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FOCUS NOTE

Making non-bank participation in inclusive instant payment systems a reality in Africa

The goal of this focus note is to provide a concise examination of non-bank participation in inclusive instant payment systems (IIPS) as a critical enabler of financial inclusion in Africa. It draws on insights from payment system practitioners and fintech association leaders from Ghana, Nigeria, Rwanda, South Africa, and Zimbabwe and outlines clear implications for ecosystem stakeholders.

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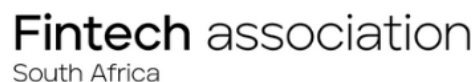
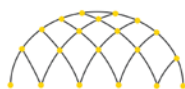
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Acknowledgment

AfricaNenda Foundation and the Alliance of Digital Finance and Fintech Associations (AllianceDFA) sincerely thank the national fintech associations and industry representatives who shared their time, insights, and expertise during the September 2025 roundtable on advancing non-bank participation in inclusive instant payment systems across Africa.

We are also grateful for their permission to reflect their perspectives in this Focus Note. Their contributions have helped shape a more practical, nuanced, and ecosystem-driven understanding of how to unlock inclusive instant payment systems across the continent.

This work reflects a shared commitment to building a more inclusive, collaborative, and future-ready payments ecosystem for Africa.



Context and rationale

Africa's instant payment systems (IPS) landscape remains largely dominated by cross-domain IPS, with 18 out of 36 domestic and regional IPS being cross-domain, as reported by the State of Inclusive Instant Payment Systems (SIIPS) 2025 report. While this category of IPS grants participation of non-banks, the opportunity is open mostly to mobile money issuers. As of June 2025, 13 IPS reported onboarding e-money issuers versus only 7 for Microfinance Institutions and 7 for other categories of non-banks.

Over the last decade, fintechs and mobile money operators have transformed how Africans transact, by designing agile, customer-centric solutions that respond to everyday needs, especially among low-income and informal segments. Through these innovations, millions of people have gained access to formal financial services through digital wallets, loans, and savings products that were previously out of reach.

Despite the demonstrated contribution of non-bank providers to advancing financial inclusion, structural constraints continue to restrict their ability to fully leverage IPS infrastructure and maximize inclusion outcomes for end users. Often, non-banks rely on bank partnerships to participate in the IPS. This dependency often slows innovation, increases costs, and constrains the scale of inclusion. When these actors are excluded or restricted to indirect participation, the very populations IPS were designed to empower remain outside the formal financial ecosystem.

During the September 2025 roundtable convened by the Alliance of Digital Finance and Fintech Associations (AllianceDFA) and AfricaNenda Foundation, industry leaders from Ghana, Nigeria, Rwanda, South Africa, and Zimbabwe agreed that non-bank participation in IPS is a critical step toward universal financial inclusion in Africa. One participant captured this reality succinctly: *“When you restrict non-banks from accessing the IPS, it is the woman who sells on the street who is left out of real-time payments.”*

This focus note distills key insights from that 2025 roundtable discussion, to explore how inclusive access to IPS can accelerate financial inclusion, innovation, and competition, and how it can build trust across Africa's payment landscape.



50%

of Africa's instant payment systems are cross-domain

(18 out of 36 systems)

PARTICIPATION GAP

13 IPS
have onboarded
e-money issuers

07 IPS
onboarded
Microfinance
Institutions

Key insights from the roundtable

The AllianceDFA–AfricaNenda Foundation 2025 roundtable gathered leaders from several digital finance associations across Africa—including Digital Finance Practitioners Ghana, Association of Digital Finance Practitioners Nigeria, Rwanda Fintech Association, Fintech Association of South Africa, and Digital Finance Practitioners Association of Zimbabwe—to explore how non-banks can play a greater role in IPS across the continent. Several powerful messages emerged.



1. Partnerships and compliance facilitate participation of non-banks

The roundtable participants agreed that successful collaborations are necessary for IPS to evolve toward non-bank participation. Regulators, banks, and non-banks, each share a responsibility in building safe and inclusive payment systems in Africa. This can be achieved through open communication, sharing evidence of benefits, and advancing mutual understanding.

- **Participants emphasized that partnerships and strategic alliances are the critical link to reaching the underserved populations.** Banks and non-banks bring complementary strengths. Fintechs and mobile money operators

excel in product innovation, technology, and last-mile distribution, while banks contribute compliance maturity and systemic stability. Inclusive payment systems therefore depend on purposeful partnerships that combine these capabilities to serve low-income and informal users at scale.

- **Fintechs and other non-banks must strengthen compliance capabilities, enhance transparency, and invest in robust risk management systems.** Fintechs and other non-banks have introduced speed, agility, and superior user experience into payment markets, often pushing incumbent banks to innovate, reduce friction, and better serve underserved customers. However, roundtable participants emphasized that innovation must include regulators' expectations of compliance, risk-management, and

consumer protection. To sustain credibility, non-banks must build operational discipline and adhere to standards such as ISO 27001.

- **When non-banks can demonstrate proportionate compliance with expectations applied to other IPS participants, such as banks, regulators are more likely to welcome their direct participation in national IPS.** In South Africa, qualified fintechs can now participate directly in national payment systems under the South African Reserve Bank's Payment Ecosystem Modernization Initiative, provided they demonstrate operational stability and sustained growth. Roundtable participants concurred that technology leadership is not enough, regulatory trust must be built through sustained investment in compliance and financial resilience.

2. Non-bank participation is a prerequisite for IPS to operate as genuine digital public infrastructure

Until IPS allow non-banks to participate, they cannot fulfill their digital public infrastructure role in our African economies.

- **Indirect participation of non-banks to IPS increases the cost to the underserved.** When non-banks are required

to access IPS through a sponsoring bank, the cost of participation inevitably rises, as intermediary fees make products less competitive and erode already thin margins. This dependency also constrains innovation, slowing the development of affordable financial solutions tailored to low-income users. What the ecosystem urgently needs are open, inclusive payment rails—true digital public infrastructure where all licensed payment service providers can participate on equitable terms. Only then can innovation and financial inclusion reach the bottom of the pyramid sustainably.

- **Regulators could evolve from traditional gatekeepers to active enablers of instant payment ecosystems.** This shift requires adopting proportionate, risk-based regulations that facilitate innovation while safeguarding stability and taking on a more proactive role as champions of digital financial public infrastructure that underpins inclusion and interoperability.
- **The cost of financial exclusion remains high for end users.** In markets where non-banks are constrained, innovation stagnates and the poor bear the cost of inefficiencies. Delayed transactions, higher fees, and limited access to micro-products—such as micro-insurance and digital credit—reinforce inequality. As one participant noted, *“The cost of not having access is often higher for low-income users than any transaction fee.”*





3. Policy collaboration and coordination matter as much as technical interoperability

Accelerating non-bank direct participation in IPS in Africa will require transparency, coordination and political commitment at regional and continental level.

- **National, regional and continental collaborations succeed only when no stakeholder is left behind.** Inclusive IPS require banks, fintechs, telcos, and regulators to share the same table in shaping policies, regulations, and operational frameworks. Inclusive governance fosters transparency and trust, especially when ecosystem players openly share information such as outage reports, system gaps, onboarding timelines, and customer feedback. Such openness allows regulators and policymakers to understand where improvements are needed and who in the industry (banks, fintechs, joint initiatives) should drive them. When collabo-

ration is anchored in policy rather than just technical integration, it becomes a policy-backed ecosystem that delivers sustainable and coordinated progress.

- **Participants emphasized that strong political will and coordinated actions are essential to accelerate collaboration across the payment ecosystem.** Governments, central banks, and industry associations could work hand in hand—nationally, regionally, and continentally—to create an enabling environment for inclusive instant payments. This includes fostering structured dialogue between regulators and ministries, and advancing initiatives such as license passporting, which would allow fintechs to operate seamlessly across borders. Regional cooperation between fintech associations for instance, and partnerships among fintech associations via organizations such as AllianceDFA, could further fast-track integration and strengthen cross-border collaboration.

Implications and the way forward for regulators

The roundtable consensus was clear: non-bank direct participation in IPS is indispensable, it's not an optional reform. Central banks, non-banks, and IPS operators each have a distinct role to play.

For regulators, the priority would be to adopt risk-proportionate frameworks that enable safe, tiered access for non-banks while preserving financial integrity. Licensing regimes could evolve from institution-based to activity-based supervision, ensuring flexibility as market models converge.

Regulators could also embed inclusion by design, making non-bank participation a stated objective of payment system oversight. Each regulator could establish a roadmap for non-bank inclusion, aligned with financial inclusion goals and national digitization agendas. If Africa's IPS are to fulfill their role as true digital public infrastructure, then it is important to build inclusion into their design. Microfinance institutions, mobile money providers and other fintechs bring innovation and reach; banks contribute stability and scale; regulators ensure integrity. The continent's success will depend on how effectively these strengths are combined.

Regulators could institutionalize collaboration through governance bodies that include banks and non-banks. Achieving inclusive, interoperable, and efficient instant payment ecosystems requires all players to 'move in concert' with central banks creating enabling regulatory frameworks, non-banks building trust, and IPS providing infrastructure. The discussion ended with a unifying insight: "Non-bank direct participation in IPS is a team sport."

Africa's instant payment revolution will not be measured by speed or transaction volumes only. Its true legacy will be determined by how far it brings every African into the digital economy in real time.

Non-bank direct participation in IPS is indispensable — it is not an optional reform







About AfricaNenda

AfricaNenda Foundation is an Africa-based, African-led nonprofit working with central banks and payment ecosystem stakeholders to accelerate the design, development, launch, and improvement of inclusive instant payment systems.

Our team of 24 experts in 13 countries provides technical expertise, builds capacity, shares knowledge, and advocates for inclusivity across the instant payment system project lifecycle.

Through this work, we aim to help **deliver the power of seamless and affordable digital payments to 260 million financially excluded Africans by 2030.**

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