lower minimum requirements, more concessional rates and potentially more flexible repayment schedules. These are supported by the establishment of specialized MSMEs units and women's desks in banks and MFIs, supportive financing schemes through the establishment of the Women Empowerment Fund and the MSME Empowerment Fund, as well as financial institutions like Empower Bank and the ZWMB; and

iii. tiering of KYC requirements (e.g., via the introduction of "lite" bank accounts with less stringent KYC demands and available at lower cost), adoption of prudential standards for Agency Banking, enforcement of interoperability, contributing to an increased uptake of transactional accounts and usage of digital financial services.

During the stakeholder consultations, the Bankers Association of Zimbabwe highlighted that some banks are developing or adopting digital lending platforms to streamline loan applications, automate credit assessments and expedite loan approvals for businesses. Banks are exploring alternative forms of collateral beyond traditional physical assets such as receivables financing based on a business's outstanding invoices or inventory financing secured by a company's stock. Other stakeholders, such as the Digital Financial Practitioners Association of Zimbabwe, have pointed to the issue of data silos hampering access to finance. They emphasized data portability, as customer data often remains confined to individual institutions. MoneyMart Finance, a digital microfinance enterprise focused on marginalized communities, noted that women using mobile money platforms do not share their transactions data with MFIs. The removal of these data silos will help MSMEs to have a more credible credit profile. Using alternative

As bank financing remains prohibitive for many small-scale businesses, self-financing is a major source of investment in e-commerce.

Promoting alternative funding such as angel networks, crowdfunding, and venture capital boosts innovation and growth.

data for credit scoring using a variety of sources, like payment of bills and other tracked expenditures, publicly recorded activities in social media, might help in profiling credit rating. This aligns with global trends where big data analytics are powering more inclusive credit scoring models, often surpassing traditional methods.

To alleviate gaps, various Government-supported funding schemes have been established but they remain under-utilized or under-capacitated. The National Venture Capital Company of Zimbabwe (NVCCZ) was established in 2020 to assist Start-Ups and other small firms through the NVCF, promote innovation and technology improvement. Other institutions like Empower Bank, ZWMB and SMEDCO also provide a variety of financing services targeting the needs of the small-scale private sector.

eT Ready private sector survey respondents have all agreed on the importance of the following access to finance measures as being conducive to the development of e-commerce:

i. improving the e-commerce investment climate;
ii. raising MSMEs' awareness of e-commerce investment opportunities, as well as of different types and modes of financing (e.g., loans, grants, overdrafts, invoice financing, leasing, asset finance, fintech...) and potential sources of financing and investment;
iii. facilitating peer learning and sharing of experiences on issues related to access to finance for e-commerce;
iv. improving access to incubator programmes and initiatives that will help entrepreneurs obtain loans;
v. increasing the availability of instruments for access to finance (loans, incentive schemes, etc.) specifically designed for MSMEs; and,
vi. training bank loan officers to the particularities and challenges of MSMEs seeking to integrate e-commerce solutions into their operations.

The FinScope MSME Survey (2022) reported that while almost all surveyed businesses (92 per cent) are aware of some sort of business support and advice available to MSMEs, usage of these services is quite low. Only 10 per cent of those aware turned to use services, and only a quarter of them have received guidance on loans, finance and credit. This highlights that more efforts should be devoted to capitalizing on available information of available resources, make services more accessible and build the capacities of business support institutions, to better meet the needs of MSMEs.

This is even more crucial for start-up businesses in their growth stage. Incubators and innovation hubs should be better equipped to evaluate market potential and connected to financing institutions, enabling better evaluation of the creditworthiness of growing businesses lacking traditional physical assets as collateral. Moreover, given the structure of the private sector largely characterized by unregistered businesses, facilitating access to finance should be seen as a major driving force to formalize businesses. To facilitate formalization, an incentive scheme should be established that provides easier access to finance, such as attractive concessional loans. This could take the form of a Digital Innovation Fund integrated to a wider set of financial and non-financial interventions, like a Start-up Act aimed at promoting entrepreneurship and digital transformation for both start-up companies and established businesses. Development partners should consider supporting this initiative as part of a broader public-private partnership open to investors seeking equity investments. At the same time, the spectrum of alternative funding options should be promoted as business angel networks and crowdfunding initiatives have not gained significant traction in Zimbabwe. While some Fintech-based products and services are emerging through the RBZ-led Fintech Regulatory Sandbox, opportunities remain limited due to the absence of an adequate legal framework that fosters a transparent and supportive alternative financing ecosystem.

Conclusion

The eTrade Readiness Assessment of Zimbabwe comes at a critical juncture of the country's national development trajectory. The overall business climate remains fragile and efforts are ongoing to reestablish a more sustainable macroeconomic course. The private sector is open to further embracing digitalization and consumers are looking for safer online transactions to fuel a greater contribution of e-commerce to the country's trade-led growth. Recognizing the potential of a digital society, the Government of Zimbabwe aims to boost productivity in both the public and private sectors, diversify the economy and create value-added jobs. In so doing, it would align itself with the African Union's Digital Transformation Strategy (2020–2030) and lay the foundations for the implementation of the AfCFTA Digital Trade Protocol.

Stakeholders from various ministries, government agencies and regulators, business-membership organizations, private sector, academic circles and civil society have positively responded to the call of the MIC to engage in the context of this assessment. Their active contributions during the multistakeholder consultations in Harare and Bulawayo, as well as via targeted surveys, have facilitated a detailed analysis of e-commerce in Zimbabwe, building on the existing documentation and publicly available sources. This process has highlighted the significant gaps and challenges that hinder e-commerce development in the country.

Stakeholders have identified the absence of a strategic vision for structuring the e-commerce ecosystem, ineffective inter-institutional coordination, and insufficient public-private dialogue as major bottlenecks. The development of a national e-commerce strategy outlining reforms and priority measures would enhance governance, monitor market dynamics and create a level-playing field. As e-commerce activities have mainly developed in the informal sector, it is key to raise awareness of existing legal provisions, especially those geared towards consumer protection. Addressing regulatory gaps and aligning with international legal standards will further strengthen the framework.

Access to high-speed Internet connectivity, along with ensuring its affordability and quality across the country, remain a major constraint on a greater uptake of e-commerce and e-government services. While various infrastructure developments initiatives are ongoing to bridge the digital divide including CICs, further efforts are needed to foster public-private partnerships, encourage investments, promote infrastructure sharing, and address the major cost drivers of the ICT sector.

Current e-commerce activities mainly focus on a limited range of services, such as airtime, and payment of bills and fees. To expand and diversify offerings, there is a pressing need to improve parcel delivery and logistics services. The sector is fragmented into a multitude of informal operators that should be gradually integrated into a regulated environment to deliver quality services. Additionally, inadequate infrastructure hampers inter-modal transport, as well as the development of logistics hubs which could increase the availability of door-step delivery options. Accelerating trade facilitation reforms and establishing a more attractive *de minimis* regime will also benefit cross-border e-commerce.

Cashless payments have become quite popular and largely due to the widespread use of mobile money and more recently Fintech companies. This has significantly contributed to financial inclusion and the access of women to basic financial services. The enforcement of interoperability of payment systems in 2020 has been an accelerator for the diversification of e-payment options. However, this has not yet translated into an engine for e-commerce development. Building a safer environment for online transactions still requires more collaborative efforts among the financial ecosystem players to promote compliance with the latest standards. Cost factors are affecting the convenience of e-payments, which along with other impediments to international financial transactions, make integration into regional (SADC) and continental (PAPSS) platforms even more relevant.

Zimbabwe has a relatively strong human capital base which should be better leveraged to power robust growth of the digital economy. Standard university programmes, while providing a good foundation, are not enough to deliver targeted training programmes, covering more practical skills required by e-commerce business. In addition to broadening inclusive digital literacy and ICT skills in education, and providing specialized trainings, business support institutions will need to shift their focus from traditional activities to incorporate the latest trends in technological development and digitally driven business models, so as to help MSMEs and start-up businesses move and grow into the e-commerce space.

Private sector access to financing, especially for MSMEs, is a major issue in Zimbabwe, which results in very limited opportunities for digital entrepreneurs to access formal funding mechanisms. The majority of MSMEs are self-financed, helped by family, friends and the diaspora's remittances. There is an urgent need to develop schemes that incorporate alternatives forms of financing, such as crowdfunding, venture capital and grants, to provide incentives to cash-poor Start-Ups and MSMEs with promising growth potential. Business support infrastructure should also be better equipped to serve the needs of digital economy entrepreneurs by accompanying them in the resource mobilization phase.

In this context, development partners have been providing assistance to Zimbabwe, particularly by promoting inclusive access to digital services. However, there is room to foster a more coordinated approach to digital cooperation, reduce fragmentation and scale up assistance. The recommendations proposed in this assessment should provide a useful compass to build closer synergies between the Government's efforts and the development cooperation agenda of its partners.

The Way Forward: Action Matrix

1.	E-commerce Readiness Assessment and Strategy Formulation			
No.	**Indicative Action**	**Expected Results**	**Priority Level**	**Potential Support by**
1.1	Develop a national e-commerce strategy to provide a unified vision for e-commerce development, with an implementation plan.	A fully-fledged national e-commerce strategy becomes the reference document guiding e-commerce ecosystem development measures, with clear roles and contributions of each government entity.	High	MIC, MICTPCS, OPC, UNCTAD, UPU, UNDP
1.2	Formalize the E-commerce Committee as a pillar for the development of a collaborative governance framework for policy coordination and steering the national e-commerce strategy, including mechanisms for public private inclusion and dialogue.	Policy coordination related to e-commerce among key government stakeholders is strengthened and the private sector is regularly consulted.	High	MIC, MICTPCS, OPC, various ministries and regulatory agencies covering the seven policy areas, Zimpost, private sector representations (e.g., ICTAZ, SMEAZ, ZNCC, CZI)
1.3	Streamline ongoing e-government initiatives for advancing the digitalization of public services, with the development and implementation of an interoperability and inter-connectivity framework for various government systems.	Government systems are better integrated, data can be more easily exchanged and shared, and digital public services become more user-friendly.	High	OPC, MICTPCS, GISP, World Bank
1.4	Support the development of poles of expertise on the policy and regulatory aspects of e-commerce, linked to main business advocacy organizations.	Selected organizations are recognized as thought leaders for their capacity to produce sound analysis on critical aspects of e-commerce policy and regulatory issues and influence the public policy debate.	Medium	ICTAZ, NUST, ZNCC, ITC, UNDP
1.5	Build capacities of agencies involved in the production of statistics to integrate the measurement of e-commerce transactions.	Zimbabwe is equipped with methodologies and tools to organize the production chain of e-commerce data and statistics, according to international standards.	High	ZIMSTAT, POTRAZ, RBZ, UNCTAD
1.6	Create a market observatory based on a public repository of e-commerce platforms and online shops, with a minimum of quality requirements for businesses to be listed, which could provide the basis for a labelling scheme.	A public directory of reliable e-commerce providers is regularly updated. An observatory is established and regularly publishes market insights based on key performance metrics.	Medium	MIC, MICTPCS, ITC

2.	ICT Infrastructure and Services			
No.	**Indicative Action**	**Expected Results**	**Priority Level**	**Potential Support by**
2.1	Review the ICT regulatory framework to address gaps and with respect to the latest trends in the digital economy, further promote infrastructure sharing and competition among telecom operators and ICT service providers..	The ICT regulatory framework is updated and made more supportive of an open and competitive digital economy. New telecom and ICT service providers have entered the Zimbabwean market.	High	MICTPCS, POTRAZ, ITU, World Bank

2.2	Conduct an in-depth study to identify the ICT sector cost-drivers, focusing on the cost of devices and Internet connectivity, with an action plan for policy interventions.	The policy measures required to address key factors driving upward the prices of Internet connectivity and devices are identified and considered by the Government of Zimbabwe.	High	NCC, POTRAZ, ZimStat, Zimbabwe Electricity Supply Authority, MOFEDIP
2.3	Incentivize the development and upgrade of data centres and IXPs, in collaboration with the private sector, and establish the national Computer Incident Response Team.	ICT critical infrastructure is more secure, reliable and features higher quality and cybersecurity standards. The national CIRT is established.	High	MICTPCS, POTRAZ, GISP, Internet Service Providers (both public and private), National Data Centre, ITU
2.4	Improve information transparency and stakeholder participation with regards to projects funded by the USF and encourage more public-private partnerships to bring Internet access to less-dense population areas.	The volume of projects supported by the USF and public-private investments have increased and contribute to an improved Internet penetration rate.	Medium	MICTPCS, POTRAZ, Internet Service Providers (both public and private)
2.5	Carry-out consumers' surveys and engage businesses' and consumers' advocacy organizations in the definition, monitoring and enforcement of QoS standards.	The quality of ICT services and Internet connectivity is regularly assessed, based on consumers' feedback, and service providers implement corrective measures.	High	POTRAZ, Consumer Council of Zimbabwe, Consumer Commission, MIC, Zimbabwe Standard Association, BMOs (CZI, ZNCC), ZimStat
2.6	Develop a business process outsourcing (BPO) strategy as an entry point for building a support framework for ICT-enabled services export.	A BPO strategy is developed. Partnerships with international clients are built for the supply of ICT services from Zimbabwe.	Medium	MICTPCS, MIC, POTRAZ, CZI, SMEAZ, ICTAZ, ZNCC, ITC
2.7	In order to improve access to Internet in areas not covered by the electricity grid, accelerate electrification projects in rural areas, especially through incentives for independent power producers.	Zimbabwe is self-sufficient in electricity production, the supply is more stable and accessible also in remote areas, thereby contributing to generalize Internet access.	High	Zimbabwe Electricity Supply Authority, The Rural Electrification Fund, Independent Power Producers, Infrastructure Development Bank (IDBZ)

3.	**Trade Logistics and Trade Facilitation**			
No.	**Indicative Action**	**Expected Results**	**Priority Level**	**Potential Support by**
3.1	Support Zimpost's efforts for the digital transformation and inclusion of MSMEs in e-commerce. Provide incentives (e.g., grants, tax breaks on investments, technical assistance) to all postal and logistics operators to adopt technological solutions and efficiency-enhancing measures.	More e-commerce related services are available and offered by Zimpost and other logistics service providers.	High	Zimpost, MICTPCS, POTRAZ, AfDB, UPU, UNDP
3.2	Encourage investments for shared fulfilment facilities and logistics hubs, multi-modal transport partnerships, modernization of fleets, expand the pick-up centres network and better coordinate local markets to improve domestic supply.	E-commerce businesses have access to a wider range of delivery-related e-commerce services. Consumers are offered more convenient delivery solutions.	High	POTRAZ, Zimbabwe Investment and Development Agency, local authorities, UPU
3.3	Sensitize informal logistics operators on the licensing requirements and related benefits that formalization can bring.	A higher number of informal logistics operators apply for licenses.	High	MICTPCS, POTRAZ, ZNCC, SMEAZ

3.4	Raise awareness on the new street names and the importance for door-step delivery in e-commerce and update GPS-based applications with new street names.	The public is better informed on the opportunities that a unified addressing system can offer.	Medium	Ministry of Local Government, Urban Councils and local authorities, Zimpost, UPU
3.5	Enhance cross-border transport infrastructure and facilities (e.g., warehouses, fast-track procedures, IT equipment, interface between AW and CDS) at border posts to facilitate e-commerce express deliveries.	The transport network is upgraded. Border posts are better equipped to service cross-border e-commerce more efficiently.	High	Ministry of Transport and Infrastructural Development, Zimpost, ZIMRA, CAAZ, AfDB, UNCTAD, UPU
3.6	Implement aviation-related international commitments that can benefit trade and e-commerce (e.g., registration of air services agreements and provision of the Air Transport Reporting Forms to ICAO, as per the Chicago Convention), inform stakeholders on the provisions and benefits of the Montreal Convention.	Increased transparency and visibility for air cargo operators and related entities to make informed investments in air connectivity routes and cargo capacity improvements. Stakeholders benefit from a harmonized regulatory regime that includes liability protections for e-commerce and traders, and digitalizes trade.	High	CAAZ, Ministry of Transport and Infrastructural Development, Ministry of Foreign Affairs & International Trade (MOFAIT), MIC, Zimbabwe National Chamber of Commerce, SMEAZ, CZI, CPC, ICAO
3.7	Onboard agencies and strengthen their integration into the ZeSW as well their capacities to foster paperless trade.	More border-related agencies are fully integrated into the ZeSW.	High	ZIMRA, MIC, UNCTAD, UPU
3.8	Based on a business process analysis reviewing bottlenecks encountered by traders, develop a plan for trade and business facilitations' reforms, taking into account the growth potential and requirements of cross-border e-commerce with reference to WCO standards and WTO TFA commitments.	The number of paper-based trade procedures has reduced.	High	ZIMRA, ZimTrade, SFAAZ, MIC
3.9	Review the current *de minimis* threshold based on a cost-benefit analysis and consult with key stakeholders.	A new *de minimis* regime is adopted, taking into account the importance of seamless cross-border e-commerce.	Medium	Ministry of Finance (MOFEDIP), ZIMRA, NCC, SFAAZ, MIC
3.10	Consider broadening the scope of the NTFC, e.g., by creating an e-commerce subcommittee, including key stakeholders, such as Zimpost.	Trade facilitation reforms are better coordinated.	Medium	MOFAIT, ZIMRA, Zimpost, NTFC members

4.	**Payment Solutions**			
No.	**Indicative Action**	**Expected Results**	**Priority Level**	**Potential Support by**
4.1	Scale-up financial literacy initiatives and the promotion of digital financial services in line with the 2022-2026 National Financial Inclusion Strategy (NFIS II), especially among the financially excluded segments of society.	All Zimbabweans are financially included. Use of digital financial services has increased.	High	RBZ, Ministry of Women Affairs, Community, Small and Medium Enterprises, Zimbabwe Association of Microfinance Institutions (ZAMFI), Bankers Association of Zimbabwe (BAZ)
4.2	Undertake financial management reforms aimed at ensuring compliance with international standards for secure and transparent international financial transactions.	Less restricted and more convenient international financial transactions are available.	High	RBZ, BAZ, MOFEDIP, Securities and Exchange Commission, ZimSwitch, payment service providers

4.3	Deepen engagement in regional and continental payments' interoperability schemes and seamless retail payments integration.	A wider range of payment options are available at regional and continental level.	Medium	RBZ, payment service providers, SADC, Afreximbank
4.4	Review the taxation provisions applied to money transfers (e.g., IMTT) in view of striking a better balance between various public policy objectives, support financial inclusion and reaping the benefits of a more digital economy.	A bill to amend the IMTT is passed. E-payments become cheaper and more widely adopted in e-commerce.	High	MOFEDIP, RBZ, ZIMRA, POTRAZ, Electronic Payments Association of Zimbabwe
4.5	Take stock of the Fintech Sandbox experience in view of creating a more attractive environment for Fintech promoters to invest in digital payment solutions and related value-added services.	A draft proposal is prepared for stakeholder consultations to improve the current regime in favour of fintech development and e-commerce services.	Medium	RBZ, fintech companies, MIC
4.6	Remove technical and regulatory bottlenecks for the full and safe integration of various e-payment solutions, such as e-wallets, digital banking applications, mobile money and payment gateways, into e-commerce platforms and promote use of e-payments by the public administration.	A review of the implementation of the payments' interoperability framework is done. A set of corrective measures have been implemented to ease technical requirements of payment service providers.	High	RBZ, POTRAZ, payment service providers, Electronic Payments Association of Zimbabwe, OPC

5.	**Legal and Regulatory Frameworks**			
No.	**Indicative Action**	**Expected Results**	**Priority Level**	**Potential Support by**
5.1	Spearhead the adoption of the long-awaited Electronic Transactions and Electronic Commerce Bill.	The Electronic Transactions and Electronic Commerce Bill is enacted.	High	MICTPCS, MIC, POTRAZ, Parliament of Zimbabwe, ITU
5.2	Undertake exploratory work aimed at assessing the requirements for the domestication of the main international legal instruments applicable to e-commerce (i.e., UNCITRAL conventions and model laws).	Legal provisions supporting international sales concerning e-commerce, in line with international standards, are enacted. International trade documents are accepted in electronic form.	High	MICTPCS, MIC, Ministry of Justice, Legal and Parliamentary Affairs (MJLPA), Attorney General's Office, Parliament of Zimbabwe, UNCITRAL
5.3	Review the legal framework applicable to data protection and cybersecurity, in view of demarcating the respective provisions and make them more supportive of digital economy development.	The legal and institutional framework for data protection and flow is better aligned with international standards (e.g., Convention 108+). A National Cybersecurity Strategy is developed.	Medium	MICTPCS, MIC, MJLPA, Attorney General's Office, Parliament of Zimbabwe, UNECA
5.4	Strengthen international cooperation with other police and judiciary institutions to prevent and address cybercrime, in line with the Budapest Convention on Cybercrime and other relevant instruments.	International cooperation agreements are signed. Joint task forces are established to identify cybercrimes and online fraud, as well as to organize remedial and repression actions.	High	MICTPCS, MJLPA, POTRAZ, Ministry of Home Affairs, Zimbabwe Republic Police, MOFAIT
5.5	Develop a robust legal framework for electronic signatures and an institutional architecture to manage trust services, including e-signatures and digital identity.	A Public Key Infrastructure (or equivalent system) is established, with a functional Certification Authority delivering digital certificates for trust services.	High	MICTPCS, POTRAZ, UNCITRAL

5.6	Raise awareness on the need to adapt IPR legislation to the digital space, based on a thorough assessment of IPR legislation in the context of the digital economy.	An assessment is made of current IPR legislation. Digital content creators and IPRs' holders are more aware of rights and responsibilities in online activities. IPRs balanced provisions are incorporated in e-commerce transactions.	Medium	Companies and Intellectual Property Office of Zimbabwe, Consumer Protection Commission, African Regional Intellectual Property Organization (ARIPO), South Centre
5.7	Promote the sourcing of 'Made-in-Zimbabwe' innovative ICT-based solutions in the context of public procurement.	Local content provisions in public procurement procedures are strengthened to allow more active participation of innovative Zimbabwean MSMEs.	Medium	Procurement Regulatory Authority of Zimbabwe, Buy Zimbabwe, MICTPCS, POTRAZ
5.8	Review the current taxation framework applicable to e-commerce and build capacity for effective implementation (e.g., income tax applicable to e-commerce operators) in view of making compliance more effective and mobilizing domestic resources.	The taxation regime of e-commerce is reviewed, and more domestic resources are collected.	Medium	MOFEDIP, ZIMRA, Parliament of Zimbabwe, MIC
5.9	Organize training workshops for businesses and awareness, information and education campaigns for consumers on safe e-commerce transactions.	Knowledge of the legal framework is improved and reference to legal provisions are made in e-commerce transactions.	High	MIC, MICTPCS, Consumers Protection Commission, CZI, ZNCC, SMEAZ, UNCTAD
5.10	Develop user-friendly mechanisms for dispute resolutions, e.g., online and alternative systems and organize training for law enforcement bodies in the area of e-commerce.	Various cost-effective and user-friendly options are available to businesses and consumers to manage disputes arising from e-commerce transactions.	Medium	Judicial Service Commission of Zimbabwe, MJLPA, MICTPCS, Consumer Protection Commission, MIC

6.	**E-commerce Skills Development**			
No.	**Indicative Action**	**Expected Results**	**Priority Level**	**Potential Support by**
6.1	Strengthen the integration of ICT skills in the education sector, training teachers and connecting schools, in line with the Education Sector Strategic Plan 2021-2025.	The level of ICT skills mastered by the population is improved.	High	MPSE, MHTEISTD, MICTPCS
6.2	Encourage enrolment in higher education tracks (e.g., STEM) more in line with the anticipated major skills mismatch and labour market needs.	STEM education is advertised, related opportunities are better known, students are more aware of the profiles of future jobs.	High	MPSE, MHTEISTD, Ministry of Public Service Labor and Social Welfare
6.3	Adopt a digital skills framework to guide digital skills development policy initiatives and provide guidelines for the recognition of qualifying programmes by the labour market.	A digital skills framework is developed and integrated into the National Qualifications Framework.	High	Zimbabwe Council for Higher Education (ZIMCHE), Ministry of Public Service Labor and Social Welfare, MICTPCS
6.4	Develop a training offer, in coordination with key education and training establishments and business organizations, especially in e-commerce and digital economy specialized areas, tailored to the needs of start-ups and MSMEs.	Specialized training programmes in various areas related to e-commerce are established.	High	MHTEISTD, MICTPCS, Zimpost, public and private training organizations, BMOs, UPU, UNDP

6.5	Build a coordinated platform for centralizing and overseeing digital skills development initiatives, fostering partnerships and synergies among national and international specialized institutions.	Exchanges of trainers, students and researchers have increased as a result of partnerships created between Zimbabwean and foreign institutions to build capacities and share knowledge on various aspects of the digital economy.	Medium	MHTEISTD, MPSE, MICTPCS, MIC, ZIMCHE, Ministry of Youth Empowerment, Development and Vocational Training, Universities and other higher learning establishments, public and private training organizations, Trade unions, CZI, ZNCC
6.6	Prepare a comprehensive digital entrepreneurship support scheme, e.g., Start-up Act, in view of better structuring incentives and measures for digital businesses and innovative start-ups.	A Start-Up Act is prepared, in cooperation with digital entrepreneurs and business support organizations, and later enacted.	High	MICTPCS, MHTEISTD, MOFEDIP, Ministry of Youth Empowerment, Development and Vocational Training, UNDP
6.7	Strengthen the capacities of business support institutions in providing more adequate facilities, market information services and business guides, administrative and managerial advisory support, to the digital entrepreneurial ecosystem, in particular women digital entrepreneurs.	A competitive programme is established providing grants to applicant organizations seeking to upgrade their facilities, capacities and services offered to digital entrepreneurs.	High	MIC, MICTPCS, ITC, UNDP
6.8	Organize training across government agencies and foreign services to better understand the market dynamics of domestic and cross-border e-commerce, especially in the context of AfCFTA implementation and other trade agreements with digital trade provisions.	A training programme is developed and offered to public sector officials, aimed at building a knowledge base across government agencies dealing with e-commerce policy issues.	High	MIC, MOFAIT, MICTPCS, UNCTAD, UNECA, UNDP

7. Access to Financing

No.	Indicative Action	Expected Results	Priority Level	Potential Support by
7.1	Develop an attractive scheme for the formalization of businesses.	The size of the informal sector is reduced, a growing number of e-commerce businesses are registered.	High	Ministry of Women Affairs, Community and SMEs, MIC, ZIMRA, Registrar of Companies, Local Authorities, ZNCC, ZimStat
7.2	Expedite reforms to improve the macroeconomic and business environment to lower the cost of international borrowing.	FDIs and Government loans to private sector have increased.	High	MOFEDIP, RBZ, ZIDA and other Regulatory Bodies
7.3	Strengthen the business managerial capacities of digital entrepreneurs, in particular youth and women-led businesses, to develop sound business plans and applications for funding.	Credit applications have increased and bank financing to support the growth of the e-commerce sector has grown.	High	Ministry of Women Affairs, Community and SMEs, Ministry of Youth Empowerment, Development and Vocational Training, Women's Micro Finance Bank and other financial institutions, SMEDCO, SMEAZ, ITC, UNDP

7.4	Develop tailored coaching to MSMEs, on how to make better use of the available credit reference instruments, credit guarantee schemes, and financial products developed by banks and MFIs for the MSMEs segment.	Financial advisory sessions are organized to raise awareness of MSMEs on the functioning of public instruments and their implications for the credit application process.	High	SMEAZ, BAZ, ZAMFI, ITC
7.5	Foster partnerships between banks or MFIs and business support institutions to develop credit scoring schemes based on alternative data models and draft a proposal for a personal data portability framework.	MSMEs are rated based on alternative creditworthiness systems, their data can be accessed and shared by various financing institutions.	High	BAZ, ZAMFI, ZNCC, SMEAZ and other Business Support Organizations
7.6	Train loan officers and credit-granting institutions to better assess loan applications based on the market potential of MSMEs seeking to integrate e-commerce solutions into their operations.	The rejection rate of loan applications is reduced, financing institutions are better equipped to assess the creditworthiness of non-traditional business models.	Medium	BAZ, ZAMFI
7.7	Establish a Digital Innovation Fund to complement existing initiatives, providing incentives via grants and technical assistance to trigger the development and absorption of digital solutions in various economic sectors.	Public-private partnerships have enabled Digital Innovation Fund. Grants have supported the development of sustainable digital applications, services and products.	High	MOFIDEP, MICTPCS, POTRAZ, ZIMRA, MHTEISTD
7.8	Develop a legal framework to create a transparent and supportive alternative financing ecosystem (e.g., angel investors, crowdfunding, venture capital).	New laws and regulations on alternative financing systems have been enacted, tech start-ups have gained easier access to financing.	Medium	RBZ, venture capital and fintech companies, Ministry of Justice Legal and Parliamentary Affairs

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Annex I: List of UNCTAD eTrade Readiness Assessments

- Timor-Leste: eTrade Readiness Assessment (April 2025)
- Trinidad and Tobago: eTrade Readiness Assessment (March 2025)
- Mauritanie : Évaluation de l’état de préparation au commerce électronique (March 2024)
- Ghana: eTrade Readiness Assessment (November 2023).
- Perú: Evaluación sobre el estado de preparación para el comercio electrónico (November 2023).
- Mongolia: eTrade Readiness Assessment (June 2023).
- Member States of the Economic Community of West African States: eTrade Readiness Assessment (September 2022).
- Kenya: eTrade Readiness Assessment (June 2022).
- Tunisie : Évaluation de l’état de préparation au commerce électronique (February 2022).
- Jordan: eTrade Readiness Assessment (February 2022).
- Côte d’Ivoire : Évaluation de l’état de préparation au commerce électronique (February 2022).
- Iraq: eTrade Readiness Assessment (November 2020).
- Member States of the West African Economic and Monetary Union: eTrade Readiness Assessment (November 2020).
- Niger: Évaluation rapide de l’état de préparation au commerce électronique (July 2020).
- Bénin : Évaluation rapide de l’état de préparation au commerce électronique (June 2020).
- United Republic of Tanzania: Rapid eTrade Readiness Assessment (April 2020).
- Mali : Évaluation rapide de l’état de préparation au commerce électronique (December 2019).
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