



## Africa's financial regulators prioritize de-risking of vulnerable groups

*Women, youth and micro, small and medium enterprises (MSMEs) in Africa most at-risk of financial exclusion during COVID-19, say Bank of Tanzania and Alliance for Financial Inclusion (AFI)*

DODOMA / KUALA LUMPUR (12 August 2021) - [Bank of Tanzania](#) and [AFI](#), the world's leading organization on financial inclusion policy and regulation, are co-hosting a roundtable event on 12 August for the leaders of Africa's financial regulators to address the financial exclusion of vulnerable groups due to COVID-19.

Under the theme "Innovative Regulatory Approaches to Counter De-Risking/Exclusion of Women, Youth and MSMEs during the COVID-19 Pandemic in Africa", the central bank and the global policy leadership alliance are holding the virtual gathering as part of AFI's [African Financial Inclusion Policy Initiative](#) (AfPI). AfPI leaders are sharing high-impact, practical expertise outlining successful and innovative regulatory approaches adopted across AFI member jurisdictions in Africa

"Our long-standing partnership with AFI is based on two-way collaboration and support to ensure that we do not leave behind vulnerable groups who have been worst hit by COVID-19-related impacts," said **Bank of Tanzania Governor Prof. Florens Luoga**.

"It is, therefore, our pleasure to work alongside AFI for the second consecutive year to ensure the successful gathering of the AfPI, demonstrating our commitment and active participation in knowledge sharing and peer learning," said **Governor Prof. Luoga**.

Bank of Tanzania is well-placed to lead the Africa-wide event, having taken quick action to mitigate potential financial shocks on at-risk groups and foster economic recovery, including by easing monetary policies and encouraging banks to implement payment holidays, lower interest rates and extend loan restructuring periods to provide financial relief for customers. The central bank has also been at the forefront of Tanzania's efforts to promote digital payment platforms with the development of an interoperable payments system and financial services registry.

Governor Prof. Luoga will be joined at the high-level event by his peers, including the governors and deputy governors of financial regulators in Burundi, The Gambia, Ghana, Kenya, Lesotho, Namibia, Rwanda, Senegal, Seychelles, Sierra Leone and Zimbabwe. The impressive attendance by AfPI leaders further underscores the pivotal role of central banks in facilitating widespread recovery for all.

"AFI's members in Africa have accelerated the use of digital financial services (DFS) and other innovative technologies through fast COVID-19 policy responses, ensuring that years of financial inclusion gains made are not lost and that continue to lift up those at the bottom of the economic pyramid," said **AFI Executive Director Dr. Alfred Hannig**.

While this is not an easy task, Dr. Hannig expressed confidence in AfPI members to continue delivering high-quality policy guidance, propelling the networking towards achieving its goals.

“For nearly a decade, but especially during the past two years since the pandemic began, AfPI has provided provide a solid foundation for stronger collaboration, peer learning and knowledge exchange between regulators, market actors and other stakeholders in Africa,” Dr. Hannig emphasized. AfPI, formerly known as African Mobile Financial Services Policy Initiative, was launched in 2012.

Prior to AfPI leaders coming together, important meetings for the regional initiative took place, including gatherings with the Experts Group on Financial Inclusion, member training and dialogue with developed country regulators and private sector actors.

Despite important progress made, Africa continues to be adversely affected by the pandemic more than a year since its outbreak with supply chains disruptions, reduced sales and business closures disproportionately impacting disadvantaged segments of the population, including women, youth and MSMEs.

Women-owned business have experienced greater loss of revenue and business uncertainty given their high propensity for informality and dependance on sectors such as tourism, which have been hit hard by the pandemic. Women have also taken on more responsibilities at home as schools have closed, limiting their ability to engage in economic activities.

Africa’s youth may feel the impact for the pandemic into the foreseeable future. Most youth are unemployed while others are involved in the informal and heavily impacted sectors. Youth also lack readily acceptable collateral that can be used to access credit from formal financial institutions.

AfPI is the primary platform for AFI members in Africa to support and develop financial inclusion policies and regulatory frameworks, and to coordinate regional peer learning efforts. With 39 active members, it is AFI’s largest regional initiative and among the most active with a number of knowledge products published in the past 12 months alone, including regional policy frameworks to [strengthen agent networks for DFS](#) and [enhance the financing ecosystem for small businesses in Africa](#).

From AFI regional office in Abidjan, Côte d'Ivoire, AfPI brings together Africa’s financial policymaking and regulatory institutions and other relevant stakeholders to enhance the implementation of innovative financial inclusion policies across the continent.

The leaders’ roundtable is part of a four-day biannual gathering of AfPI members. Ahead of the high-level event, a full spectrum of financial inclusion stakeholders met virtually on 9-11 August to discuss key regulatory and market issues, including representatives from the European Banking Authority, cross-border payments network Thunes, financial services company Visa and South Africa-based mobile operator Vodacom.

Public and private sector stakeholders met to discuss financial services for vulnerable groups while regulators from both developing and developed countries exchanged insight on the facilitation of financial technology innovations. AfPI members also received training on digital payments infrastructure, services and uses through contactless payments.

Through AfPI and other AFI events, financial sector regulators play a vital role in achieving the UN Sustainable Development Goals by shaping debate on the nature of sustainability, using their expertise to develop and apply the principles of socially responsible finance that puts the economy on a more sustainable growth trajectory, which is vital for the wellbeing of future generations.

The event is partially financed through AFI's Multi-Donor Financial Inclusion Policy Implementation Facility, with participation of [French Development Agency](#), the [German Federal Ministry for Economic Cooperation and Development](#), and the [Ministry of Finance of the Grand Duchy of Luxembourg](#).

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### **About Bank of Tanzania**

From its headquarters in Dodoma, Bank of Tanzania is primarily responsible for formulating, defining and implementing monetary policy in the country. Moreover, it is responsible for regulating and supervising banks and financial institutions to maintain the stability, safety and soundness of the country's financial system and to reduce the risk of loss to depositors. The central bank joined AFI's network global regulatory peers in February 2010 and has since reported developing and implementing 12 policy and regulatory changes to enhance financial inclusion in its jurisdiction. It has also completed five of its 13 [Maya Declaration](#) targets, including on promoting the development of agent banking. <https://www.bot.go.tz/>

### **About AFI**

AFI is the world's leading organization on financial inclusion policy and regulation. Currently, over 100 member institutions make up the AFI network including central banks, ministries of finance and other financial policymaking or regulatory institutions from 89 developing countries and emerging markets. AFI empowers policymakers to increase the access and usage of quality financial services for the underserved through sustainable and inclusive policies and an effective use of digital technologies. [www.afi-global.org](http://www.afi-global.org)

### **About AFI COVID-19 Policy Response**

AFI COVID-19 Policy Response aims to deliver systematic, effective and coordinated policy responses to help AFI members mitigate the effects of COVID-19 on financial inclusion policy implementation, especially for micro, small and medium enterprises and the most vulnerable segments of the population. The AFI Response combines quick, needs-based, highly practical and high-impact interventions that enable the implementation of rapid response policies and regulations in highly affected countries. It is structured to meet members' needs in the short and medium term. <https://www.afi-global.org/covid-19/>