



**Bank of Zambia**

**OPENING REMARKS TO THE SECOND DIGITAL FINANCIAL  
INCLUSION HIGH-LEVEL PUBLIC-PRIVATE DIALOGUE**

**BY  
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**THE SECOND COMESA BUSINESS COUNCIL (CBC) – AFRICA NENDA DIGITAL  
FINANCIAL INCLUSION PUBLIC PRIVATE DIALOGUE**

**Theme: Towards the COMESA Digital Integrated Common Payment Policy for Micro, Small  
and  
Medium Sized Enterprises (MSMEs)**

**27<sup>th</sup> July, 2021**

## **Salutations**

- **Chairman, COMESA Business Council, Mr. Marday Venkatasamy**
- **Board Directors, COMESA Business Council herein present;**
- **Chairperson, Bankers Association of Zambia, Mr. Herman Kasekende**
- **Chief Executive Officer, Bankers Association of Zambia, Mr. Leonard Mwanza,**
- **Chief Executive Officer, COMESA Business Council, Ms. Sandra Uwera;**
- **Deputy Chief Executive Officer, Africa Nenda, Mr. Akinwale Goodluck**
- **Central Bank Governors and representatives herein present;**
- **Representatives of the Ministries of Finance;**
- **Representatives of the ICT Regulators;**
- **Representatives of COMESA institutions;**
- **Captains of industry, Commercial banks, Mobile Network Operators, manufacturers, SMEs, FinTechs, and non-bank operators;**
- **Members of the press;**
- **Distinguished Guests;**
- **Ladies and Gentlemen**

I am honoured to welcome you all to the second Digital Financial Inclusion Public-Private Dialogue being hosted by the COMESA Business Council (CBC) in partnership with AfricaNenda and the Bankers Association of Zambia whose theme is **“Towards the COMESA Digital Integrated Common Payment Policy for Micro Small and Medium sized Enterprises (MSMEs)”**.

Allow me to start by reminding all of us to follow the health guidelines so that together we can stop the spread of COVID-19 as it remains a significant challenge to our lives and livelihoods. It is gratifying to note that the organisers of the dialogue have put in place necessary measures to ensure that we are in compliance with the COVID-19 protocols.

May I request that before we commence our deliberations, we observe a moment of silence in remembrance of our departed colleagues, family members and friends we have lost due to COVID-19.

**Ladies and gentlemen,** the second Digital Financial Inclusion Public-Private Dialogue is very important, as it brings together experts drawn from various countries and disciplines to consider measures that will support the development of a business model for the COMESA digital retail payment platform for Micro, Small and Medium sized Enterprises (MSMEs). This dialogue aims to discuss the draft model policy for digital payments platform for MSMEs in COMESA and the draft guidelines/Rulebook on the operations of the digital payments platform for the COMESA area. This will help to improve digital financial access and inclusiveness of MSMEs into formal markets

It is, therefore, important to have harmonised regional payments policies and regulations to ensure that there is alignment among member countries. The alignment of policies will ensure that MSMEs engaging in cross-border trade within the region are protected against risks associated with settlement of funds across various jurisdictions.

**Ladies and Gentlemen,** in COMESA, the data suggests that we are likely to witness an increase of financial inclusion due to policy priority given to financial inclusion and emergence of technology such as mobile financial services, which is reducing transaction costs and increasing outreach to MSMEs in the region. Mobile and digital technologies provided by FinTechs and Telecommunications companies (Telcos) are increasingly allowing more people to have access to Digital Financial Services, who would otherwise be excluded from the traditional banking system.

Based on the most recent data from the World Bank (2018), the COMESA region has experienced faster growth in financial inclusion, surpassing Sub-Saharan Africa average. The number of financially included in COMESA has more than doubled in the last decade, from 23% in 2011 to 32% in 2014 and further to 48% in 2017. Some of the measures that have enhanced financial inclusion during the COVID-19 pandemic in the COMESA States include the introduction of cash transfers to the poor through mobile money cash transfers, encouraging cashless payment and scrapping transaction fees between banks and Telcos for values of less than or equal to \$10 dollars.

**Ladies and Gentlemen,** financial and ICT regulators at national and regional levels are urged to support this policy initiative, with Central banks expected to guide and provide oversight on the policy framework. As you have noticed, the policy framework being discussed today, has proposed a number of reforms, introduced new policy measures and will also lead to amendment of existing legislation, which may require intervention of government agencies. The service providers will also need to actively participate in the initiative and explore opportunities that will be offered. For Instance, they can pursue the formation of a special purpose vehicle namely Digital Financial Services Association which is one of key institution expected to implement policy framework.

**Ladies and Gentlemen,**

Going forward there is need:

- To encourage digital financial services through public awareness and financial literacy among end-users;
- To consider reducing tariffs on digital services to encourage and increase the number of people and entities using digital financial services;

- For the regulators to create an enabling environment that enhances financial inclusion. Also to support the development of digital financial infrastructure in underserved rural areas for both supply and demand side.

**Ladies and Gentlemen**, as I conclude I would like to urge all stakeholders present here and the ones online to actively participate and make contributions to enrich the draft policy framework and Rule book.

With these few remarks, it is now my honour and privilege to officially open the second Digital Financial Inclusion Public-Private Dialogue and wish everyone successful and fruitful deliberations. I thank you for your kind attention.

**God bless you all and please stay safe.**