



AfricaNenda
ACCELERATING INCLUSIVE PAYMENT SYSTEMS

ANNUAL REPORT

2022



OUR TEAM

17
staff members

13
nationalities

AfricaNenda is an African-led team of experts committed to unlocking the potential of digital financial services for the financially excluded across the continent by accelerating the scale-up of instant and inclusive payment systems. AfricaNenda's approach is to provide public and private sector stakeholders with technical expertise and the capacity to reduce barriers to digital payments. AfricaNenda wants to enable everybody in Africa to make digital transactions seamlessly and at a low cost wherever they are on the continent by 2030.

AfricaNenda is fiscally sponsored by Rockefeller Philanthropy Advisors and supported by the Bill and Melinda Gates Foundation.

Visit our website for more information: www.africanenda.org

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01

FOREWORD



Dr. Robert Ochola | CEO, AfricaNenda

Today, the need for a more inclusive society is becoming increasingly urgent, and one of the fastest ways to achieve this is to put in place systems that expand access to financial services and leave no one behind. At AfricaNenda, we believe that Africa's digital transformation will contribute substantially to this global goal. As an organization that aims to be Pan-African in its approaches and solutions, we undertook many activities in 2022 to accelerate the implementation of more inclusive payment systems.

2022 has been a landmark year for AfricaNenda. Launched in 2021, AfricaNenda has already shown that it has what it takes to become a key player in the African landscape for advancing financial inclusion: the expertise, know-how, and network to support the advancement of inclusive instant payment systems on the continent.

Our work has contributed to positioning AfricaNenda as a steadfast supporter of the continent in payment systems implementation. The mobilization of close to USD 11 million to strengthen and implement instant payment systems in Rwanda and in the Common Market for Eastern and Southern Africa (COMESA) region has been one of the highlights of our brief existence. By mobilizing different development actors around our mission, we aim to connect all the stakeholders in the ecosystem and accelerate the scale-up of instant and inclusive payment systems in Africa.

We aim for more openness, data transparency, and collaboration, particularly when it comes to inclusive payment systems. AfricaNenda's report on the state of instant and inclusive payment systems in Africa, launched in 2022, is a model and an invitation. We are grateful to all the countries who shared their data and thereby contributed to a better understanding of the evolution of the payment systems landscape and, through the inclusivity spectrum, how these systems are effectively meeting the needs of our populations.

In 2023, we intend to continue the same path, emphasizing activities that will contribute to financial inclusion and empowerment on the continent. We will work to follow the words of Nelson Mandela: "What counts in life is not the mere fact that we have lived. It is what difference we have made to the lives of others that will determine the significance of the life we lead."

02

AFRICANENDA, AFRICA'S NEW FINANCIAL INCLUSION ACTOR



Across Africa, there are more than 350 million unbanked adults, most of whom are excluded from the formal economy. They rely heavily on cash or informal providers to meet their financial needs, a system that is costly and risky. The most vulnerable populations, especially women in rural areas, are most affected. If we are to build the “Africa we want,” where no one is left behind, including the financially excluded adults, we need to enable universal access to formal financial services and put their needs at the heart of inclusive digital payment solutions that are efficient, economical, and instant.

AfricaNenda, an African-led organization, was created to accelerate the growth of instant and inclusive payment systems that will benefit all Africans, including the most vulnerable. We believe that instant and inclusive payment systems expand access to financial services for many adults and that they are critical to achieving the UN Sustainable Development Goals of universal financial inclusion in Africa by 2030.



2.1 Our vision and mission

AfricaNenda's vision is to remove barriers to instant and inclusive payment systems, accelerating universal access to digital payments, and mobilizing the African financial ecosystem for the betterment of all citizens.

2.2 What we do

AfricaNenda unlocks untapped opportunities to drive financial inclusion by advancing national and regional instant payments infrastructure through:

- Pre-project planning to help define project goals and design principles and to convene relevant stakeholders.
- Technical assistance support—from our internal experts and through secondments
- Research and advocacy for policy support
- Workshops and training sessions
- Providing avenues for networking and collaboration
- Sharing knowledge and best practices through resources and tools

2.2 Whom we work with

Our team of 17 employees in 13 countries brings together expertise in digital payments and leadership to support regional economic communities, private sector associations, central banks, and governments.



As the 'new kid on the block,' we are excited to join established players in the ecosystem in the bold endeavor to unlock Africa's true potential by unleashing the capacity of our payment systems to ensure we achieve Africa's Agenda 2063 aspirations and the 2030 UN Sustainable Development Goals."

Dr. Robert Ochola, CEO of AfricaNenda



Malagasy woman selling fruits by the main road

03

AFRICANENDA'S KEY ACHIEVEMENTS IN 2022



4

FUNDED INSTANT AND INCLUSIVE PAYMENT SYSTEM

projects supported in **Rwanda**, in the **COMESA**, the **SADC**, and the **WAEMU** regions¹



5 STRATEGIC PARTNERSHIP

agreements signed to advance digital payments in Africa



7 CAPACITY-BUILDING

events organized/engineered by AfricaNenda



LAUNCH OF

the inaugural **State of Instant and Inclusive Payment Systems (SIIPS) Africa Report - 2022**



7 DIGITAL FINANCE COURSE MODULES

designed with the COMESA Business Council to support the adoption of digital payments by cross-border traders in the region



998 PARTICIPANTS MOBILIZED

through capacity-building events and webinars, including 244 women



USD 11 million

post-catalytic funding mobilized in support of the Rwanda and COMESA Business Council projects, aligned to the Level One Project principles

⁰¹ COMESA = Common Market for Eastern and Southern Africa; SADC = Southern Africa Development Community; WAEMU = West African Economic and Monetary Union.

04

MOBILIZING RESOURCES TO SCALE INSTANT AND INCLUSIVE PAYMENT SYSTEMS



In 2022, AfricaNenda supported several national and regional initiatives to help align instant payment systems with the Level One Project principles for digitally connecting low-income consumers and the businesses they transact with.² These principles are intended to make it easier for poor people to handle financial shocks and take advantage of economic opportunities. AfricaNenda has contributed to the secondment of experts and made connections with donors.

4.1 Rwanda

In September 2021, AfricaNenda signed a Memorandum of Understanding with the Rwanda Information Society Agency (RISA) to support the country's digitization efforts. The collaboration aims to accelerate the implementation of an instant and inclusive payment system that will be built by local developers.

PROVIDING TECHNICAL EXPERTISE

AfricaNenda provided catalytic funding and allocated human resources to support proof-of-concept development on open-source technology. A Technical Payments Specialist and a Project Manager, both provided by AfricaNenda, work with RISA, RSwitch, and the other stakeholders in Rwanda to help build trust with key actors in the Rwandan payment ecosystem toward achieving the project's objectives. The AfricaNenda experts worked closely with the Rwandan government to complete the proof-of-concept implementation between RISA, Modusbox (technical implementer on behalf of Mojaloop), Mojaloop and RSwitch. The proof of concept simulated a merchant payment transaction flow under the Rwanda National Digital Payment System (RNDPS 2.0) scheme, using Mojaloop open-source technology. The collaboration tested the platform's capabilities, and its success led to the stakeholders' agreement on the need to expand the scope to include other use cases.

⁰² Level One Project principles guide countries, regions, or commercial organizations working to create real-time retail payment systems that are designed to meet the needs of low-income consumers (Bill & Melinda Gates Foundation, "Level One Project Guide" (2019) https://www.leveloneproject.org/wp-content/uploads/2020/07/L1P_Guide_2019_Final.pdf).

MOBILIZING FUNDING TO ADVANCE RWANDA'S MERCHANT PAYMENTS USE CASE ON AN OPEN-SOURCE DIGITAL PUBLIC GOOD PLATFORM

AfricaNenda also accelerated the identification of potential financing partners to explore and develop an in-house interoperability platform built on open source. AfricaNenda positioned the Merchant Payments use case project as a valuable initiative that could add capability to the already deployed person-to-person use case by RNDPS and potentially transform the lives of financially excluded people in Rwanda. As a result, the Bill & Melinda Gates Foundation and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) committed to financially support the project with sizable grants for its implementation.

BETTING ON THE LOCAL DEVELOPERS AND FINTECH COMMUNITIES

At the request of the Rwandan government to support Rwanda's local developer community, AfricaNenda participated in the Hanga Pitchfest, a national platform showcasing tech entrepreneurs and creative talents and promoting the use of technology and innovation. AfricaNenda sponsored the production of a dedicated fintech exhibition and supported the launch of the bespoke fintech program run by Co-creation Hub and Google to assist the winners of the Pitchfest's Innovation Awards in further developing their projects. AfricaNenda also supported the Mojaloop Foundation in launching their first System Integrators Acceleration program that featured several local fintechs, such as Orion, Mvend, and Wiredin. This accelerator program aims to expose developers and fintechs to the opportunities for using digital public goods infrastructure such as Mojaloop technology and to provide the necessary training on running Mojaloop implementations and projects.



Grateful for AfricaNenda's partnership to drive digital financial inclusion through real-time, interoperable digital payment systems. We commit to continue working hand in hand until we celebrate instant and inclusive payment systems across Africa."

Paula Ingabire, Minister of ICT and Innovation, Rwanda



Through the support we provide to the Government of Rwanda, AfricaNenda commits to facilitating the use of digital payments by all Rwandans regardless of their social status and location in the country."

Akinwale Goodluck, Deputy CEO, AfricaNenda

4.2 COMESA

AfricaNenda and the COMESA Business Council carried out several initiatives to materialize the partnership signed in October 2021. Through its pre-project activities, AfricaNenda contributed to designing fundable initiatives.

SUPPORTING THE DEVELOPMENT OF POLICY FRAMEWORK AND BUSINESS MODELS

AfricaNenda provided catalytic funding to the COMESA Business Council to support the development of a policy framework, business case modeling, and public-private dialogue meetings. The grant helped the COMESA Business Council deliver a Business Model for the Operation and Implementation of a Regional Digital Payment Scheme for micro, small, and medium-sized enterprises (MSMEs) in the COMESA region. The collaboration also led to the design of the Model Policy Framework on Digital Retail Payments for Micro, Small and Medium-Sized Enterprises in COMESA, in line with Level One Project principles.

With AfricaNenda's support, the COMESA Business Council organized the following activities in the region:

- Business case validation meetings held in nine countries
- Six stakeholder meetings convened to discuss policy harmonization

SUPPORTING CBC'S RESOURCE MOBILIZATION EFFORTS

AfricaNenda offered its experience and expertise in resource mobilization to the COMESA Business Council for the grant submission of the Digital Financial Inclusion project. The COMESA Business Council secured a grant of USD 6.8 million from the Bill & Melinda Gates Foundation. The three-year project (2022–25) includes developing a digital retail payment platform and strengthening the capacity of stakeholders to support the inclusive participation of MSMEs in COMESA; eight countries are participating. It will cover installation costs in six countries and integration costs for two countries whose existing payment infrastructure will be supported through AfricaNenda.

FACILITATING PUBLIC-PRIVATE DIALOGUES

AfricaNenda supported and facilitated four public-private dialogues in the region. These gatherings were opportunities to discuss potential business models for payment systems infrastructure, including:

- A COMESA Business Council special-purpose vehicle having in-house platform operations
- A COMESA Business Council special-purpose vehicle with outsourced platform operations



Photo caption

05

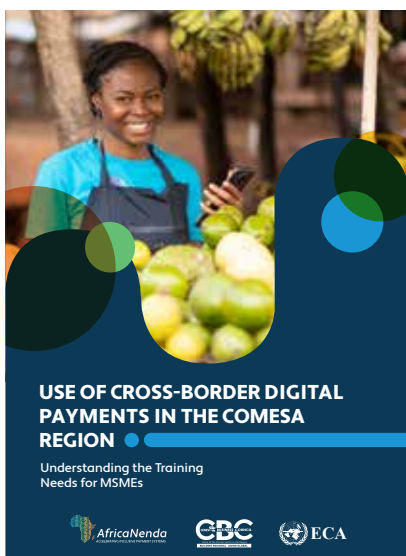
GENERATING KNOWLEDGE TO ADDRESS PAYMENT-RELATED NEEDS



AfricaNenda's mission is also to raise awareness of instant and inclusive payment systems by producing and disseminating resources that can inform decision-making for regulators, policy makers, potential project owners, and private-sector stakeholders.

5.1

COMESA MSMEs report: designing learning materials on digital payments adoption for end-users



AfricaNenda, together with the United Nations Economic Commission for Africa and the COMESA Business Council, published a report, "Use of Cross-border Digital Payments in the COMESA Region: Understanding the Training Needs of MSMEs". The objective of this market research was to understand the key challenges to the adoption of cross-border digital payments by MSMEs.

The report found that cash remains king in cross-border transactions, and that traders are primarily involved in informal trade and less engaged in e-commerce. The report recommended innovation in digital payments solutions and the design of a customized curriculum around attributes of digital financial services for capacity-building for MSMEs.

Following this report, AfricaNenda and the COMESA Business Council designed a capacity-building program consisting of seven modules to support the adoption of digital payments by cross-border traders, especially youth and women, in the COMESA region.

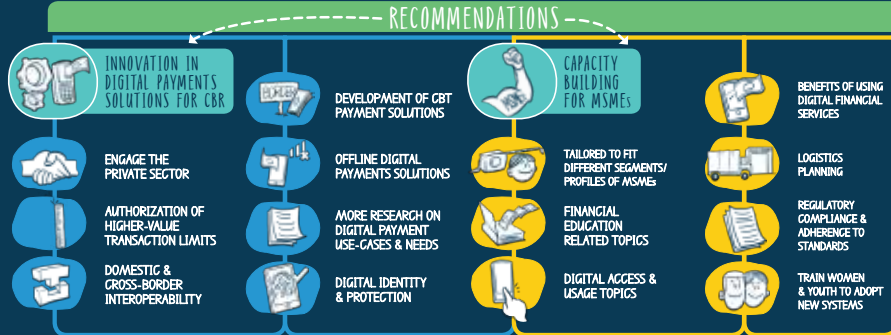
ADOPTION OF DIGITAL FINANCIAL SERVICES

BY MSMEs FOR CROSS BORDER TRADE

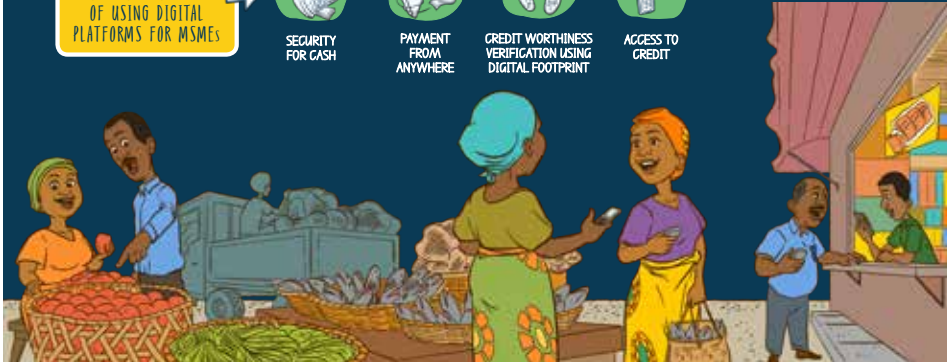
#ANINDUSTRYEVENTS



- ### CHALLENGES TO MSMEs
- LACK OF ACCESS TO TRADE FINANCE SOLUTIONS
 - UPFRONT PAYMENTS REQUIRED FOR GOODS
 - RELIANCE ON CASH
 - LOW UPTAKE OF FORMAL INSURANCE PRODUCTS
 - INTERNET & OTHER INFRASTRUCTURE ISSUES



- ### AFRICANENDA AREAS OF SUPPORT
- PREDISEIGN OF INSTANT & INCLUSIVE PAYMENT SYSTEM**
 - READINESS ASSESSMENTS
 - PROJECT DEFINITION & VISION
 - SCHEME DESIGN AND STRUCTURING
 - PAYMENT SCHEME DEVELOPMENT
 - CAPACITY BUILDING AND POLICY**
 - SKILLS & CAPACITY DEVELOPMENT
 - KNOWLEDGE SHARING
 - TOOLS DEVELOPMENT
 - SUPPORT ADVOCACY & POLICY
 - DIGITAL PAYMENT TRAINING



ACCELERATING FINANCIAL INCLUSION BY PROMOTING IIPS IN AFRICA

4 MAY 2022

WHAT IS an IIPS?

Instant Inclusive payment systems

DESIGNING an IIPS:

1. COMMON PROBLEM & SHARED VISION
2. DESIGN SYSTEM GOVERNANCE, INTER-OPERABILITY
3. TEST in the MARKET

Insights:

- LOW FEES
- DIFFERENT OWNERSHIP MODELS
- KNOWLEDGE SHARING
- STRENGTHEN EXPERTISE



GHANA'S JOURNEY



TCIB (SADC REGION) CROSS BORDER IIPS



MALAWI'S JOURNEY



5.2

SIIPS report: a unique snapshot on Africa's instant and inclusive payment systems landscape



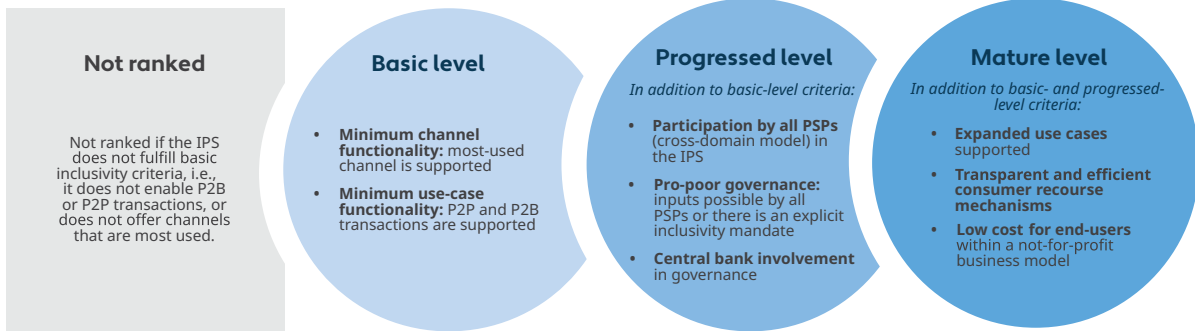
AfricaNenda also launched the inaugural “State of Instant and Inclusive Payment Systems in Africa” (SIIPS) report. The 2022 edition is the first of a series that will be published annually. The SIIPS report aims to inform public-sector and private-sector players in and outside of Africa about the developments in the African instant payment systems ecosystem, including an assessment of the inclusivity of functionality and governance of such systems. The report was launched at the GSMA Mobile World Congress on October 25, 2022, in Kigali, Rwanda, and was also officially presented to H.E. Paul Kagame, the president of the Republic of Rwanda.

The 2022 SIIPS report not only presents an updated picture of the instant payment systems landscape in Africa but also provides a spectrum framework for assessing the inclusivity of the systems. It identified three levels of inclusivity—basic, progressed, and mature—based on functionalities and governance factors. The report found that no African instant payment system had reached mature inclusivity yet.

AfricaNenda Leadership Team presenting the SIIPS report 2022 to H.E. Paul Kagame, the President of the Republic of Rwanda



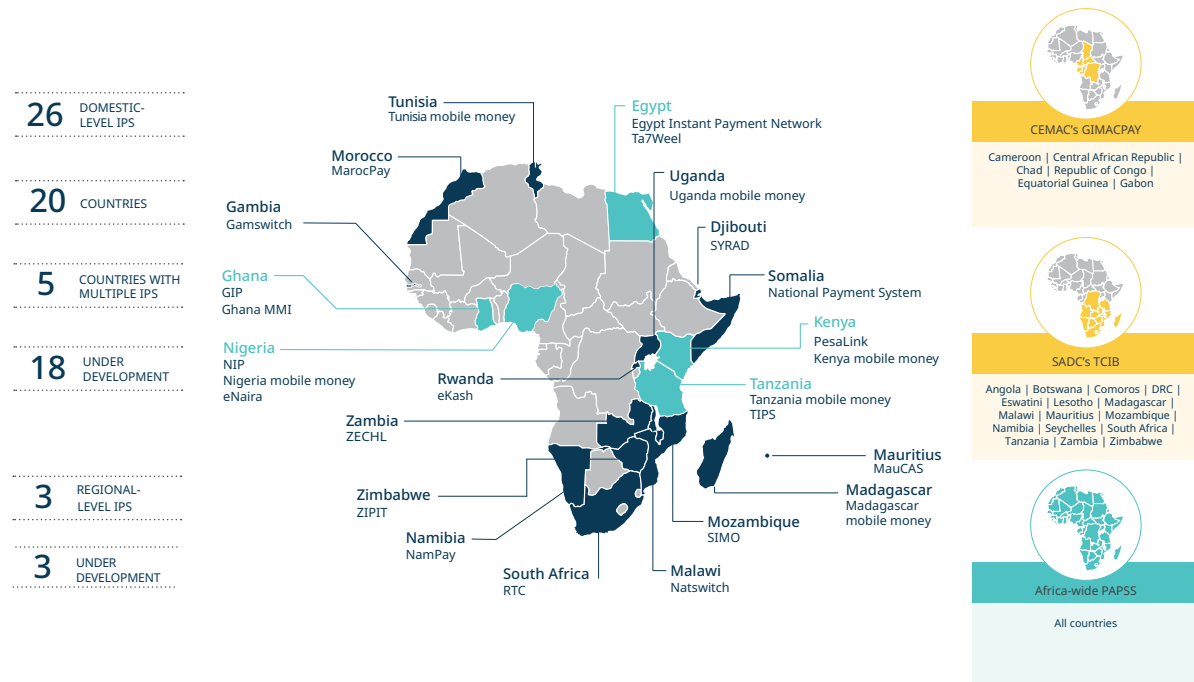
THE INCLUSIVITY SPECTRUM³



The report also found that five instant payment systems are progressing toward mature inclusion, four of which are already at the progressed level and one of which is unranked due to its nascent state. These systems include the Central Africa Economic and Monetary Community (CEMAC) regional scheme GIMACPAY, Ghana's system, Malawi's Natswitch, SADC's Transactions Cleared on an Immediate Basis (TCIB), and Zambia Electronic Clearing House. The main reasons for their not having achieved maturity are the relative novelty of these systems and issues with inclusive governance. Most systems either do not explicitly allow for the participation of all payment system providers in design or decision-making, or they do not provide interoperability across domains or have limited use-case functionalities. These constraints limit a system's ability to scale and adapt to the needs of end-users. Innovation and competitiveness are driven toward inclusive outcomes via collaboration in system design and regulations, with fair access to the infrastructure.

The report maps 29 instant payment systems (26 domestic and 3 regional). Among the different types of instant payment systems, mobile money-only and bank-only systems traditionally dominated; however, cross-domain schemes that enable the instant transfer between bank accounts and mobile wallets have caught up with siloed systems and now make up the largest number of systems (10 in total).

LANDSCAPE OF INSTANT PAYMENT SYSTEMS IN AFRICA



More information on the SIIPS report 2022 is available [here](#).

⁰³ IPS = instant payment system; P2B = person-to-business; P2P = person-to-person; PSP = payment system provider.



Women farmers using a mobile application in Kiambu, Kenya



This report recognizes the strides Africa has made in instant payments which are now widely accessible and highlights the path to scale the impact even further."

Clare Akamanzi, CEO of the Rwanda Development Board



The SIIPS Africa Report gives practitioners, governments, policymakers, and development partners a solid foundation of information to help them design instant payment systems that work for all Africans."

Sabine Mensah, Deputy CEO of AfricaNenda

06

CAPACITY BUILDING IN THE ECOSYSTEM



In 2022, AfricaNenda convened relevant actors at national and regional levels to explore opportunities to advance on their instant payments journey and build their capacities. It also offered spaces for dialogue and identification of issues these actors need to address.

6.1 At the national level

ZAMBIA: CREATING AN ENABLING ENVIRONMENT FOR THE UPTAKE OF INSTANT AND INCLUSIVE PAYMENT SYSTEMS

In 2022, AfricaNenda organized two workshops in Zambia to raise awareness of key issues and trends related to digital payment systems.

AfricaNenda team at a Zambia Workshop (2022)



The first workshop, organized in collaboration with the Bank of Zambia and Financial Sector Deepening (FSD) Zambia contributed to empowering Zambian regulators, banking sector, and telecommunications companies for the uptake of instant and inclusive payments. It provided a knowledge-sharing platform to 35 participants who learned about foundational concepts and design principles of instant and inclusive payment systems, in collaboration with the Digital Frontier Institute. During this first interaction, AfricaNenda experts shared the latest trends and initiatives in other markets and proposed solutions to financial fraud, a severe threat in the country. AfricaNenda also teamed up with other strategic actors like the United Nations Capital Development Fund (UNCDF) and FSD Zambia to collaborate with key regulatory bodies in Zambia on inclusive digital financial services supervision. This second training workshop gathered 25 participants from the regulatory, government, and private sectors, who agreed on the need to share knowledge on cross-cutting issues with financial sector supervisory bodies in Zambia through dialogue and joint assessment of market issues.

SUPPORTING KENYA’S JOURNEY TOWARD FULL INTEROPERABILITY

AfricaNenda, with the support of FSD Kenya and the Bill & Melinda Gates Foundation, designed a customized interoperability capacity—building program in collaboration with Glenbrook Partners. The learning program helped the Central Bank of Kenya have an in-depth understanding of interoperability, its implications, and its challenges, by addressing the key foundations of interoperability. Kenya’s full-scale interoperability will enable the public to send and receive money from any payment service provider, channel, network, merchant, or mobile money agent in a fast, secure, convenient, and affordable way.



Small business owner using a mobile payment with his customer

CÔTE D’IVOIRE: TRAINING FINANCIAL INSTITUTIONS AND FINTECHS ON INSTANT AND INCLUSIVE PAYMENT SYSTEMS

AfricaNenda convened 40 representatives of financial institutions, government agencies, telecom operators, banks, and fintech from Côte d’Ivoire for a training workshop on instant and inclusive payment systems, on September 20, 2022, in Abidjan, Côte d’Ivoire. The initiative was in collaboration with the Côte d’Ivoire Bankers’ Association and the Côte d’Ivoire Fintech Association. The stakeholders from the Côte d’Ivoire financial and digital ecosystem learned more about the challenges and fundamental principles of designing and implementing instant and inclusive payment systems.

The meeting also served as a platform for discussing the various challenges and possibilities in advancing the 2019–24 National Financial Inclusion Strategy. The participants stressed the need to collaborate for sustainable solutions to accelerate massive adoption of digital payments.

Team photo at the CÔTE D'IVOIRE training held by AfricaNenda (2022)



The workshop was a real opportunity for all public and private actors to harmonize their views on implementing an optimal digital payment system. We intend to work with AfricaNenda to ensure that specific actions can be implemented in line with the discussions.”

Daniel Beke, Côte d'Ivoire Bankers' Association

6.2 At the regional level

SUPPORTING THE WEST AFRICA MONETARY AGENCY

AfricaNenda engaged in 2022 with the West Africa Monetary Agency (WAMA), a specialized institution of the Economic Community of West African States (ECOWAS) promoting trade within the West African subregion and facilitating trade transactions and services in West Africa. The cooperation with AfricaNenda also aims to support the implementation of the planned ECOWAS Payment and Settlement System (EPSS).

- **Mapping of payment landscape in West Africa:** Following a request of WAMA, AfricaNenda completed and presented to West African Central Banks and WAMA an overview of the payment landscape in West Africa that described the actors operating in the region's payment ecosystem.
- **Training West African central banks on instant and inclusive payment systems:** In July 2022, AfricaNenda organized a training session to strengthen the capacities of ECOWAS Central Banks and WAMA on instant and inclusive payment systems. Participants learned about the fundamentals of instant and inclusive payment systems. The participants reiterated the need to provide low-cost and inclusive technologies and stressed the imperative for the region to develop a harmonized and inclusive regulatory framework that ensures all players in the ecosystem can act equitably.



AfricaNenda & WAMA team in Freetown, Sierra Leone (2022)



“This workshop is the beginning of the collaboration between AfricaNenda and the West African Monetary Agency. I hope it will grow from strength to strength for the advancement of payment systems in our region.”

**Alieu Ceesay, Former Chief Economist,
West African Monetary Agency**

REINFORCING CAPACITY WITH THE CENTRAL BANK OF WEST AFRICAN STATES

AfricaNenda is working closely with the Central Bank of West African States (BCEAO) to support the implementation of the WAEMU Digital Financial Services Interoperability Project. The project’s objective is to establish a payment infrastructure that facilitates “account-to-account” exchanges regardless of the type of account (bank, non-bank), instrument, service, and channels used, as well as the integration of all financial service providers.

AfricaNenda, after consultations with the BCEAO, provided catalytic funding to support capacity-building activities.

- The first capacity-building workshop supported the BCEAO information technologies team in programming activities related to the imminent deployment of a cloud-based platform for instant payment systems.
- AfricaNenda, through two training sessions on cloud architecture, cybersecurity, and fraud management, reinforced the BCEAO project implementation unit’s capacities.

SHARING BEST PRACTICES WITH KEY ACTORS IN AFRICA: BRAZIL'S PIX

AfricaNenda's mission is also to ensure that stakeholders of the payment ecosystem in Africa stay abreast of trends and best practices. In this regard, AfricaNenda promoted the PIX virtual capacity-building event, organized by the Central Bank of Brazil, to enable more participation from central banks in Africa and to allow actors on the continent to learn from Brazil's inspiring journey to instant and inclusive payment systems. Nine central banks invited by AfricaNenda selected a total of 40 attendees, including 15 women, to participate in the five-day virtual training and knowledge-sharing sessions.

COLLABORATION TO ENSURE EQUAL ACCESS TO PAYMENTS IN THE SADC REGION

One of AfricaNenda and BankservAfrica's activities to operationalize their partnership was the Transactions Cleared on an Immediate Basis (TCIB) regional conference held on November 22–23, 2022, in Lusaka, Zambia. The meeting was an opportunity for the various actors in the ecosystem to engage and share learnings and experiences to advance instant and inclusive payments systems integration across the Southern Africa Development Community (SADC) region. Participants emphasized the urgent need to ensure sound collaboration between stakeholders and regulators for the success of TCIB. This SADC payment scheme enables the immediate clearing of single credit "push" transactions across regional borders. Participants also urged central banks to ensure policy alignment for proper oversight and compliance and to mitigate the risks. The two-day meeting highlighted the importance of customer experience: people want the payment experience to be instant. Regional systems must be interoperable for sustainable payment systems in Africa.

AfricaNenda & BankservAfrica at the TCIB conference hosted, in Lusaka, Zambia (2022)



6.3 Webinars

AfricaNenda inaugurated its webinar series in 2022, with the objective of enabling its audiences and experts, wherever they are, to access in-depth knowledge and share expertise.

HOW CAN WE ACCELERATE FINANCIAL INCLUSION BY PROMOTING INSTANT AND INCLUSIVE PAYMENT SYSTEMS IN AFRICA?

AfricaNenda, in partnership with the Digital Frontiers Institute, hosted a webinar on May 4, 2022, to discuss initiatives promoting instant and inclusive payment systems and financial inclusion in Africa. The webinar brought together more than 90 participants from across Africa. The discussions focused on establishing a common understanding of the foundational concepts of instant and inclusive payment systems as an emerging phenomenon on the continent, and on efforts to leverage these payment systems to accelerate financial inclusion.



WHAT DO MSMEs NEED TO ADOPT AND USE DIGITAL FINANCIAL SERVICES FOR CROSS-BORDER TRADE?

AfricaNenda convened financial inclusion experts on July 7, 2022, to share the findings and recommendations of the report, "Use of Cross-border Digital Payments in the COMESA Region: Understanding the Training Needs of MSMEs." Discussions highlighted the need for impactful and tailored capacity-building programs that encourage MSME cross-border traders to take up digital financial services. Some areas identified include financial education-related topics, digital literacy, logistical planning, financial services for facilitating trade, and digitization of cross-border operations.

BUILDING ON THE SIIPS FINDINGS TO MOBILIZE THE DIGITAL FINANCE ECOSYSTEM

To further disseminate the findings of its State of Instant and Inclusive Payment Systems in Africa (SIIPS) report, AfricaNenda's experts organized two webinars for English- and French-speaking audiences after the report's launch, in Kigali, Rwanda, in October 2022. The discussions made it possible to address other essential themes in implementing instant payment systems, such as: the role of fintechs, business models in instant payment systems, and the emergence of central bank digital money.

SIIPS Report 2022 Launch, in Kigali, Rwanda (2022)



07

CONTRIBUTING TO DIALOGUE ON PAYMENTS AND FINANCIAL INCLUSION



The year 2022 was pivotal for AfricaNenda as we joined many other players in the payments ecosystem to advocate for inclusive payment systems and financial inclusion.

7.1

Championing borderless payments with P20



**Towards Borderless Payments:
Best Practice Recommendations**

A P20 Report

November 2022

To support the expansion of borderless payments, AfricaNenda joined P20, a global payments forum where industry leaders, politicians, regulators, and government officials could come together and call for more collaboration between the private and public sectors to deliver real improvements in the cost, speed, transparency, and accessibility of cross-border payments. The P20 report highlighted the essential need to improve regulation and standards, combat financial crime, and improve the efficiency of cross-border payments.

In the report, AfricaNenda CEO Dr. Robert Ochola stressed the use of technology to drive more robust digital identification and the importance of interoperability to realize the cost of one US dollar per cross-border transaction in the payments industry.

7.2

Advocating for the inclusion of digital financial services in the protocol on digital trade

AfricaNenda supported the ongoing work of the African Continental Free Trade Area (AfCFTA) Secretariat. Through its participation in the Ad Hoc Task Force for the Digital Trade Protocol of AfCFTA Secretariat and the secondment of legal-tech and trade lawyers, AfricaNenda is advocating for the importance of digital financial services, inclusive and interoperable payment systems in key policy considerations.

7.3

Highlighting the importance of digital public goods

Digital public goods (DPGs) are essential for developing adequate interoperable payment infrastructure that supports the implementation of payment systems at regional and national levels to address persistent gaps in financial inclusion. This message was reiterated by AfricaNenda experts during the CyLab-Africa Summit on Digital Public Goods in Kigali, Rwanda, from October 10–11, 2022.

7.4

Pledging the scale-up of instant and inclusive payment systems with the ITU Partner2Connect

AfricaNenda joined the International Telecommunication Union's Partner2Connect Initiative and pledged to scale up instant and inclusive payments systems to accelerate financial inclusion for all in Africa. The two organizations have great potential for accelerating universal access to financial services and the inclusion of the more than 350 million adult Africans who are still excluded from those services.



The Partner2Connect first Annual meeting

7.5

Urging consideration of fintech in legislating for financial inclusion

AfricaNenda attended the Next Fintech Forum, which brought together major fintech players in Côte d'Ivoire and Francophone Africa, from November 23–25, 2022. The organization used this opportunity to call for enabling legislation for fintechs, which are essential in facilitating the financial inclusion of traditionally excluded populations. At the event, AfricaNenda presented the findings of its research on the state of instant and inclusive payment systems in Africa.

AfricaNenda Team at the Next Fintech Forum in Abidjan, Cote D'ivoire (2022)



7.6

Focusing on key drivers to transform instant and inclusive payments



AfricaNenda collaborated with the Alliance of Digital Finance Associations and Digital Frontiers Institute to bring together experts to discuss inclusive payment systems at the Pathway to 17 Summit, a platform where leaders, experts, and practitioners from different areas meet to solve complex issues and propose solutions towards the achievement of the Sustainable Development Goals. Discussions highlighted the need to address barriers to making payments inclusive and for innovation that lowers obstacles to women's access to means of payment.

08

STRATEGIC PARTNERSHIPS TO SUPPORT AFRICA'S PAYMENT ECOSYSTEM



"A single bracelet does not jingle." Congolese proverb

As a convening actor, AfricaNenda works to build sustainable relationships that will not only develop and scale inclusive payment systems on the continent but also strengthen capacities and help various stakeholders find the resources they need to deliver on their mission. To that end, AfricaNenda signed partnerships in 2022 with multiple stakeholders to support payment ecosystems at the national, regional, and continental levels.

8.1

Carrying out strategic interventions with Smart Africa

AfricaNenda and Smart Africa signed a memorandum of understanding in Kigali, Rwanda, on March 23, 2022. Smart Africa is a Pan-African initiative aiming to transform Africa into a single digital market. The collaboration will carry out strategic interventions around the development and adoption of open standards for interoperable and inclusive payment systems in line with existing mechanisms on the continent. The two partners will engage in joint advocacy for policy harmonization and convene high-profile events to bring public and private stakeholders under the same roof to accelerate financial inclusion across Africa.



ENGAGE IN JOINT ADVOCACY FOR POLICY HARMONIZATION

and convene high-profile events to accelerate **financial inclusion** across Africa



Dr. Robert Ochoa (right) at the Smart Africa MOU signing in Kigali, Rwanda (2022)

8.2

Deepening efforts to enable cross-border payments with BankServAfrica

AfricaNenda and BankServAfrica, a payment services operator based in South Africa and operating nationally and within Africa, signed a memorandum of understanding on July 14, 2022, to build synergies that can accelerate the achievement of trade and financial inclusion goals in the SADC region. The partnership will help develop the growing network of TCIB collaborators and enablers and deepen efforts to enable African cross-border payments.



DEVELOP THE GROWING

network of TCIB collaborators and enablers



DEEPEN EFFORTS

to enable African cross-border payments

BankServAfrica and AfricaNenda partner up to facilitate instant and cross-border payments in the SADC region



8.3

Accelerating the harmonization of cross-border payments with UNCDF

To accelerate the growth of instant and inclusive payment systems and harmonize cross-border payments and financial market infrastructure in Africa, AfricaNenda and the United Nations Capital Development Fund made a joint undertaking on November 18, 2022. The two organizations will cooperate in promoting joint technical assistance, global practices, and learning products for the regional harmonization of cross-border payments and digital financial services. The collaboration will focus on building data and research capacity for generating evidence-based decisions to inform regulation and guide policy priorities for regional harmonization of cross-border payments.



JOINT TECHNICAL ASSISTANCE



GLOBAL PRACTICES



LEARNING PRODUCTS

for the regional harmonization of cross-border payments and digital finance services

Dr. Robert Ochola & AfricaNenda Leadership team at the UNCDF MOU signing



“ UNCDF is pleased to have AfricaNenda as a regional partner in driving our efforts to harmonize cross-border payments across regional economic communities within Africa.”

Henri Dommel, Director of Inclusive Finance at UNCDF

8.4

Partnering with TradeMark Africa to design digital innovations in financial services for trade

On December 2, 2022, in Nairobi, Kenya, TradeMark Africa (formally Trade Mark East Africa) and AfricaNenda signed a strategic partnership to propose innovations that will contribute to inclusive, faster, safer, and greener trade and reduce the costs and time of trading across borders for big and small businesses. Specifically, the two organizations will design solutions and projects to increase transparency and accountability in trade transactions, reduce time and cost of business transactions, and enhance collaboration and cooperation between governments and private sector-trade actors. The two partners will build on their respective assets to achieve the agenda of growing trade in Africa through more available, accessible, affordable, inclusive, and simple financial services in the region and on the African continent.



INCREASE TRANSPARENCY

and accountability in
trade transactions



REDUCE TIME AND COSTS

of business
transactions



ENHANCE COLLABORATION AND COOPERATION

between governments and
private sector trade actors



TradeMark Africa and AfricaNenda partnership signing (December 2022)

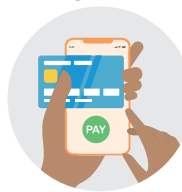
8.5

Partnering with the UN Economic Commission for Africa for insights on digital payments

AfricaNenda, The World Bank Group and the United Nations Economic Commission for Africa are collaborating to explore the state of financial inclusion in Africa and the role that instant and inclusive payments play in achieving inclusion for all. This partnership involves conducting extensive research across Africa to establish key trends, best practices and benchmarks, and to deliver ideas and thought leadership, through an annual knowledge product that will inspire African digital financial services ecosystem players to scale up the use of instant and inclusive payments systems. This annual knowledge product is the State of Instant and Inclusive Payment Systems in Africa (SIIPS) report; the first edition was published in 2022.



explore the state of
**FINANCIAL
INCLUSION IN
AFRICA**



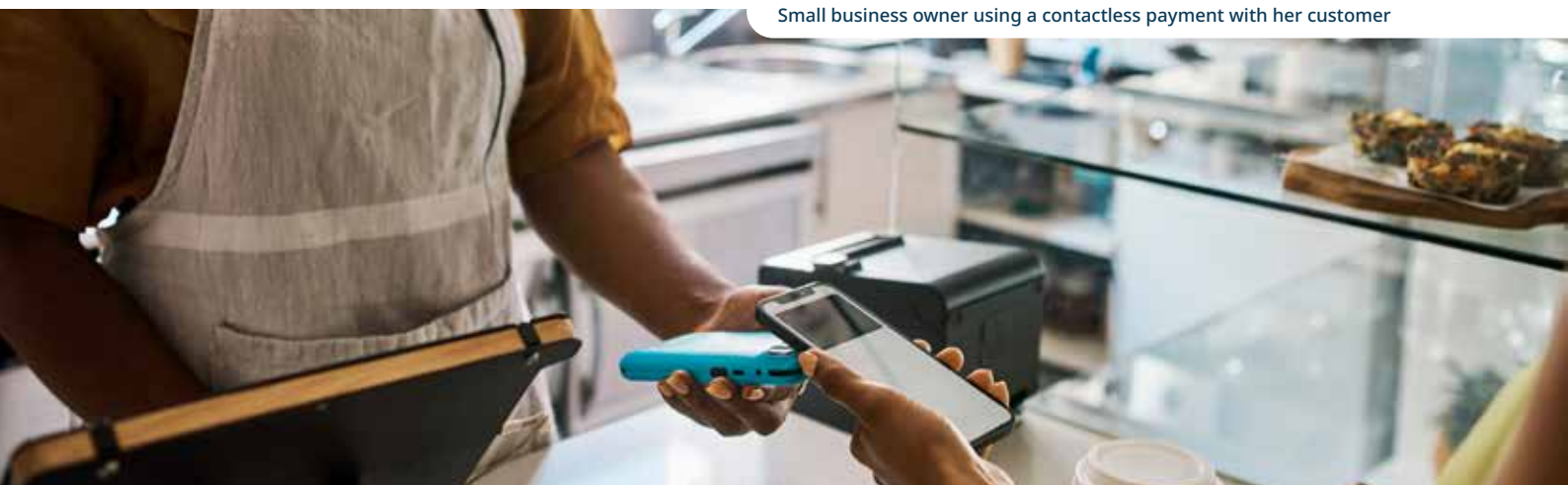
explore the role of instant and
inclusive payments play in
**ACHIEVING
INCLUSION FOR ALL**



“This partnership complements our work in digitizing trade and transport corridors. We hope to devise solutions that will benefit SME’s in enabling them scale up their businesses for export competitiveness.”

David Beer, CEO of TradeMark Africa

Small business owner using a contactless payment with her customer





09

KEY 2022 LEARNINGS



The year 2022 has been a learning year. AfricaNenda's activities and interactions with various stakeholders led to the identification of four lessons essential for the future of payment systems in Africa.

9.1 Collaboration is crucial for effective payment systems

"United we stand, divided we fall."

These wise words reflect one of the key learnings from the inaugural flagship report on the State of Instant and Inclusive Payment Systems (SIIPS) in Africa. The report highlighted the necessity for all stakeholders to collaborate to close the inclusivity gaps and design instant payment systems that meet end-user needs. This includes increased collaboration between public and private players and leveraging the role of fintech in enabling the application of Level One Project principles to develop instant and inclusive payment systems that improve access to formal financial services for low-income populations. Greater access will also encourage usage of digital financial services and drive the scale-up of instant and inclusive payment systems.

9.2 Accelerating interoperability is key

According to the inclusivity spectrum framework developed by AfricaNenda, enabling interoperability of all payment instruments and enabling access of all licensed payment service providers to instant payment schemes are essential for reaching progressed and mature levels of inclusivity. However, regulators must determine the approach to scheme interoperability that offers appropriate incentives and limits the threat



of mandate. Interoperability is a way to ensure a competitive market that meets customers' needs. The Bank of Tanzania mandated interoperability in the Tanzania Instant Payment System. On July 15, 2022, the Central Bank of Kenya announced the full interoperability of mobile money payment services in Kenya to deepen the digitalization of payment services, provide customers with affordable services, and increase end-users' choice. The move from Kenya and Tanzania demonstrates the imperative of breaking down silos in payment systems to facilitate the scale-up of payment systems and customer adoption.

9.3

Capacity building is essential to building effective payment systems

Throughout 2022, AfricaNenda carried out different capacity-building activities. The journey toward inclusive payment systems can be fast-tracked if the different players of the ecosystem have the right skills and expertise. The "Use of Cross-border Digital Payments in the COMESA Region: Understanding the Training Needs of MSMEs" report showed that reinforcing cross-border traders' capacities could accelerate the uptake of digital payments in cross-border trade operations.

9.4

Open-source and cloud technologies as credible infrastructure alternatives

In 2022, AfricaNenda also acknowledged the important role open technologies could play in developing and implementing the infrastructure for interoperable payments. AfricaNenda supported inclusive payment projects through its pre-project knowledge-sharing activities in the design phase. Hence, AfricaNenda acknowledges open source's ability to be a sustainable and productive option for African governments and institutions in the digital transformation of their economies. Cloud technologies can accelerate the delivery of interoperable payment infrastructure and provide supplementary infrastructure.

10

AFRICANENDA'S PRIORITIES FOR 2023



In 2023, AfricaNenda intends to consolidate its 2022 accomplishments and lay the groundwork for strong support to the various stakeholders in the payments ecosystem. The focus will be on the following strategic areas:

10.1 SIIPS report 2023

The State of Instant and Inclusive Payments Systems in Africa 2023 report will be a priority for AfricaNenda and its partners the UN Economic Commission for Africa and the World Bank. This second edition will expand on the 2022 report to further deepen the understanding of the instant and inclusive payments ecosystem, constraints, and opportunities in Africa. The 2023 edition will also focus on additional country research, on the barriers to policy and regulatory harmonization, and on opportunities for cross-border payments. For the 2023 report, we hope to have new data from more African countries.

10.2 Peer learning visits

AfricaNenda will strengthen its role as an intermediary that facilitates knowledge sharing by developing relationships and networks within the ecosystem. Through peer learning visits, AfricaNenda intends to engage intra-African knowledge sharing to support the development of instant and inclusive payment systems in Africa. Central banks and switch operators will have the opportunity to learn from their peers who have substantial experience building and advancing payment systems.



Phones merchant on a Madagascar marketplace

10.3 Project implementation

In 2022, AfricaNenda invested in pre-project support activities to help Rwanda and the COMESA region mobilize resources to build and strengthen their payment systems. The year 2023 will be an opportunity for AfricaNenda to expand on its mandate and assist countries and other actors in the implementation process. AfricaNenda will use its expertise and knowhow to continue expanding its pipeline of inclusive instant payment system projects on the continent.

10.4 Community of practice

In 2023, AfricaNenda will also scale up the activities of its community of practice, a safe space where experts or people interested in Africa's payment systems can share information and experiences and discuss topics related to payment trends, to further their individual and organizational goals.

10.5 Advocacy on instant and inclusive payment systems for financial inclusion

AfricaNenda will increase its advocacy for financial inclusion in Africa. The focus will be on amplifying the importance of instant and inclusive payment systems in unlocking opportunities for the inclusion of women, low-income segments, and the most vulnerable. Some key areas include promoting conducive policy and regulatory frameworks, instant payment systems functionality and inclusive governance, consumer awareness and protection, and inclusion and empowerment of women and youth.

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AFRICANENDA IN THE MEDIA

AfricaNenda CEO: Unlocking payment systems crucial to AfCFTA



[See it here](#)



Risk of over-borrowing by African governments (Business Africa)



[See it here](#)

AFRICA INSTANT AND INCLUSIVE PAYMENT SYSTEMS REPORT LAUNCHED IN KIGALI

written by Daniel Sabiti | October 26, 2022

34
Shares



[See it here](#)

ÉCONOMIE

Atelier de formation et de renforcement de capacité sur les systèmes de paiement instantanés et inclusifs

Systeme de paiement instantané : Des acteurs financiers et institutionnels renforcent leur capacité



[See it here](#)

Daybreak Africa: Gambia approaches ECOWAS to Try Yahya Jammeh Administration; Protesters in DRC Show for Government's Fight Against M23



[See it here](#)

Instant payments in Africa – showcasing how to create opportunities and advance financial inclusion with brand new benchmark report

BY RACHEL STERRY / 03/11/2022 / FINANCE



[See it here](#)

Instant payment systems are key for cross-Africa commerce

The EastAfrican



[See it here](#)

NEWS

Ghana is #1 in Access to Financial Inclusion in Africa



By **Joan Almuengheuwa**
Oct 27, 2022

Ghana has been recognized as the only country in Africa to achieve 100% access to financial inclusion on the continent.

The honour was contained in this year's State of Inclusive Instant Payment in Africa Report put together by AfricaNenda and launched at the ongoing Mobile World Congress Africa 2022 in Kigali, Rwanda.

This feat was achieved through the successful implementation of the Mobile Money Interoperability (MMI) system, which integrates all payments platforms across banks, **fintechs** and telcos, allowing every Ghanaian to make and receive instant payments.

 [See it here](#)

All Eyes on Instant Payments for Greater Financial Inclusion in Africa



 [See it here](#)

CONCLUSION

12

At AfricaNenda we believe that access to payment systems and transaction accounts via instant payments are a first step for inclusion and self-empowerment for the more than 350 million financially excluded Africans and the many others who are underserved.

When presented with solutions that meet them where they are, individuals move to formal financial services, regardless of their income level. Digital financial services, when they are available to enough people, can significantly aid in a country's economic development.

We envision a cashless Africa, where individuals can rely on digital means to pay and be paid, regardless of the purpose or location. We strongly believe that Africans can power this transformation, and our achievements in 2022 have shown that AfricaNenda can positively contribute to moving this large and complex task forward by timely interventions at the national, regional, or continental level.

This year, working with governments, regional organizations, the private sector, and development institutions, we showed that we could contribute significantly across three main task areas: raising funding, capacity development, knowledge sharing and community building. We mobilized financing and other resources to move implementation forward at the regional and national levels; we developed and shared a major knowledge project on the state of the instant payments ecosystem and continue to build this knowledge base; we convened opportunities for knowledge sharing; we supported capacity development at the level of technology and regulation; we helped to build relationships for the kind of collaboration that will be needed to connect diverse instant payment systems across a continent; we supported efforts to include local talent and cost-effective resources for product development; and we put the importance of instant payments for women and youth into play in wider discussions of fintech.

Recognizing the scale and diversity of the tasks at hand, during our first full year, as AfricaNenda we have shown that we have the agility, the capacity to mobilize, and the network to meet the stakeholders in the African payment ecosystem where they are as we endeavor to help them move to the next step on their journey.

None of this would have been possible without the unwavering and generous support of our Board of Directors, the Bill & Melinda Gates Foundation, and AfricaNenda's fiscal sponsor, Rockefeller Philanthropy Advisors (RPA).

**BILL & MELINDA
GATES foundation**

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