

Caroline Abel: Closing remarks - incoming chairperson of the African Financial Inclusion Policy Initiative

Vote of thanks and closing remarks by Ms Caroline Abel, Governor of Central Bank of Seychelles, at the 10th African Financial Inclusion Policy Initiative (AfPI) Meetings and Leaders Roundtable, Arusha, 23 June 2022.

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Professor Florens Luoga, Outgoing Chairperson and Governor of the Bank of Tanzania;
Dr. Alfred Hannig, Executive Director of the Alliance for Financial Inclusion;
Governors and Deputy Governors;
Ladies and Gentleman;

Good afternoon.

I am honoured to address you once again as we end this year's AfPI Leaders Roundtable, which concludes four days of intensive, engaging and fruitful discussions on a subject deemed important for our respective countries and the region.

Financial inclusion - more importantly, digital financial inclusion - as a key driver of economic growth and stability cannot be overemphasised. And I am sure that the engagements throughout this week have reaffirmed our resolve and increased our commitment to pursue this objective.

While the digitalisation of our economies was already underway, the nature of the COVID-19 pandemic has undoubtedly propelled the acceleration of our digital transformation efforts, finding some of us ready for this new reality and signalling a reality check for others.

Over the past four days, we have had the opportunity to take stock of the progress made and identify further actions needed to achieve our objectives amidst an ever-evolving financial landscape and economic environment.

It has been refreshing to learn about what is happening across the continent – from the innovative regulatory and supervisory solutions to the electronic KYC and digital identity innovations that some of our members are implementing to advance financial inclusion. I am aware that links have been established amongst members present for further peer learning going forward, as we have drawn inspiration from the success stories that have been shared, of how the digital transformation is creating opportunities and bringing numerous benefits for the various groups within our economies. These endeavours surely present us with the opportunity to renew our commitment to work on overcoming the challenges and barriers that still exist to ensure that no one is left behind.

We have had prolonged discussions on numerous topics, but I believe we can all agree that a key takeaway is that it is not enough to simply make digital financial services and products available. They need to be convenient, fast, affordable, reliable and safe. They

need to be tailored to meet the needs of the various segments of our society, from individuals to businesses, and not forgetting the vulnerable groups. We also need proper infrastructure and systems that interface with each other.

Creating an enabling environment for digital financial services requires a concerted effort. As regulators, we need to continue finding ways to improve the policy and regulatory frameworks to foster innovation whilst also ensuring that data protection, cybersecurity, financial consumer protection and financial education, amongst other aspects, are not overlooked. These elements are crucial if we are to be successful in improving accessibility, increasing the uptake and embedding trust in digital financial products and services. And for us to achieve this success, the entire financial system - the banks, the payment system providers, the insurance companies and others – also needs to play their part.

While taking note that the pandemic has transformed business models and spurred the need for diversification, it is also important to acknowledge that our region is not spared from other challenges like climate change and its associated risks, which are giving rise to the need for green financing models to ensure sustainability. The financial system must acknowledge and respond to these emerging needs, develop innovative financing products and adopt a more forward-looking approach.

Ladies and gentlemen,

We are all at different stages of our digital transformation journey. Seychelles, for example, recently embarked on its Modernisation Plan, which is supporting the country's Fintech Strategy and the Digital Economy Agenda. Despite our diverse individual priorities, I believe we can all share experiences and learn from each other as we take further steps toward achieving our individual objectives and that of the AFI Network.

At a more collective level, as we have agreed, our efforts over the next year will be directed to the following areas:

- Consumer protection for digital financial services with a focus on learning from successful policy interventions and understanding elements impacting the enhancement of digital financial services in the region
- Digital financial literacy, where capability studies will be undertaken to assist in formulating targeted digital financial literacy programmes based on the specificities of each country.
- Leveraging digital financial services for inclusive green finance
- And lastly, the development of a framework for collecting disaggregated data on the uptake of fintech products and services in the region, which will also assist in mapping the impact of fintech on financial inclusion.

On the latter, the importance of collecting and analysing relevant and disaggregated information has come out very strongly in the discussions. I believe this is something we should all strive to achieve if we are to move away from a one-size fits all approach to more informed and effective policies, which will lead to the implementation of the targeted solutions that will address identified gaps.

I look forward to the commitment and support of all members as we start working towards the realisation of these deliverables.

As I end my remarks, I would like to once again commend the outgoing Chairperson, Professor Luoga, Governor of the Bank of Tanzania, for taking us to this juncture and for his continued support as we pursue the journey. I also look forward to work with the Vice-Chair – the Governor of the Bank of Ghana.

I also take this opportunity to thank AFI and the Bank of Tanzania for hosting this year's meetings, which have brought us face to face for the first time after two years of virtual meetings and express appreciation to the Bank of Tanzania and the AFI teams for the hospitality extended to all delegates. Your warmth and valuable assistance have helped make this event a success and our stay in this beautiful country truly pleasant and memorable. Please convey our gratitude to other stakeholders who have contributed to the successful organisation of this event.

Finally, I would also like to thank all of you present for your valuable contributions to the discussions that have taken place this week.

I wish you all a safe return to your homelands and every success in your endeavours to enhance digital financial inclusion and access to financial services for the continued economic growth and stability of your respective countries and the region.

I look forward to welcoming you to Seychelles in 2023 for us to take stock of what we have been able to achieve and set the course for the next chapter of our journey to further advance the financial inclusion agenda.

Thank You!

And as we say in Tanzania – Asante!