

## PRESS RELEASE

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### COMESA Institutions, CBC and TDB, Partner for the Validation of the Regional Digital Integrated Common Payment Policy for Micro, Small and Medium-sized Enterprises (MSMEs)

**Kigali Rwanda, Thursday 21<sup>st</sup> January 2021:** *“The digital payment system platform dividend for COMESA and Africa at large, can be enormous with potential gains in growth of regional trade (sourcing and supply) which is currently below 20%. But turning this vast potential into reality will require the collective efforts of our governments, the private sector, and development partners,”* said Mr. Marday Venkatasamy, Chairman of the [COMESA Business Council \(CBC\)](#), in his opening statement at the COMESA Digital Financial Inclusion High Level Public-Private Dialogue.

CBC in partnership with the [Eastern and Southern African Trade and Development Bank \(TDB\)](#) yesterday convened the High Level Public-Private Dialogue, a hybrid event, under the theme, *“Towards the COMESA Digital Integrated Common Payment Policy for Micro Small and Medium-sized Enterprises (MSMEs).”*

CBC has been implementing the Digital Financial Inclusion Program to support the design, development and deployment of an integrated digital financial services infrastructure that is low-cost, interoperable and fraud resistant, that serves micro, small and medium-sized enterprises, particularly women and youth, at the bottom of the financial pyramid.

The public-private dialogue brought together nine pilot-study countries’ Central Bank Governors; Ministers of Finance; ICT Regulators; manufacturers; Mobile Network Operators; commercial banks; and MSMEs, to consider and validate the COMESA digital integrated common payment policy and framework for SMEs. *“The establishment of a digital low-value common payment policy for MSMEs will result in streamlining predominantly cash-based small-scale enterprises into digital economies that enjoy accessible, affordable, interoperable, transparent and real-time cross-border retail payments. This digital financial inclusion drive is expected to boost volumes of cross-border transactions, the formalisation of SMEs and their participation in intra-regional trade,”* said Ms. Sandra Uwera, the Chief Executive Officer of CBC.

In alignment, Mr. Admassu Tadesse, president of TDB cited, *“financial inclusion involves multiple stakeholders, from policymakers and regulators to private industry, including employers, educational systems, communities and individuals. The responsibility of policymakers and regulators in this context, is to ensure that an open and enabling environment for financial services, from predictable laws and regulations to sound and accessible physical digital infrastructure, is in place while protecting consumers.”*

The meeting noted that facilitating and promoting MSMEs’ participation in Digital Financial Inclusion can accrue benefits such as economic growth, macroeconomic policy effectiveness, and job creation. This was underscored by Hon. Michel Sebera, Permanent Secretary of the Rwanda Ministry of Trade and Industry, who went on to add, *“in order to maximise on the full potential of a digital economy key challenges affecting MSMEs needed to be addressed, such as high collateral requirements by formal financial institutions; difficulties in making and receiving payments within the COMESA region; unsecured digital financial services platforms; and many others.”*

Mr. Robert Bafakulera, Chairman of the Rwanda Private Sector Federation, in the same vein noted that addressing the aforementioned challenges was critical particularly given the prevailing economic conditions due to the pandemic. He stated, *“while the COVID-19 pandemic is set to increase the use of digital financial services, it has also posed challenges for the growth of*

*the industry's smaller players like SMEs and highlighted unequal access to digital infrastructure. Several actions will need to be taken to ensure maximum inclusion going forward."*

The deliberations attached great importance to interoperability, partnerships, regulatory dialogue and consumer protection as key success factors for the digital financial inclusion of SMEs. *"We've seen a willingness from competitive forces in industry to prepare a strong pathway that will facilitate eased digital payments across markets. This policy will be the foundation of an infrastructure that supports African SMEs to grow into prosperous businesses over the coming years,"* said Amb. Kipyego Cheluget, COMESA's Assistant Secretary General-Programmes.

A key output document that was presented and validated during the public-private dialogue was a Draft Model Policy Regulation Guidelines/Rulebook for a digital integrated regional common payments scheme for SMEs. Moving forward, national committee meetings will precede a second validation meeting of the edited report of the common policy framework.

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#### ***About COMESA Business Council***

The COMESA Business Council (CBC) is a business member organization bringing together a diverse group of businesses and associations in the region from 34 sectors in 21 countries of COMESA. CBC is the recognized regional apex body of the private sector in the region. CBC as the key advocacy driver for business, provides a link between the private sector and organs of the Common market. We seek to improve the competitiveness and deepen the participation of the private sector in regional and global trade, through advocacy, business facilitation and enterprise development. This includes prioritizing and taking specific advocacy strategies to address key business impediments and measures that affect our industries and have a direct bearing on the participation of our businesses in trading in the COMESA region.

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#### ***About the Eastern and Southern African Trade and Development Bank***

Established in 1985, the Eastern and Southern African Trade & Development Bank (TDB) is a multilateral, treaty-based, investment-grade development finance institution, with 40 sovereign and institutional shareholders and assets of USD 6.7 bn. TDB serves 22 economies in its region, with the mandate to finance and foster trade, regional economic integration and sustainable development.

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