



Electronic  
**Commerce**



Investments In  
**Knowledge**



Fintech **Industry**

## 4TH DIGITAL FINANCIAL INCLUSION PUBLIC-PRIVATE DIALOGUE

CBC convened the 4th Digital Financial Inclusion Public-Private Dialogue, a hybrid event, under the theme, Towards a Regional Digital Retail Payments Platform for MSMEs in COMESA, on 10th March 2022, in Lusaka, Zambia.

“For the region to move closer to achieving digital financial inclusion and contribute to the reinvigoration of intra-regional, and ultimately continental trade flows, strong collaboration between all stakeholders across the public and private sector is crucial,” said Mr. Marday Venkatasamy, President of the COMESA Business Council (CBC), in his opening statement at the High-Level Public-Private Dialogue.

The hybrid event brought together participants from the nine pilot-study countries of the CBC Digital Financial Inclusion Program, to validate the Business Model that will inform the design, governance and implementation of the proposed regional digital retail payments platform for MSMEs in the COMESA region. The stakeholder groups represented comprised Central Banks; Ministries of Finance; ICT Regulators; manufacturers; Mobile Network Operators; Commercial Banks; FinTechs; Microfinance Institutions; and MSMEs.

The Dialogue also launched the CBC Digital Financial Inclusion Recognition Awards, in acknowledgement and appreciation of the

## TABLE OF CONTENTS

- 4th Digital Financial Inclusion Public-Private Dialogue
  - Launch of the CBC Digital Financial Inclusion Recognition Awards
- COMESA Committee of Governors of Central Banks Convene 25th Meeting
- CBC Supports Financial Literacy Capacity Building of Cross-Border Traders
- What to Look Forward to:
  - MSME Academy Launch
  - Domestication of Model Policy Framework
- What's happening in and around the Industry

For more of our knowledge products, visit our website:  
[www.comesabusinesscouncil.org](http://www.comesabusinesscouncil.org)

4TH DIGITAL FINANCIAL INCLUSION PUBLIC-PRIVATE DIALOGUE cont.

exceptional commitment and contributions made towards the implementation of the Digital Financial Inclusion Plan for MSMEs in COMESA. The award recipients comprised Airtel Africa; Bank of Zambia; Bankers Association of Zambia; Bayer; Coca-Cola East and Central Africa Franchise; COMESA Clearing House; KCB Bank; Kenya Bankers Association; Rwanda Information Society Authority; Techno Brain Group; and Vodacom. “We are honoured to be recognized through this Award; financial services designed for smallholder farmers and rural MSMEs, who form part of our value chains, are critical to attaining financial inclusion goals. Understanding the characteristics, needs, and preferences of these demographics is key for there to be successful uptake of formal financial services by these unbanked clients. We are proud to be on this journey with CBC, and have achieved a lot - from development of the Business Case to where we are now, validating the Business Model for the proposed regional digital retail payments platform for MSMEs in the COMESA region,” said Ms. Diana Apio, Public Affairs & Communications Director at Coca-Cola East and Central Africa Franchise, and also a member of the CBC Digital Financial Inclusion Advisory Committee.

“This scheme intendeds to create affordable, transparent low value services that will boost intra-trade in COMESA and the larger Africa. Closing the MSME financial inclusion gap in the region would significantly help increase COMESA’s annual economic growth,” said Ms. Sandra Uwera, in her opening statement.



Mr. Marday Venkatasamy, President, CBC



Dr Francis Chipimo, Deputy Governor, Bank of Zambia



CBC Digital Financial Inclusion Recognition Award recipients

## 4TH DIGITAL FINANCIAL INCLUSION PUBLIC-PRIVATE DIALOGUE cont.

Dr Robert Ochola, CEO of AfricaNenda noted, “Sub-Saharan Africa alone has 44 million micro, small, and medium enterprises, almost all of which are micro. For these businesses to grow, create more jobs, and generate economic growth, we need to remove certain constraints especially the challenges they face with the current regional payments’ arrangements.”

Speaking on the importance of financial literacy, Dr Francis Chipimo, Deputy Governor of Bank of Zambia, and the event’s guest of honour stated, “despite the growth in active Digital Financial Services (DFS) accounts in Zambia, low customer awareness of new and existing DFS products is still a major obstacle. Improvement of financial education on Digital Financial Services has become an essential next step to enable both cash-lite and mobile money to expand further and empower the population in Zambia and the region.”



CBC Board Directors with Opening Ceremony Speakers of the 4th Digital Financial Inclusion Public-Private Dialogue

Expressing views on the need to install and commission the regional digital retail payments platform for MSMEs, underpinned by digital financial inclusion as a region-wide goal, Mrs. Mizinga Melu, Chairperson of the Bankers Association of Zambia, and Managing Director of ABSA Bank Zambia stated, “the importance of Consumer

Protection on Digital Financial Services cannot be over emphasised, hence the need for well secured platforms to avoid Cyber-attacks. This will ensure that data and money being sent by MSMEs is well protected.”

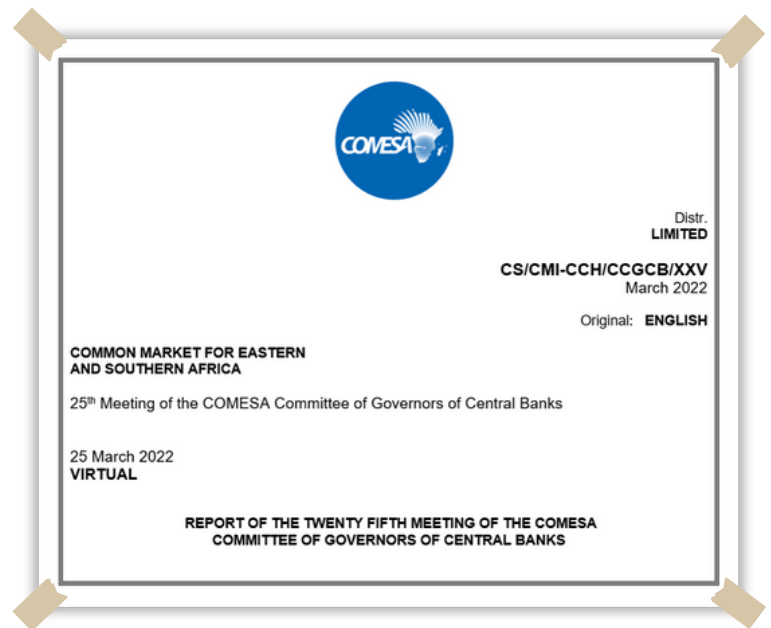
The Public-Private Dialogue’s (PPD) fruitful deliberations on the Draft Business Model on the Implementation and Operation of Regional Digital Retail Payments Scheme, had the following outcomes:

- i) The PPD adopted the Business Model Report. The meeting further agreed that the one of the three business models should be agreed upon at the DFI Advisory committee level, prior to the meeting of the COMESA Committee of Governors of Central Banks where they will be presented in order of preferred scenarios.
- ii) It was agreed that the oversight role of the Digital Retail payments platform should be undertaken by COMESA Committee of Governors of Central Banks or alternately, the COMESA Committee of Governors of Central Banks can delegate their authority on day-to-day operations.
- iii) It was further agreed that the COMESA Scheme management team of Regional Digital Retail Payments System should spearhead the rule writing in conjunction with participant working groups. Both banks and non-banks Digital Financial Services Providers (DFSPs) should be members/participants depending on their criteria defined in the rule book.
- iv) It was agreed that pilot phase of the Digital Retail Payments scheme, would be undertaken in Member States who show readiness in respect to meeting criteria in Digital legal framework and Technology infrastructure.

COMESA COMMITTEE OF CENTRAL BANK GOVERNORS CONVENE THEIR 25TH MEETING

The 25th Meeting of the COMESA Committee of Central Bank Governors was held on 25 March 2022, to consider among others, the activities that were undertaken by COMESA Monetary Institute (CMI) and the COMESA Clearing House for enhancing monetary cooperation in the region in 2021.

The meeting was attended by the Governors and delegates from 14-member Central Banks, namely Burundi, Djibouti, DR Congo, Egypt, Eswatini, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Uganda, Zambia and Zimbabwe. Also in attendance were representatives from COMESA Secretariat, COMESA Business Council and UNECA.



COMESA Business Council presented the report on the COMESA Model Policy Framework on Digital Financial Inclusion - Towards Digital Retail Payments for MSMEs in the region.

CBC proposed to the Committee of Experts to consider and adopt:

- i) The draft Model Policy Framework on Digital Retail Payments for Micro Small and Medium Enterprises (MSMEs) in COMESA region. Towards Digital Financial Inclusion for MSMEs in the Region; and,
- ii) The recommendations of the Business Model Report on the development of a digital retail payments platform for MSMEs in COMESA region.

The Central Bank Governors' Committee noted and principally adopted both reports. As a way of enhancing the business model, the Committee was further requested to provide their final inputs on both reports by mid-April 2022. The Committee also requested that the final version of the documents, incorporating all comments from Central Bank experts and other stakeholders, be shared with the Bureau of the COMESA Committee of Central Bank Governors.



## CBC SUPPORTS FINANCIAL LITERACY CAPACITY BUILDING OF CROSS-BOARDER TRADERS

At a training workshop held on 16th - 17th March 2022, under the theme "Moving towards Inclusive Digital Financial Services for Trade and Development," Dr Jonathan Pinifolo, CBC's Digital Financial Inclusion Program Manager, facilitated discussions on the COMESA digital retail payments platform for MSMEs, highlighting the developments so far, and the anticipated benefits to trade from its operationalisation.

The workshop was geared towards capacity building of women cross-border traders at the Mwami-Mchinji Border crossing between Zambia and Malawi, on financial literacy for enhanced digital financial inclusion. The project is funded by the German Development Cooperation (GDC), through the German Agency for International Cooperation (GIZ) Trade for Development Fund.

The workshop had the following overall objectives:

- i) To sensitize and promote the use of digital financial services among women small scale cross-border traders.
- ii) To enhance financial education, management skills and confident use of digital financial services among women Cross Border Traders.
- iii) To understand the roles of regulatory authorities, including rules and regulations governing digital transaction platforms and policies that protect Consumer interests.
- iv) To position the women traders in readiness for digital transaction usage that will secure their finances and boost revenue growth.

From the two-day deliberations, the following recommendations were put forward:

- i) There's need to develop deliberate programs to support SMEs access to digital financial services.
- ii) Stakeholder engagements are needed to enable cross-border traders, banks and other financial services providers to synchronize lending and borrowing procedures tailored to MSMEs.
- iii) There's need for government and regulatory bodies to consider tariff reductions on digital services in order to promote the use of digital financial platforms.
- iv) COMESA to train traders on access and use of the CBC BIZnet business linkages online platform.
- v) There's urgent need for capacity building of cross-border traders on business management skills.



## HERE'S WHAT TO LOOK FORWARD TO!

## MSME Academy Launch

Over the course of implementing Phase I (The Business Case Study) and Phase II (The Business Model) of the *Digital Financial Inclusion for MSMEs* Program, it has been noted that the lack of strength in enterprises' digital skills capacity is a key constraint to the update of digital financial services, which needs to be addressed in order to build a strong demand for the Regional Digital Retail Payments platform that's to be developed in Phase III.

It is against this background that CBC, with the support of AfricaNenda, is working towards the development of a technical capacity building programme which will be implemented through an e-learning academy for MSMEs in the region. The content material will be designed for self-study following both the inductive and deductive approaches. The former focuses on building knowledge in fundamental business principles and developing problem-solving techniques, while the latter will concentrate on providing existing business solutions that can easily be integrated in the learner's enterprise.



## Domestication of Model Policy Framework



The current absence of an overarching policy framework on key elements of retail payments creates uncertainty and undermines the case for decisive action and investment. Recommendations from the Business Case report developed in Phase I, were strongly in favour of strengthening the policy environment within which digital low-value or retail payments will be implemented.

The Model Policy Framework subsequently developed, and adopted at the *2nd COMESA Digital Financial Inclusion Public-Private Dialogue*, is supported by four key pillars, namely: legal and regulatory framework; infrastructure; incentives for use and access; and capacity building, which are required to achieve the vision and objectives of the policy framework.

This is a model policy which will provide an enabling environment for development and implementation of digital retail payments platform within and across COMESA Member States, leveraging on the existing regional payments platforms, and in some cases, complementing them.

We look forward to the domestication process which will be undertaken through a multi-pronged approach, with interventions including development of policy documents; capacity building; public-private dialogues; amongst others. The initiative will be rolled-out in cooperation with development partners; National Steering Committees; finance and ICT regulators; payment service providers; National Business Associations and Chambers of Commerce.

MORE ON WHAT'S HAPPENING IN & AROUND THE INDUSTRY!

A Record \$1 Trillion of Mobile Money Transactions Processed in 2021

The recently published GSMA 10th annual ‘State of the Industry Report on Mobile Money’ reveals that in 2021, the mobile money industry processed more than \$1 trillion in transactions. The industry enjoyed a substantial increase in the number of registered accounts, up 18% since 2020 reaching 1.35 billion globally. The volume of person-to-person transactions were up to more than 1.5 million every hour. The report also reveals that one of the most significant drivers of growth was merchant payments, which almost doubled year on year. For more, [click here](#).

African Tech Startup Funding Surpassed \$1bn in First 2 Months of 2022

As of March 1, 110 startups had raised US\$1,123,556,000 this year, a figure that is already more than half (52.3%) of last year’s total. This skyrocketing investment is being driven by Nigeria, Kenya and South Africa for now. As at 2021, Nigeria is the leader, with 33 startups having banked a combined US\$364,598,000 (32.5 per cent of the total). Twenty Kenyan startups have raised US\$223,450,000 (19.9 per cent of the total), and 16 South African startups have secured US\$219,930,000 (19.6 per cent of the total). For more, [click here](#).

African Fintechs amongst the World’s Top 100 Cross-Border Payments Companies in 2022



Cross-border payments are having strong year, with the post-pandemic landscape spurring a return to travel, digital remittances continuing to boost economies in developing countries, the increasing popularity of international e-commerce and a continuing surge in B2B payments – as well as the rise of crypto.

The 2022 Cross-Border Payments 100 list recognises the leading companies in cross-border payments worldwide, including publicly traded companies, startups and private companies. It covers companies operating across

consumer money transfers and remittances, B2B payments, e-commerce companies, payment processors, crypto providers and beyond.

The 5 African fintech companies listed among the world’s Top 100 Cross-Border Payments Companies in 2022 include: Chipper Cash, founded in 2018; Flutterwave, founded in 2016; MFS Africa founded in 2009; Mukuru, founded in 2004; and M-Pesa, founded in 2007. For more, [click here](#).

ABOUT CBC:

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.

Building Regional, Going Global. | [www.comesabusinesscouncil.org](http://www.comesabusinesscouncil.org)

Follow us on social media:



For further information, contact Marianne Nzioki  
E-mail: [mnyioki@comesabusinesscouncil.org](mailto:mnyioki@comesabusinesscouncil.org)

*Disclaimer:*

*Whilst we have taken measures to ensure credibility of the news items in this bulletin, kindly note that the opinions expressed are solely of the authors, and do not in any way represent the views of the COMESA Business Council Secretariat.*



COMESA Business Council  
COMESA Building, Right Wing, 2nd Floor  
Ben Bella Road, P.O. Box 30051, Lusaka, Zambia  
Email: [info@comesabusinesscouncil.org](mailto:info@comesabusinesscouncil.org)  
Tel: +260 211 229725/32

