



## 2022 AFPI MEETINGS AND LEADERS' ROUNDTABLE TAKE PLACE IN ARUSHA, TANZANIA

**22 June 2022 ARUSHA** – Bank of Tanzania and AFI are co-hosting the 2022 meetings of the African Financial Inclusion Policy Initiative (AFPI) and AfPI Leaders' Roundtable on 20 – 23 June 2022 in Arusha. This is the first time that AFI's largest regional initiative is meeting in-person since the start of the COVID-19 pandemic.

The meetings of AFI members in Africa focus on how digitization of inclusive finance can ensure stability, growth and sustainability. Governors and deputy governors will share policy solutions that drive digital financial inclusion and remove barriers faced by the region's vulnerable groups such as women, youth, micro, small and medium size enterprises (MSMEs) and other disproportionately excluded communities.

“These regional meetings on financial inclusion are critical for a number of ways: firstly, for cross-pollination of ideas on practical policy implementation in advancing financial inclusion. Secondly, for showcasing progress made in fostering inclusive finance in the countries, and thirdly for expanding private and public collaboration in advancing appropriate, accessible and affordable digital inclusive financial services”, Bank of Tanzania Governor, Prof. Florens Luoga explained about the week of events in Arusha.

An imperative and a necessity not only to foster inclusive growth, financial inclusion also supports public policy objectives of financial stability and price stability, Governor Luoga said. “The more inclusive the financial services are to the population and all its sectors, the more effective it will be for the Bank and the Government to implement its development policies”, Governor highlighted.

Financial sector regulators and policymakers from nearly 32 member institutions, representing 30 countries are taking part in the week of knowledge exchange on development and implementation of financial inclusion policies with special focus on digital financial services, potential of central bank digital currencies (CBDCs) for financial inclusion and use of supervisory and regulatory technologies (SupTech & RegTech).

They will also share experiences on supervision of financial technologies (FinTechs), as well as gender inclusive finance and youth inclusive finance. Speakers include leaders from Kenya, Mozambique, Eswatini, BCEAO, Ghana, Nigeria, among others.

Earlier in the week, meetings of AfPI's Expert Group for Financial Inclusion Policy (EGFIP), training on Regulatory and Supervisory Technologies, Public-Private Dialogue (PPD) and Developing-Developed Countries Dialogue (3D) are taking place. AfPI EGFIP elected new leadership with Bank of Namibia taking over as EGFIP Chair from Bank Al Maghrib and Bank of Tanzania elected as Vice Chair.

“Through AFI's services that hinge on peer-learning and knowledge exchange, coupled with technical support, partnerships, and capacity building, AFI members in Africa have reported over 150 policy changes between 2019 and 2021 in three thematic areas: digital financial services, national financial inclusion strategy and SME finance”, AFI Executive Director Dr. Alfred Hannig said. Digital financial services, national financial inclusion strategy and SME finance were the top three thematic areas for policy changes reported in 2021 by AFI member institutions in Africa.

## **Africa's Inclusive FinTech: Tanzania, Uganda, Egypt, Kenya**

The African continent is experiencing a digital renaissance, led by increasing digital connectivity and access to mobile phones, which could drive inclusive growth and innovative digital financial services and contribute to the targets of several Sustainable Development Goals (SDGs). This is especially true when reaching the most vulnerable groups such as women, forcibly displaced persons, or those living in rural and remote areas. In order to ensure that such groups are not left behind, AFI network endorsed the [Kigali Statement](#) on the financial inclusion of disadvantaged groups at the 2019 Global Policy Forum in Rwanda.

As a regional and global leader in the AFI network in inclusive fintech, government efforts in Tanzania laid the foundational and supportive infrastructure to facilitate inclusive digitization and financial services that apply the digital plan. Essential for the plan are inclusive internet connectivity infrastructure, rural electrification program, rural connectivity, development and upgrades of national payment systems, DATA digitization and pioneering financial inclusion strategic monitoring and implementation.

“Digitization is imperative for effective financial inclusion for broad-based development” , Governor Luoga emphasized. Governor explained how COVID-19 pandemic tested the resilience and readiness to respond to crisis that could impede smooth flow payments in the country, including other financial risks that could affect financial stability.

“The Central Bank’s swift crisis policy responses, enabled the payment systems (digital platforms) to continue to operate efficiently, through stimulus packages and incentives that ensured that financial services providers are able to continue to operate without overly regulatory burden during stressful periods of the pandemic, as well as enable users and consumers of financial services to continue transacting despite of the economic challenges of the pandemic”, Governor Luoga highlighted.

Leading the drive for sustainable and inclusive digital financial services through regulatory interventions, financial regulators in Africa are championing the creation of interoperable solutions and retail payment systems, as well as by focusing on emerging topics such as open finance, or central bank digital currencies (CBDCs).

For example, the [Central Bank of Egypt](#) launched the national system for the Instant Payments Network (IPN) to allow electronic and instant financial transactions, while the [Bank of Uganda](#) officially introduced a regulatory sandbox in June 2021 to support FinTechs in developing and launching their products and services. At the same time, digital financial services such as mobile money had a major impact on reducing poverty by changing the access landscape in Africa. According to enterprise surveys conducted in Kenya, Uganda, and Tanzania, use of mobile money by manufacturing and service firms was associated with a 16 percent increase in the likelihood of investing.

While the future of financial inclusion, as well as broader financial services, will continue to be shaped by digitalization, financial regulators are facing numerous open questions, with many outside the purview of the central banks. Among others, these include the impact of cyber security in digital financial services, the role of data privacy and data protection in the provision of financial services, and the digital financial literacy of consumers.

## **Regional framework on supervision of FinTechs in Africa & AfPI's new leadership**

A key deliverable of the Leaders' Roundtable is the regional policy framework on supervision of FinTechs in Africa, which provides technical guidance and serves as a benchmark to regulators in the region when creating policies for the growing FinTech industry. On the agenda is also a high-level discussion on practical public-private solutions that can increase access and usage of financial services through national and regional digitization. Leaders will also welcome the new AfPI Chair Caroline Abel, Governor of the [Central Bank of Seychelles](#) and elect new AfPI Vice-Chair.

“As we look at the future, there is need to protect the interests of Africa in the global discourse and to ensure a balanced dialogue with relevant stakeholders at the global stage”, AFI's Dr. Hannig said. AFI Executive Director

explained that continued engagement with Standard Setting Bodies, such as FATFA would ensure that set standards do not undermine the gains made in increasing access and usage of financial services in the Africa.

“The region also stands to gain from engagement with policy makers from developed economies which will allow for mutually beneficial learning that will support policy progress at the global, regional, and national levels”, Dr. Hannig concluded.

Launched in 2013, 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. From AFI’s regional office in Abidjan, Côte d’Ivoire, AfPI brings together high-level representatives from African financial policymaking and regulatory institutions to enhance the implementation of innovative financial inclusion policies across the continent.

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

#### [About Bank of Tanzania](#)

Bank of Tanzania, established in 1965 and started operations in 1966, is the central bank of the United Republic of Tanzania. From its headquarters in Dodoma, its primary objective is to formulate, define and implement monetary policy to maintain domestic price stability that supports balanced and sustainable growth in the national economy. An active member of the AFI network, the central bank has made 13 Maya Declaration Commitments, including in the areas of financial education, MSMEs and mobile money. Bank of Tanzania is also one of AFI’s [Gender Inclusion Ambassadors](#), recognizing significant strides taken to fulfil its [Denarau Action Plan](#) commitments and strive to support greater diversity within their institutions and close the financial inclusion gender gap.

#### [About AFI](#)

AFI is the world’s leading organization on financial inclusion policy and regulation. Roughly 100 member institutions make up the AFI network including central banks, ministries of finance and other financial regulators from 89 developing and emerging countries. AFI works on empowering policymakers to increase access and usage of quality financial services for the underserved through formulation, implementation and global advocacy of sustainable and inclusive policies.

