

Johannes !Gawaxab: Speech - Alliance for Financial Inclusion Global Policy Forum

Speech by Mr Johannes !Gawaxab, Governor of the Bank of Namibia, at the opening ceremony of the 2025 Alliance for Financial Inclusion Global Policy Forum "Empowering society, enabling growth", Windhoek, 4 September 2025.

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Hon. Erica Shafudah, Minister of Finance of the Republic of Namibia
Hon. Natalia Goagoses, Regional Governor of the Erongo Region,
Ms. Soraya Hakuziyaremye, Governor of the National Bank of Rwanda and the Incoming Board Chair of the Alliance for Financial Inclusion,
Dr. Alfred Hannig, Chief Executive Officer of the Alliance for Financial Inclusion
His Worship Blasius !Goraseb, the Mayor of Swakopmund,
Distinguished Central Bank Governors,
Esteemed Delegates, and
Valued Partners,

It is with immense pride and deep appreciation that I officially welcome you to the Alliance for Financial Inclusion Global Policy Forum 2025, here in the beautiful coastal city of Swakopmund, Namibia. For us, this is not simply a conference. It is history in the making. For the very first time, our nation has the honour of hosting this prestigious gathering, and we embrace this opportunity with a deep sense of purpose.

As I stand here and look across this remarkable assembly of more than 80 central bank governors, regulatory institutions, ministers, development partners, and policymakers, I see more than titles and institutions, alongside close to 800 delegates. I see the custodians of our future – leaders who hold in their hands the power to transform finance into a bridge to prosperity rather than a barrier to opportunity. You have travelled from every corner of the globe, bringing with you diverse experiences, innovative solutions, and a shared commitment to advancing financial inclusion. Your presence here is a testament to the power of global collaboration and our collective determination to make inclusive finance a lived reality for every man, woman, and child.

Financial inclusion stands as a beacon of hope and opportunity in our quest for a more equitable world. It embodies the essence of availability and equality, granting individuals and businesses the means to access a broad spectrum of financial services – from banking and payments to the robust realm of capital markets. Underpinning this journey is a commitment to affordability, accessibility, security and comprehensive usage, ensuring that financial tools empower rather than exclude. More than a pathway to prosperity, financial inclusion is a bridge connecting our present challenges to a future filled with shared opportunities. In this interconnected global landscape, financial inclusion is not merely access; it is the very foundation of empowerment, driving sustainable development and healing the fractures that threaten our shared humanity.

Empowering Society, Enabling Growth

The theme of this year's Forum - "Empowering Society, Enabling Growth" - speaks directly to our shared mission. Empowerment is not just about opening a bank account or accessing credit. It is about restoring dignity, widening opportunities, and creating real pathways to prosperity for those who have been excluded for far too long. The challenge before us is immense. Today, nearly 700 million people - about 9 percent of the world's population still live in extreme poverty, surviving on less than \$2.15 a day. In Sub-Saharan Africa, this burden is heavier still: almost one in three people live in such conditions. And inequality compounds the problem: the richest 10 percent hold over 70 percent of global wealth, while the poorest half share a mere 2 percent.

This picture is even more troubling when we consider our youth. Around 260 million young people between the ages of 15 and 24 are neither in school, nor working, nor in training. That is one in six of our young people worldwide. To leave them out of economic participation is to squander their potential and to risk the very growth and stability of our economies.

In Namibia, these global realities strike close to home. We speak often of our triple challenge - poverty, inequality, and unemployment. Our unemployment, particularly among the youth, is stubbornly high, and the country still ranks among the most unequal societies in the world, with a Gini coefficient above 0.59. Almost one in five of our people lives below the national poverty line. These are not just statistics - they are the daily struggles of families in our villages, settlements and towns. They are the realities that demand urgent, collective action.

Financial Inclusion as a Catalyst

Financial inclusion must not only be treated as a side issue, but it is also an important catalyst for empowerment and social transformation. Evidence shows that countries with higher levels of financial inclusion enjoy faster GDP growth and greater resilience in times of crisis. This was demonstrated by countries such as India and Mexico through bold reforms that brought agent banking, instant payments and affordable services to the rural and excluded communities. The World Bank estimates that over 100 million adults could be lifted out of extreme poverty if universal financial access were achieved. Secure savings, fair credit, and opportunities to invest are not luxuries; they are lifelines that can transform societies.

Ladies and gentlemen,

The digital revolution continues to be a powerful driver of financial inclusion worldwide, breaking down long-standing barriers to access and usage. Digital financial services reduce transaction costs and enable millions of underserved people to participate in formal financial systems. There are plenty of rich examples in Africa, including the much-heralded M-Pesa from Kenya. Globally, digital payment solutions, agent banking combined with mobile platforms, have connected millions in remote regions to credit and savings products previously out of reach. Notably, the Aadhaar digital ID system introduced by India stands out as a critical enabler of inclusive, accessible, and scalable financial systems.

But the risks of exclusion are real despite the advance of digital financial services. According to the International Telecommunication Union, around 2.6 billion people

globally still lack internet access. In Sub-Saharan Africa, only about one in four people enjoy reliable connectivity. In this regard, concerted efforts by all key stakeholders are critical to remove the barriers and enable access and affordability to digital services.

Ladies and gentlemen,

Namibia is committed to addressing these challenges head-on by ensuring that our financial inclusion agenda is inclusive and people-centred. For us, at the Bank of Namibia, we believe that central banks should not be solely guardians of stability. We must also be proactive creators of financial inclusion. This is why we pursue a Strategy based on developing a smart central bank, fostering an inclusive and resilient financial system, and embracing new economic sectors.

A vivid example of this bold agenda is the launch of a regulator-led Instant Payment Solution - a system designed to make sending and receiving money faster, cheaper, and accessible to all. In a country as vast and sparsely populated as Namibia, this innovation directly addresses the barriers of financial exclusion that traditional banking has long struggled to overcome. This is because establishing or maintaining physical bank branches in remote areas is costly and unsustainable, while agent banking has struggled to gain traction due to weak incentives. Rural communities remain underserved or unserved, with many residents cut off from the most basic financial services.

The Instant Payment Solution seeks to change this reality. By enabling 24/7, interoperable fund transfers between banks, digital wallets, and other platforms, it puts financial tools directly into the hands of Namibians who need them most, from rural households to informal traders. Its focus on affordability and universal access has the potential not only to close the gap between the served and underserved but also to transform how entire communities participate in and benefit from the formal economy.

Furthermore, over the past two years, Namibia has also strengthened its consumer protection frameworks to ensure that, as financial access expands, individuals are shielded from exploitative practices. We have implemented an AI-enabled customer complaints platform to enable the timely resolution of consumer complaints and grievance handling within the banking sector. This progress is complemented by the Ministry of Finance's enhanced focus on digital financial literacy, equipping citizens to navigate evolving financial technologies safely through the Financial Literacy Initiative.

Equally important is our collaboration with government institutions on a comprehensive digital public financial infrastructure gap analysis. This initiative maps areas where investments are most needed to advance equitable access and foster inter-institutional cooperation. For example, the Bank's collaboration with the Ministry of Home Affairs has yielded the results of financial institutions' instant access to the national ID database, a key enabler of identity verification and digital onboarding and advancing from the current electronic identification system to a full-fledged digital identification system.

The role of robust digital financial infrastructure cannot be overstated: it directly enhances economic productivity by reducing transaction costs, accelerating payments, and integrating marginalised populations into formal economic activities. Namibia's

Financial Sector Transformation Strategy 2025–2035 explicitly prioritises digital infrastructure development, foundational to inclusive growth and financial sector modernisation.

Ladies and Gentlemen,

Good progress around financial inclusion has been made over the past years; accessibility and affordability of financial inclusion have brought more vulnerable groups into the fold of inclusive finance. The widespread adoption of digital payments has greatly reduced gender and wealth disparities in financial services usage. Despite this notable progress, there are still an estimated 1.4 billion unbanked people, mostly in developing countries. The degree of anxiety about one's financial situation – about retirement costs, medical expenses due to major illness, monthly bills, and education costs – is becoming a measure of financial inclusion, which is difficult to ignore. These concerns call for sober reflection.

The Alliance for Financial Inclusion has been a beacon of solidarity and shared progress. Namibia's journey has been enriched by this community. We have learned from you, and we hope, in turn, to contribute to you. But beyond technical lessons, AFI represents something profound: the belief that global cooperation still matters in an age of fragmentation. That a rural farmer in Namibia is connected in struggle and aspiration to a farmer in Bangladesh or Peru. That the dreams of a young entrepreneur in Windhoek are not so different from those of her counterpart in Lagos, São Paulo, or Manila.

As inequalities deepen, climate risks intensify, and geopolitics threaten to divide, the AFI network reminds us that cooperation is not optional-it is indispensable. The relationships forged here between institutions and individuals are not footnotes to policy; they are the engines of transformation. As we open this Forum, I urge us all to embrace a powerful truth: financial inclusion is not charity. It is not peripheral. It is central to stability, growth, and justice. Economies that exclude are fragile. Economies that include are strong.

Our call to action is simple but profound: leave no one behind. Let us remember that the choices we make-in regulations, innovations, partnerships-determine whether finance becomes a bridge to dignity or a wall of exclusion. This responsibility is global. The migrant worker without affordable remittance, the small business without trade finance, the farmer without crop insurance, these are not just local tragedies. They are global failures, and they demand global solutions.

As you spend these days in Swakopmund, I invite you to learn, share, and, above all, commit. Commit to building financial systems that serve people before profits, that prize inclusion as much as stability, and that measure success not only in GDP growth but in lives uplifted.

Let us leave this Forum not only with new ideas but also with renewed conviction that financial inclusion is both an economic necessity and a moral imperative. I would like to conclude by reminding us of what Paul Valéry said: "The future is not what is going to happen, but what we are going to do." Together, let us build a future where every person, in every community, in every country, has the opportunity to thrive.

Welcome to Namibia. Welcome to Swakopmund. Welcome to a future we will shape - together.

Thank you.