



# 3i AFRICA SUMMIT <sup>20</sup><sub>24</sub>

Innovation • Investment • Impact



## Insights Report



BANK OF GHANA



**DBG** Development  
Bank  
Ghana



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# Foreword



**"The goal of the 3i Africa Summit is simple, yet audacious: to share the African FinTech narrative, discuss the opportunities and challenges on how to employ digital technology, as well as enhance collaboration among policymakers, investors, and innovators to advance the economic prosperity of the African continent and its partners."**

– Dr. Ernest Addison, Governor of The Bank of Ghana

Innovation. Investment. Impact. A continent on the rise and a world taking notice. The 3i Africa Summit was a testament to Africa's boundless potential. The first edition of the 3i Africa Summit which took place in Accra, Ghana from 13 to 15 May 2024 was carefully planned as a launchpad for Africa's digital revolution. The 3i Africa Summit (3i Summit) was organized by the collaborative effort of the Bank of Ghana (BoG) and the Development Bank Ghana (DBG) and supported by the Monetary Authority of Singapore through their subsidiary Elevandi.

Throughout its duration, the Summit witnessed the convergence of visionary leaders, policymakers, investors, and innovators from various regions worldwide, each contributing their unique perspectives and expertise to the discourse. From high-level keynote addresses by esteemed dignitaries like the President of the Republic of Ghana, H.E. Nana Addo Dankwa Akufo-Addo, the President of Singapore, H.E. Tharman Shanmugaratnam, the Prime Minister of Grenada, H.E. Dickon Mitchell, the Vice President of the Republic of Ghana, H.E. Dr. Mahamudu Bawumia and insights from industry stalwarts to dynamic panel discussions, master classes, and vibrant exhibitions, the Summit has provided a fertile ground for collaboration, learning, and inspiration.

The President of Ghana, H.E. Nana Akufo-Addo, at the Summit, announced a \$200 million facility towards the empowerment of SMEs, to be disbursed through GCB Bank Plc and Ghana Exim Bank. He added that the role FinTechs play in ensuring that the resources reach SMEs and monitoring their growth cannot be overestimated.

As we reflect on the 3i Africa Summit theme, **"Unleashing Africa's FinTech and Digital Economic Potential"** and insights shared during the Summit, from the pivotal role of FinTechs in driving financial inclusion to the imperative of upskilling Africa's youth for the digital economy – it becomes abundantly clear that this gathering has transcended mere dialogue to ignite tangible action and change. We did not just talk – we are going to do something about it.

The commitment demonstrated by African leaders who attended this Summit to fostering innovation-friendly regulatory frameworks and the emphasis placed on collaboration between public and private sectors underscores the collective resolve to chart a new future for Africa's digital destiny.

This publication is jointly produced by Development Bank Ghana, Bank of Ghana, and KPMG Ghana. The authors and their teams extend their heartfelt gratitude to all attendees, speakers, sponsors, and partners whose invaluable contributions led to the remarkable success of the 3i Africa Summit.





"The 3i Africa Summit has firmly established itself as the quintessential platform where policymakers, regulators, and the private sector converge to forge the pathways that will connect Africa digitally. Through 3i, we are actively constructing Africa's digital future with every connection we build and every partnership we forge."

K. Duker - Chief Executive Officer, Development Bank Ghana







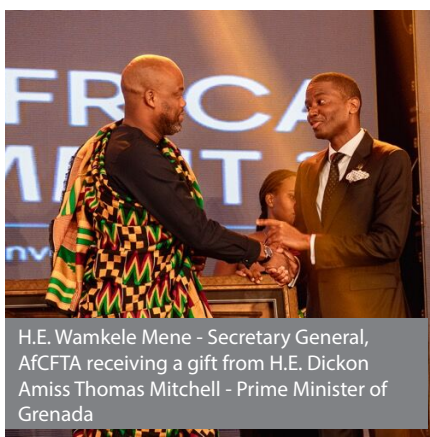
L-R: Hon. Ursula Owusu Erkuful - Ghana's Minister for Communication and Digitalization, Dr. Ernest Addison - Governor, Bank of Ghana, H.E. Dickon Amiss Thomas Mitchell - Prime Minister of Grenada, H.E. Nana Addo Dankwa Akufo-Addo - President of the Republic of Ghana, Dr. Mohammed Amin Adam - Minister of Finance of the Republic of Ghana



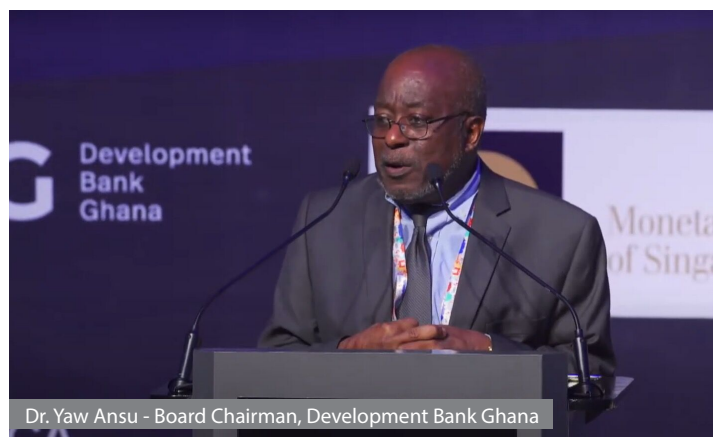
L - R: Mr. Sopnendu Mohanty - Chief FinTech Officer, Monetary Authority of Singapore, Mr. Ravi Menon - Singapore's Ambassador for Climate Action & Former Managing Director, Monetary Authority of Singapore, Dr. Maxwell Opoku-Afari - First Deputy Governor, Bank of Ghana, M. Americo D'Oliveira dos Ramos - Governor, Central Bank of Sao Tome, Mr. Jean-Claude Kass Brou - Governor, Central Bank of West African States (BCEAO), Ms. Leonie Dunn - Deputy Governor, Bank of Namibia, Mr. Emmanuel M. Tutuba - Bank of Tanzania, Dr. Ernest Addison - Governor, Bank of Ghana, Hon. John Rwangombwa - Governor, National Bank of Rwanda, Mrs. Elsie Addo Awadzi - Second Deputy Governor, Bank of Ghana, Dr. Patrick Saidu Conteh - C.E.O., Africa FinTech Network (AFN), Mr. Kwame Oppong - Director of FinTech and Innovation, Bank of Ghana, Mrs. Miriam Tembo Kamuhiza - Director, Payment Systems, Bank of Zambia, Ms. Michelle Chivunga - C.E.O., Global Policy House



Dr. Maxwell Opoku-Afari - First Deputy Governor, Bank of Ghana



H.E. Wamkele Mene - Secretary General, AfCFTA receiving a gift from H.E. Dickon Amiss Thomas Mitchell - Prime Minister of Grenada



Dr. Yaw Ansu - Board Chairman, Development Bank Ghana



L-R: Charles Abani - United Nations Resident Coordinator, Michael Jongeneel - C.E.O, FMO, Moh Damush - Group C.E.O., Telecel, George Agyekum Donkor - President and Chairman of the Board of Directors, EBID



H.E. Dickon Amiss Thomas Mitchell - Prime Minister of Grenada and team at Bank of Ghana's CBDC booth



# Executive Summary



This report explores the strategic insights and transformative vision presented by leaders at the 3i Africa Summit, underscoring the pivotal role of FinTech and digital innovation in shaping Africa's future. The address by H.E. Nana Addo Dankwa Akufo-Addo succinctly captured the spirit of the 3i Africa Summit. In his speech, he proposed a framework for harnessing the transformative power of FinTech and digital innovation to propel Africa towards shared prosperity. He emphasized the necessity of tailoring global technological advancements to meet the unique needs and challenges of Africa's diverse and dynamic continent.



## **Harnessing FinTech and Digital Innovation**

The President underscored the imperative of leveraging FinTech and digital innovation to drive economic growth and address diverse challenges. By adapting global technological advancements, Africa can create dynamic opportunities and tackle its unique problems effectively.



## **Investment in Digital Infrastructure**

"To ensure shared prosperity, African governments must invest heavily in digital infrastructure".

The President outlined key policy areas:

- Creating an environment that supports and promotes technological advancements.
- Providing resources and support to startups and small businesses.
- Drawing in local and international investors through stable regulatory frameworks.



## **Promoting Interoperability**

A key strategy is promoting interoperability to dismantle operational silos. Initiatives like the Ghana Card digital ID program exemplify efforts to drive cross-border collaboration and facilitate smoother financial transactions, aligning with the African Continental Free Trade Area.



## **Empowering the Youth**

The President emphasized that Africa's digital transformation relies on equipping the youth with versatile, portable skills. Providing education and training aligned with the evolving digital landscape is crucial. Empowering young people ensures they will lead Africa's growth and innovation.





## Investment in Digital Infrastructure

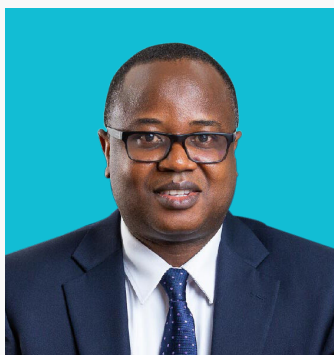
1. Harmonizing regulations to create a unified market, encouraging innovation and reducing bureaucratic hurdles.
2. Expanding digital access to rural and underserved areas.
3. Leveraging digital financial services to include all Africans in the financial ecosystem, addressing gender gaps and reaching the unbanked.
4. Implementing education and training programs that foster digital skills and entrepreneurship

## Conclusion

The 3i Africa Summit outlined a comprehensive strategy to elevate and enhance Africa's digital economy. By implementing these key recommendations, Africa can harness its immense potential, drive innovation, and build a future that is prosperous and equitable for all.

# Recap of Summit

The significance of financial technology in Africa cannot be overstated, as it serves as a cornerstone for both present and future economic stability and growth. FinTech innovations have been essential in bridging the gap between traditional banking services and the unbanked or underbanked populations, thereby enhancing inclusivity and enabling more robust economic participation across the continent. Moreover, these technologies facilitate smoother transactions, greater financial security, and the potential for governments and businesses to reach previously inaccessible markets and demographics.



**"Africa is witnessing an unprecedented surge in FinTech innovation, and the impact is evident. The FinTech revolution has propelled quick access to credit for 'women in business' and Micro, Small and Medium scale Enterprises (MSMEs) leading to improved financial inclusion and creation of jobs, wealth and other opportunities across the continent, also bolstering economic growth".**

Dr. Maxwell Opoku Afari, First Deputy Governor of Bank of Ghana

Inspired by the growing potential of Africa's FinTech landscape and the critical need for sustainable development, the 3i Africa Summit was designed to serve as a premier platform for stakeholders to sculpt a progressive pathway for Africa's FinTech landscape. With a focus on Innovation, Investment, and Impact—collectively known as "3i"—the Summit aimed to establish actionable and strategic pathways towards an integrated and innovative continent. The involvement of key stakeholder groups—including policymakers, financial industry leaders, technology innovators, and international investors—was critical to:



Engage in dialogues to align and harmonize policies that foster economic growth and FinTech innovation across Africa.



Facilitate access to local and global capital to enhance the financial capabilities of African businesses.



Strengthen Africa's digital economy through targeted ecosystem enhancements.



Develop talent crucial for enhancing Africa's digital economic landscape.



Promote FinTech solutions that address sustainability challenges.

## Overview of Summit

**over 7,500**

stakeholders

from more than

**80** countries,

encompassing policymakers, entrepreneurs, and industry influencers. The Summit's agenda was robust, featuring

**58** sessions across

**15** thematic tracks,

aimed at fostering deep discussions and actionable insights on advancing Africa's digital and economic sectors. It was structured to facilitate intense knowledge exchange and networking. Specialized tracks and sessions delved into critical areas such as mobile payments advancements, the integration of digital technologies in agriculture, and the development of supportive regulatory frameworks.





## Day 1: Laying the Foundations for Innovation and Policy Dialogue



R-L : Stefan Klestil - General Partner, Speedinvest FinTech Fund, Karen Serem Waithaka - Chief Investment Officer, Catalyst Fund, Eghosa Omoigui - Managing General Partner, EchoVC, Rafat Kapadia - Head of Investments, Elevandi

The first day of the 3i Africa Summit focused extensively on the interplay between capital flows and policy frameworks, setting the stage for a transformative dialogue on economic growth. The day commenced with the Capital Meets Policy Dialogues (CMPD), a series of elite discussions targeting the cultivation of a robust FinTech ecosystem across Africa by 2024. These sessions provided a critical platform for addressing capital attraction, navigating policy barriers, and shaping the future FinTech landscape.

Noteworthy contributions during the CMPD came from influential speakers such as Iyinoluwa Aboyeji, Founder and CEO of Future Africa, who offered insights from a capital provider's perspective, and Wamkele Mene, Secretary-General of AfCFTA, who discussed the transformative potential of the AfCFTA. These dialogues touched on the critical issues at stake but also set the groundwork for the policy initiatives discussed throughout the Summit.

The afternoon was marked by plenary sessions that were enriched with high-level keynote addresses from global and regional leaders. H.E. Nana Addo Dankwa Akufo-Addo notably laid out a comprehensive framework urging African countries to leverage FinTech to drive impactful socio-economic changes. His address emphasized fostering policies that encourage innovation, entrepreneurship and investment, aiming to create a seamless FinTech ecosystem supported by the AfCFTA. H.E. Dickon Mitchell, Prime Minister of Grenada, enriched the discussions with insights on governmental initiatives and international collaborations in FinTech. His contributions helped set a collaborative tone, focusing on the integration of innovative digital financial services to bolster economic growth across the African diaspora.



**"Africa is at the stage cusp of a FinTech renovation that will transform the lives of hundreds of millions of people"**

**"The time is perhaps right for Africa to create a next generation foundational digital public infrastructure architecture which is consent-based and pan-African scope."**

Mr. Ravi Menon, Singapore's Ambassador for climate change action and Senior Climate Change Secretariat.

Significant remarks were made by Dr. Ernest Addison, Governor of the Bank of Ghana, who discussed the role of regulatory reforms and payment system modernization in creating a conducive environment for FinTechs. Ravi Menon, Singapore's Ambassador for Climate Action, further outlined the transformative potential of FinTech for social impact, emphasizing the role of digital IDs, payments connectivity, tokenized assets, and digital money in fostering financial inclusion.

The day concluded with high-impact sessions focusing on driving economic growth through telecom innovations and macroeconomic perspectives, featuring key insights from leaders like Solomon Quaynor of the African Development Bank and Jules Ngankam. These discussions underscored the urgent need for increased investment flows into Africa and effective strategies to bridge existing infrastructure gaps, thereby setting a proactive and forward-thinking agenda for the Summit.



## Day 2: Deepening Digital Integration and Expanding Financial Inclusion



The second day continued to build on the robust foundation laid on the first day, shifting the focus towards deeper digital integration, expanding financial inclusion, and discussions on the intersection of technology with traditional sectors. The agenda for the day consisted of plenary sessions, expert panels, and keynote speeches, all aimed at fostering a more inclusive and technologically adept financial environment across Africa.

The plenary stage opened with insightful recap of Day 1 by Dr Yaw Ansu, DBG Board Chairman, who reiterated the commitments and future steps outlined during the day's discussions. This was followed by a keynote from Ghana's Vice President, H.E. Dr. Mahamudu Bawumia, who provided a strategic overview of digitalizing economies in Africa. His presentation addressed critical elements like growth and maturity in the FinTech sector, evolving regulatory landscapes, investment opportunities and the future trajectory of FinTech in Africa.

This was followed by a series of panels that delved into key policy areas critical for the digital economy's growth. Topics included enhancing digital public infrastructure as a pathway to growth, empowering the underserved through technology, and reimagining trust in the digital assets' world. These discussions highlighted the need for robust infrastructural support, equitable access to digital services, and trusted digital transactions.

As the day progressed, panels explored the intricate balance between innovation, risk management, and inclusion within the banking and FinTech sectors. Another significant focus was on the interoperability of payment systems, where experts discussed the transformative impact of mobile money solutions in Africa, highlighting the role of telecommunication firms in bridging financial gaps.

The investment landscape was thoroughly analyzed in a panel dedicated to understanding the barriers and opportunities in investing in Africa. This session was crucial for stakeholders aiming to navigate the complex investment environment in the continent, offering insights into strategic investment planning.

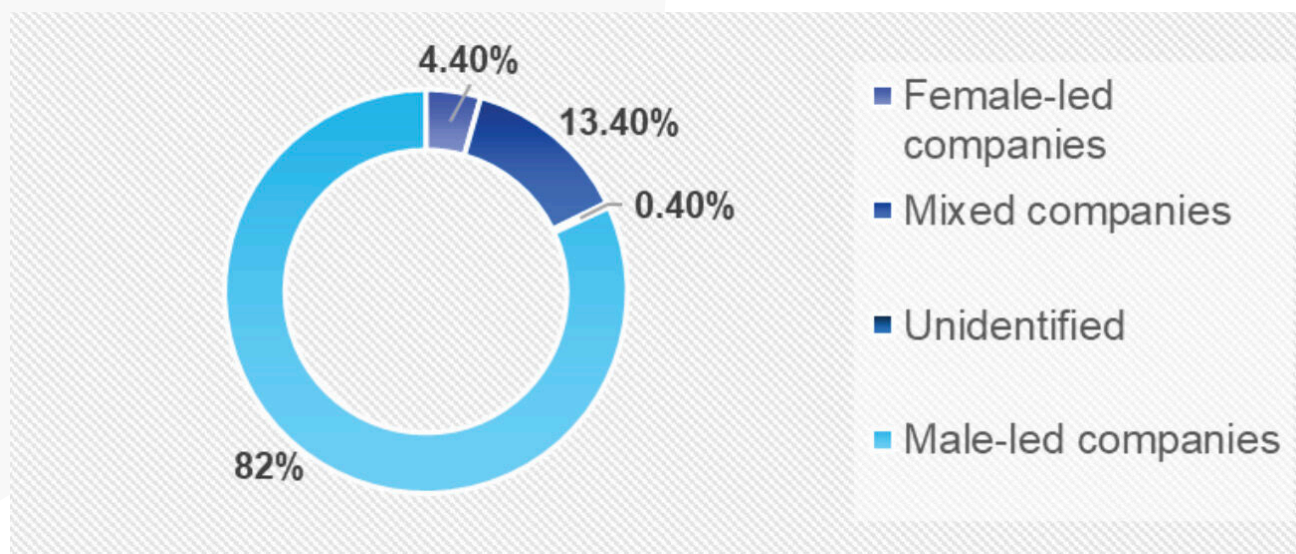
The afternoon sessions included a closing keynote by Dr. Maxwell Opoku Afari, First Deputy Governor of Bank of Ghana, discussing the state of FinTech in Africa from a regulatory perspective. Concurrently,



roundtable discussions such as "Digital Trust – Trusted Credentials" and "Africa's Digital Renaissance" tackled the challenges and opportunities in building a skilled workforce and enhancing digital finance solutions.

In addition to these discussions, the Summit also placed a strong emphasis on diversity and inclusion, particularly highlighting the role of women in technology with sessions aimed at increasing investment in women-focused tech businesses and addressing gender disparities in the tech industry. The diagram presented below illustrates the alarmingly small percentage of female-led companies, underscoring the urgent need for improvement in this area.

### Percentage of (12.6B) funding to Africa's tech start-ups 2013-2021.



**Out of the \$12.6 Billion funding to Africa's tech start-ups from 2013 - 2021, only 4.40% was to women-led companies**

Source: Briter Bridges

The discussions extended to agricultural technology, where the convergence of agriculture and FinTech was examined to identify innovative solutions that can elevate agricultural practices in Africa.

The day concluded with visionary talks on future directions for digital financial inclusion and the role of digital assets in revolutionizing cross-border payments. These sessions emphasized the potential of digital technologies to create more inclusive financial systems and transform economic activities across borders.



**Technological advancement and digitization have helped in transforming the development and delivery of financial services globally, changing the dynamics of traditional banking leading to the development of digital and mobile banking where one can easily transact on mobile devices, and expanding access to financial services and products.**

–Mrs. Elsie Addo Awadzi, Second Deputy Governor, Bank of Ghana



## Day 3: Harnessing Innovation for Sustainable Growth and Inclusion



L-R: Mr. Sopnendu Mohanty - Chief FinTech Officer, Monetary Authority of Singapore, Gov. John Rwangombwa - Governor, National Bank of Rwanda, Dr. Maxwell Opoku-Afari - First Deputy Governor, Bank of Ghana

The final day of the Summit commenced with the simultaneous opening of multiple forums, setting the stage for a day of enriching dialogues and strategic outlines. Key areas like Smart SMEs & Digital Skills, Digital Public Infrastructure, and ESG were discussed with insights aimed at driving actionable outcomes.

A series of impactful keynotes and panels addressed critical topics. Saqib Nazir delivered a keynote on digital public infrastructure, emphasizing the role of DPI in fostering economic growth and inclusion. The ESG forum navigated the evolving landscape of sustainable



leadership, setting the tone for a transition to green economy strategies post-COP28.

The Digital Public Infrastructure track discussed the importance of creating robust, interoperable systems that enhance connectivity and ensure inclusivity and efficiency across public and private sectors. This was complemented by a track on empowering SMEs through practical education, aiming to close the skills gap that often hinders sustainable development.

The Summit concluded with a session on “FinTech and the Creative Arts Economy,” which explored the intersections between technology and creativity, underscoring the potential of the creative sectors to drive economic growth and innovation.

The final presentation of key outcomes from the Summit by Kwame Oppong, Head of FinTech and Innovation at Bank of Ghana, encapsulated the insights, commitments, and future directions agreed upon during the Summit, setting a strategic path forward for all stakeholders involved.

The third day of the 3i Africa Summit effectively wrapped up the proceedings with a strong emphasis on practical outcomes, strategic partnerships, and inclusive policies aimed at propelling Africa's digital and economic transformation forward. The discussions and resolutions from the Summit promised to shape the continent's approach to technology integration, financial inclusivity, and sustainable development in the years to come.





## Special Events and Side Activities



Beyond the core discussions and panels, the 3i Africa Summit was enriched by a variety of special events and side activities that played a crucial role in fostering collaboration and networking among attendees. The Innovation Village and Founders Peak were significant highlights, serving as vibrant showcases for the latest technological innovations and entrepreneurial ventures. These platforms demonstrated groundbreaking solutions and allowed founders to share their journeys, challenges, and successes, offering valuable insights and inspiration to fellow innovators.

The PitchFest and DealRoom sessions stood out as dynamic components of the Summit, where startups had the opportunity to pitch their ideas to potential investors and industry leaders. These events were instrumental in catalyzing new partnerships and attracting investments, helping to translate innovative ideas into viable business ventures that could contribute to the continent's economic growth.

Additionally, the Summit featured several thematic mixers, such as the TBD Africa and the Web3 Accra Mixer, which provided tailored networking opportunities for professionals interested in specific FinTech domains. These mixers allowed participants to engage in more focused discussions, fostering deeper understanding and collaboration on niche topics within the FinTech ecosystem.

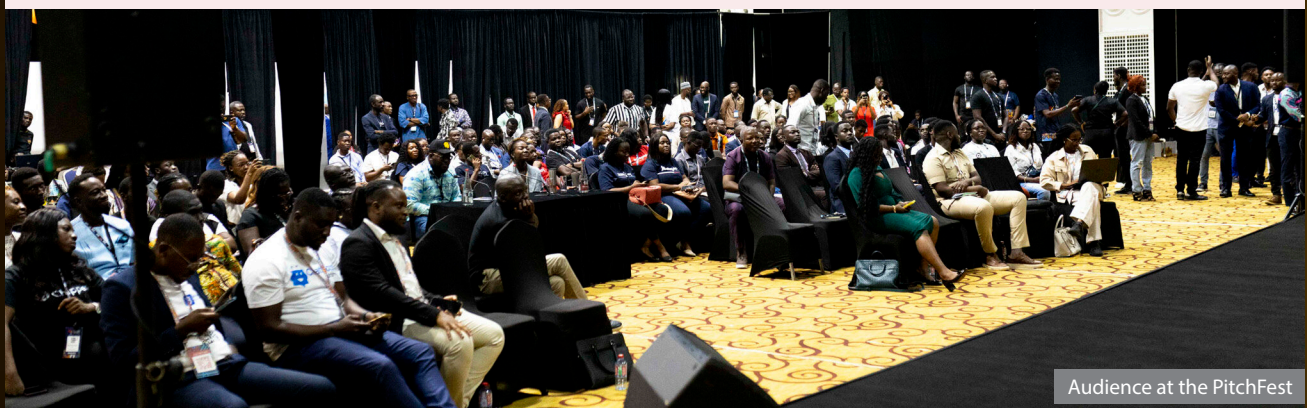


The Africa FinTech Social and Ecosystem Mixer was particularly impactful, enhancing the networking experience by facilitating deeper connections among attendees. These gatherings were designed in collaboration with ecosystem partners for knowledge sharing, cross-sector collaboration and connection building in less formal albeit carefully curated settings.

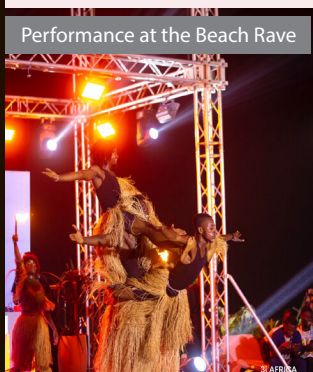
A special gala event for speakers and dignitaries honored the contributions of key figures in the FinTech community. This event provided a high-level networking opportunity in a more relaxed setting, allowing for meaningful conversations that could lead to strategic alliances and initiatives.

The Summit culminated with the now famous 3i Beach Rave hosted on the shores of Accra. The event was the perfect sendoff for delegates and attendees alike after 3 days of insightful conversations to wind down with good food, drinks and a host of cultural performances and local musical acts.

Together, these special events and side activities transformed Accra into a bustling hub of innovation and interaction where every attendee could find value, forge new connections, and gain fresh perspectives relevant to their field.



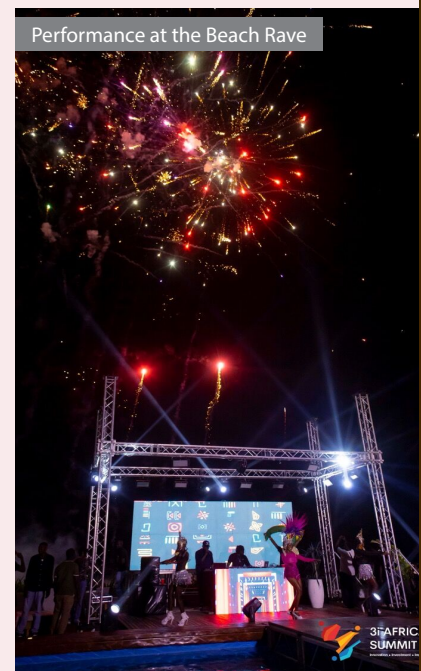
Audience at the PitchFest



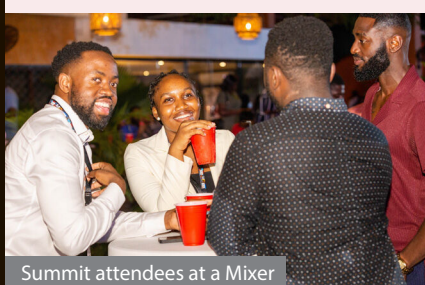
Performance at the Beach Rave



Nora Bannerman Abbott - Non-Executive Director, Development Bank Ghana at the Founder's Peak



Performance at the Beach Rave



Summit attendees at a Mixer



Speakers at a Mixer

The background consists of several overlapping, angular shapes in various shades of dark red, maroon, and brown. These shapes create a complex, layered geometric pattern that fills the entire frame. The colors are muted and earthy, with some areas appearing darker than others due to the layering.

# Insights and Discussions

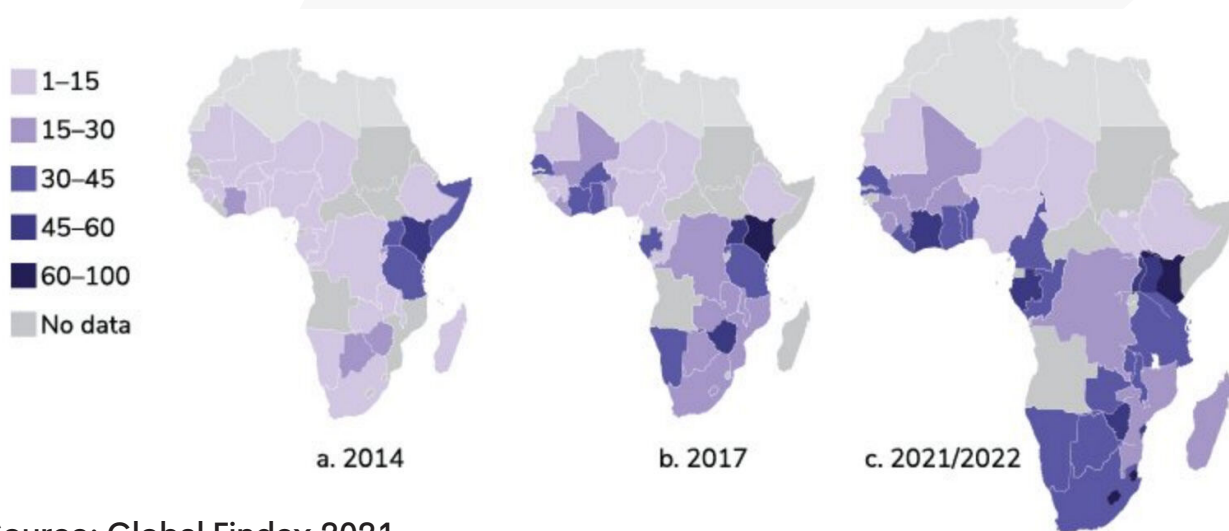
# Bridging Borders: The Role of Policy Harmonization in Accelerating Africa's FinTech Revolution

Africa tipped to be the largest growing FinTech market between 2023 and 2030



Africa's FinTech sector is experiencing unprecedented growth, fundamentally transforming the landscape of financial services across the continent. This surge is propelled by a combination of widespread mobile penetration, innovative payment solutions, and a young, tech-savvy population eager to embrace digital solutions. Mobile money, exemplified by the success of platforms like MTN Momo, has become a standout success, underscoring the continent's leapfrogging into mobile-first financial technologies. Particularly in Sub-Saharan Africa, mobile money is playing a pivotal role in enhancing financial inclusion, making it possible for a broader segment of the population to access financial services directly from their mobile devices.

## Mobile money account ownership: 2014, 2017, 2021/2022



Source: Global Findex 2021

These innovations are vital for financial inclusion, providing services to millions previously outside the formal banking system.

Dr. Ernest Addison highlighted that "the last two decades have been eventful for Africa's financial services industry. High mobile phone penetration and a large pool of local technology talents



have resulted in various FinTech solutions that have expanded access to financial services to the unbanked and the underserved”.

The Global System for Mobile Communications Association (GSMA) reported that there were over 469 million registered mobile money accounts in Africa as of 2020, making Africa a world leader in mobile money adoption and driving initiatives towards interoperability. A report by McKinsey & Company also revealed that digital finance could add up to \$300 billion to the GDP of emerging economies by 2025, with Africa capturing a sizable portion of this growth. Ravi Menon, who gave a Ted Talk at the Summit reiterated research findings by the BCG that “Africa is likely to be the fastest-growing FinTech market in the world between 2023 and 2030, with FinTech revenues expected to rise by 13 times, compared to the global average of 6 times.”

There was a consensus that effective policy frameworks are essential for nurturing an environment where FinTech can thrive while ensuring it contributes positively to economic growth and financial stability. Policy makers and regulators were encouraged to strike a balance between promoting innovation and protecting consumers. They must also address the unique challenges of the African market, from infrastructural deficits to varied regulatory landscapes across nations.



**“MTN disbursed 2 billion USD to customers last year in loans.”**

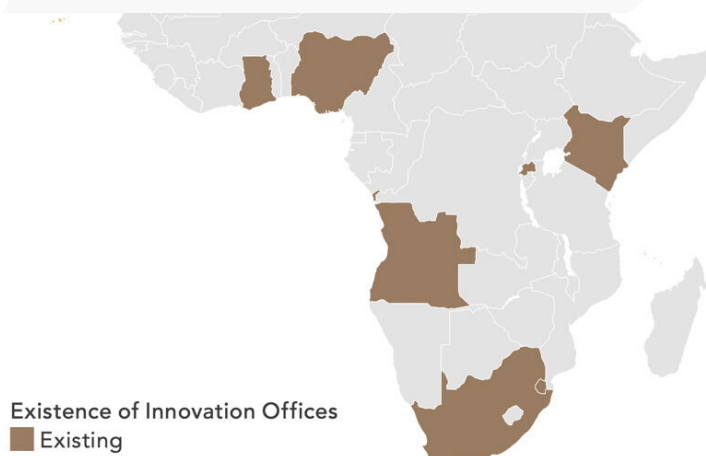
**“MoMo has over 100 million customers registered, over 1.3 million agents and 1.5 million businesses of all sizes.”**

-Serigne Dioum, MTN Group FinTech CEO

## Central Banks Keeping Pace with Innovation

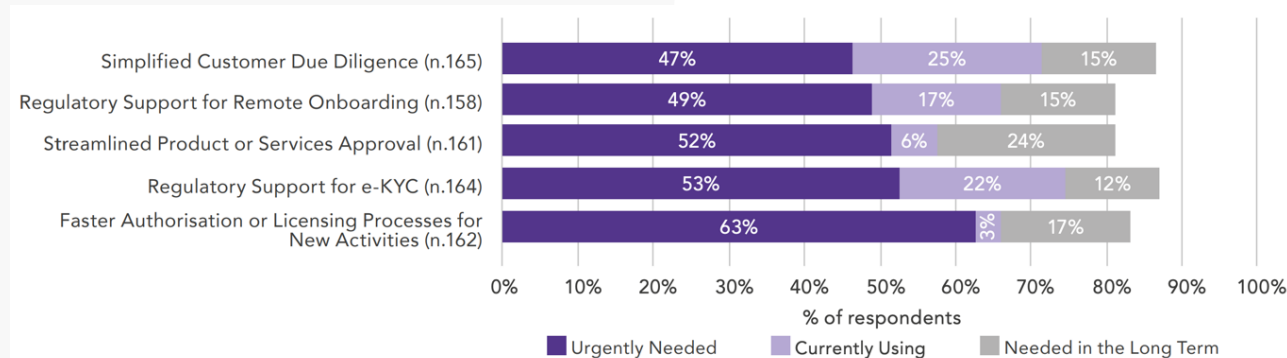
Central banks across the continent are actively participating in shaping the future of financial technology. Many African central banks have established dedicated innovation offices. These entities serve as crucial conduits, linking traditional financial systems with dynamic FinTech solutions to ensure that financial innovations align with national economic goals and consumer protection standards. Research by the University of Cambridge, highlight the proactive steps taken by Sub-Saharan African nations in this direction. From having no innovation offices in 2019, the region saw an increase to nine by 2021.

**Figure 1 Innovation offices in Sub-Saharan Africa**



**Source: CCAF 2021**

Similarly, the number of regulatory sandboxes—environments that allow live, controlled testing of new financial products under regulatory supervision—has expanded. Initially, there were four sandboxes in 2019, which grew to ten by 2021, with plans for more in six other jurisdictions. Countries such as Ghana, Tanzania, Uganda, and Angola have successfully launched their sandboxes, paving the way for more systematic exploration of new financial technologies.



**Source: CCAF 2021**

The demand for such progressive regulatory frameworks is evident from the FinTech community. A survey among Sub-Saharan Africa FinTech firms revealed that 63% of respondents are in urgent need of faster authorization or licensing processes for new activities. Additionally, over 50% are calling for more streamlined approaches to product and service approval<sup>1</sup>. These statistics underscore the critical need for regulatory bodies to adapt and evolve, ensuring that they can keep pace with the rapid advancements in FinTech.

The potential of Africa's FinTech landscape is still not fully realized due to the fragmented nature of markets across the continent. While individual countries are making notable advancements, the broader regional impact remains constrained by lack of cohesion among these markets. This fragmentation can be mitigated through enhanced collaboration among nations, particularly in areas such as license passporting, which would allow FinTech companies licensed in one country to operate across multiple jurisdictions without the need for separate licenses. In his address, Ravi Menon recommended rolling out "a unifying policy framework across Africa, within which countries can develop their customised policies while maintaining interoperability".

<sup>1</sup> CCAF (2021) FinTech Regulation in Sub-Saharan Africa, Cambridge Centre for Alternative Finance at the University of Cambridge Judge Business School, Cambridge

## Case Study: The European Economic Area (EEA) Passporting System

**Background** – Passporting within the European Economic Area has been a pivotal element in the integration of the financial markets across Europe. This system allows financial institutions authorized in any EEA state to conduct their business activities freely in any other EEA state with minimal additional authorization.

### Key Details



**Region:**  
European  
Economic Area



**Participants:** All member states of the EU plus Iceland, Liechtenstein, and Norway



**Industries:** Banking, insurance, investment services, and other financial services

**Implementation** – Passporting rights are granted under specific EU directives, such as the Markets in Financial Instruments Directive for investment services and the Capital Requirements Directive for banks. Once a financial institution receives authorization in its home country, it can operate across the EEA, promoting cross-border business activities and service diversification.

**Operational Example** – A bank headquartered in Germany, under the CRD, can open branches or provide services in France without undergoing the full licensing process in France. It only needs to notify the home and host country regulators about its intentions and comply with the home country's regulatory standards, which are harmonized across the EEA.

**Outcome and Current Status** – Despite Brexit disruptions, the passporting system within the remaining EEA countries continues to facilitate robust financial market integration. The system has proven essential in promoting economic efficiency and financial stability across Europe, setting a precedent for similar initiatives globally, such as potential adaptations in African financial markets.

## Acknowledging Challenges and Committing to Action

The 3i Africa Summit hosted a pivotal closed-door session with central bank governors that focused on the vital interconnections between policy harmonization, technological adoption, and the scalability of financial technologies across the continent. This session, aptly named "Policy Support for Pan-African Cross-Border Payment Development" served as a critical platform for Africa's financial leaders to deliberate on the substantial hurdles facing the continent's FinTech integration and to make firm commitments towards actionable solutions.

The governors recognized that while Africa's FinTech sector is growing rapidly, marked by notable innovations such as widespread mobile money platforms, the full potential of these technologies is significantly restrained by national borders. Each economy, when isolated, struggles to achieve the economies of scale necessary to realize transformative impacts. This limitation is a stark reminder of the urgency for a collective approach to financial technology policy and practice.

During the session, there was a unified acknowledgment of the diverse challenges that must be addressed. Special emphasis was placed on the need to resolve instances of regulatory fragmentation to promote interoperability and the competitiveness of African markets. Furthermore, the governors discussed the existing infrastructures that support financial transactions within their respective countries. They highlighted the need for significant enhancements to these systems to ensure they are robust enough to support the increased load from regional transactions. The discussion also covered the importance of fostering an environment conducive to innovation, where FinTech firms can thrive and expand beyond local markets.

The roundtable concluded with a strong resolve among the governors to start connecting digital economies more effectively. They agreed on several measures to facilitate this integration, including the development of shared goals and benchmarks for digital financial services, the promotion of regional interoperability standards, and the encouragement of partnerships among countries to share knowledge, technology, and best practices.

This session underscored a collective recognition of the pressing challenges and a commitment to embark on a path of action that would address these issues and propel the continent towards a unified digital financial ecosystem. The commitments made here set the stage for ongoing collaboration and are a beacon for the necessary steps forward to harness the full potential of Africa's digital innovations.



## Consensus to Advance Pan-African Collaboration

Advancing Pan-African collaboration through a unified digital framework under the African Continental Free Trade Area is essential for unlocking Africa's economic potential. Some strategies to achieve this include investing in digital infrastructure to expand internet connectivity across Africa. Pan-African collaboration can help mobilize resources and expertise to develop and maintain critical infrastructure that support regional trade flows. Another way of enhancing Pan-African collaboration is developing a pan-African regulatory framework to facilitate cross-border trade and financial transactions. This involves harmonizing trade policies, customs procedures, technical standards, and regulatory requirements to create a seamless business environment for companies operating across borders.

In his address on enhancing cross-border collaboration among African startups, H.E. Wamkele Mene, Secretary General of AfCFTA, highlighted the AfCFTA Digital Trade Protocol. This protocol is designed to allow data movement and digital trade across borders, aiming to forge a single African digital economy and foster innovation. He cited Africa's pan-African payment settlement system as a successful example of enabling instant and secure payments across African nations. This system, among other digital trade facilitations under the Protocol, is instrumental in promoting digital inclusion, developing digital skills, and integrating digital economy activities by micro, small, and medium-sized enterprises (MSMEs) across the continent.



**"We must create policies that foster innovation, encourage entrepreneurship and encourage investments from both within and beyond our borders".**

- Nana Addo Dankwa Akufo Addo, President of the Republic of Ghana

# Building the Backbone: Infrastructure with Interoperability at the Core

At the 3i Africa Summit, Digital Public Infrastructure (DPI) emerged as a critical focal point, reflecting its foundational role in crafting a digitally interconnected continent. This infrastructure supports the deployment of transformative technologies and also ensures that these technologies are interoperable across borders, enabling a seamless digital environment. From digital IDs that facilitate trust and security to advanced payment systems that ensure efficient transaction processing, DPI is essential for knitting together the diverse tapestry of African economies into a single, dynamic marketplace.



**"The goal of the 3i Africa Summit is simple, yet audacious: to share the African FinTech narrative, discuss the opportunities and challenges on how to employ digital technology, as well as enhance collaboration among policymakers, investors, and innovators to advance the economic prosperity of the African continent and its partners."**

– Dr. Ernest Addison, Governor of The Bank of Ghana

## Digital Public Infrastructure

To build the connected economy that Africa needs to sustain FinTech growth and impact, Digital Public Infrastructure must be a top priority. At the 3i Africa Summit, DPI emerged as a critical focal point, reflecting its foundational role in crafting a digitally interconnected continent. President Nana Addo Dankwa Akufo-Addo passionately articulated the need to harness the transformative power of FinTech and digital innovation, tailoring these technologies to meet the unique needs and challenges of Africa's diverse and dynamic communities.

The President called for substantial investments across African nations in digital infrastructure, which he described as the backbone of shared prosperity. This infrastructure supports critical policies that foster innovation, encourage entrepreneurship, and attract investments both domestically and internationally. Emphasizing the importance of interoperability, he highlighted the need to dismantle existing silos that impede connectivity and efficiency.

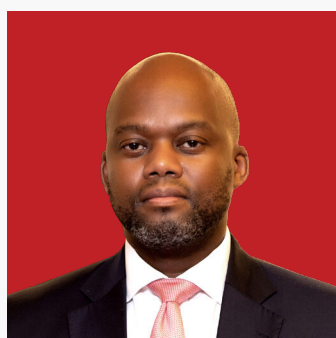
The CEO of People's Pension Trust, Saqib Nazir, in his submission, indicated that Africa remains behind other parts of the world in terms of the progress made in DPI. While a few countries have demonstrated significant support, the overall number remains very small.

Central to building a robust DPI is the implementation of comprehensive digital ID programs. These programs not only streamline citizen services but also enhance security and build trust across borders, facilitating a seamless FinTech ecosystem. This ecosystem is vital for leveraging the African Continental Free Trade Area, promoting cross-border collaboration, and utilizing public-private partnerships to achieve a unified digital market. By aligning DPI development with these strategic initiatives, Africa can unlock immense economic potential and accelerate its integration into the global digital economy.



Digital identification, payment systems, e-government services, data and cloud infrastructure are some crucial components necessary for the development and maintenance of a robust DPI. Moreover, the successful establishment and acceptance of Digital Public Infrastructure heavily relies on the presence of well-defined laws and frameworks, as well as effective collaboration between the public and private sectors, among other factors.

Referencing The State of Mobile Connectivity in Sub-Saharan Africa report by GSMA, Ing. Patricia Obo-Nai, the CEO of Telecel, stated in her keynote address that 25% of the sub-Saharan population is currently connected to and utilising mobile technological infrastructure. She stressed the need to expand and strengthen our digital infrastructure; and this can only be possible through strategic partnerships.



**"Today, we have a digital trade protocol to advance Africa's technological digital economy to include the millions and millions of young Africans who are at the cutting edge of digital innovation."**

- Mr. Wamkele Mene, Secretary General of the African Continental Free Trade Area (AfCFTA) Secretariat

Cross-border payments are instrumental in enhancing economic integration and financial inclusion across Africa. These transactions support international trade, remittances, and diaspora engagement and provide critical growth opportunities for Small and Medium-sized Enterprises and entrepreneurs. Interoperable payment systems are key to facilitating these activities, offering a seamless and efficient method for handling transactions across diverse financial landscapes.

A central element of advancing cross-border payment systems is the development and adoption of unified payment interfaces (UPIs). UPIs serve as a common platform for various financial service providers, streamlining transactions and reducing costs while increasing efficiency and accessibility. This technology enables the seamless transfer of funds across different payment systems and borders, enhancing the fluidity of financial interactions and economic activities between countries.

AfCFTA aims to harness these advancements by advocating for the Pan-African Payment and Settlement System (PAPSS). This system is designed to support instant and secure payments across African nations, minimizing reliance on external financial systems and reducing transaction costs. PAPSS is intended to be a transformative tool that encourages trade and economic collaboration by reducing the historical barriers associated with currency conversion and regulatory discrepancies.

Moreover, the development of digital IDs plays a crucial role in supporting these systems, providing a trusted and verified means of identifying participants in digital transactions. This is essential for building trust and security in cross-border payments, ensuring that transactions are not only efficient but also secure and compliant with international standards.

The success of these initiatives requires a collective effort from governments, financial institutions, and technology providers to ensure that the infrastructure is not only available but also accessible to all. By fostering an environment that supports robust, secure, and interoperable digital payment systems, Africa can significantly enhance its economic integration, making it easier for nations within the continent to trade with each other and with the world.

Financial transactions are indispensable to the global economy, and the payment industry is presently characterised by an unprecedented increase in innovation. The development of new and innovative payment systems has been facilitated by technological advancements, which have created an opportunity for digital assets to be valued within these systems.

H.E. Wamkele Mene, Secretary General of AfCFTA, elaborated on the necessity of the Pan African Payment and Settlement System to enhance intra-African trade and reduce reliance on external entities such as correspondent banks. He emphasized the importance of creating rules and protocols that enable data movement and digital trade within the continent. In his speech, H.E. further outlined achievements such as the establishment of the Pan-African Payment and Settlement system and the development of rules for intra-African trade. He discussed challenges in implementing these initiatives, including resistance to change and the need to dismantle colonial economic models.

## State of DPI in Africa

DPI in Africa is rapidly evolving as countries strive to enhance connectivity, promote financial inclusion, and empower citizens through digital services. In Africa, several countries are making significant strides in developing DPI. For instance, Nigeria's Bank Verification Number (BVN) system has streamlined identity verification for financial services. Additionally, countries like Rwanda and Ghana are investing in digital ID systems to bolster public service delivery and foster inclusive finance and growth.

Having reflected on the prevailing challenges to achieving cross-border payment interoperability, Dr Maxwell-Opoku Afari, First Deputy Governor of the Bank of Ghana proposed some strategies for ensuring seamless data exchange and compatibility between different digital infrastructure components across African nations. Firstly, he proposed the establishment of "standardised protocols and mechanisms that enable seamless sharing and transmission of data while ensuring compliance with data protection and privacy regulations, including obtaining user consent where required." He also recommended that emphasis is placed on "implementing robust data governance frameworks that safeguard personal data and protect against unauthorised access or misuse while promoting openness, transparency and responsible data-sharing practices within the ecosystem". Finally, he reminded stakeholders of the need for DPI to be integrated into existing systems and services for seamless user experience.

Digital Public Infrastructure is pivotal for Africa's future, enabling the continent to leapfrog traditional development hurdles and foster inclusive growth. By learning from global examples like India and tailoring strategies to local contexts, African nations can build robust, interoperable, and inclusive digital ecosystems. This will empower citizens, drive innovation, and ensure that the benefits of the digital revolution are broadly shared.



## Case Study: Ghana's Digital Public Infrastructure Journey

Ghana has emerged as a frontrunner in the implementation of Digital Public Infrastructure (DPI) in Africa, showcasing significant progress in creating a unified digital ecosystem that enhances public service delivery and fosters financial inclusion.

### Overview and Initiatives

Ghana's DPI journey is marked by several key initiatives:



**Ghana Card:** Introduced as a biometric national identity card, it integrates personal information and biometrics of individuals and serves as a gateway for accessing various government and financial services. As of 2023, over 15 million Ghanaians have been issued this digital ID.



**Mobile Money Interoperability:** Ghana has significantly enhanced its financial inclusion through the implementation of mobile money interoperability. This system allows seamless transactions across different mobile networks and with banks, dramatically increasing the accessibility of financial services to the unbanked and underbanked populations.



**Ghana.gov Portal:** A digital platform that consolidates all government services, facilitating transactions worth GHC 1.6 billion since its inception in 2019. It serves as a central point for public interactions with the government, streamlining processes and improving transparency.



**Digital Address System:** Implementing a digital property addressing system has enabled efficient service delivery and resource management. This system provides every location in Ghana with a unique digital address, facilitating emergency services, delivery services, and urban planning.

## Impact on Financial Inclusion and Economic Growth

Ghana's DPI has had a profound impact on its economy and society:



**Financial Inclusion:** The introduction of mobile money interoperability has significantly increased financial inclusion, with the percentage of adults with access to financial services rising from 58% in 2017 to over 80% by 2023.



**Economic Impact:** Mobile money transactions in Ghana have reached a milestone, exceeding GHC 900 billion annually, indicating the widespread adoption and success of digital financial services.



**Regulatory Sandbox:** The Bank of Ghana established a FinTech regulatory sandbox that has become a hub of innovation, attracting and nurturing FinTech startups, thereby enhancing the country's position as a leader in digital finance.

## A Case for Universal Trusted Credentials



credentials, UTCs can provide a reliable and universally accepted digital identity framework. This system would not only secure and simplify business operations but also foster trust among transacting parties across borders.

Clare Rowley emphasized the urgency of adopting a unified digital identity system that aligns with global standards yet is adaptable to the specific needs and nuances of African markets. She pointed out that such standardization is crucial for reducing transactional friction and enhancing the scalability of businesses across the continent.

K. Duker further highlighted the practical benefits of implementing UTCs: "Universal Trusted Credentials represent a transformative leap forward for SMEs across Africa. It empowers businesses to secure financing more easily, engage in cross-border trade, and fully leverage the digital economy for sustainable growth. It's about creating a supportive ecosystem in which SMEs flourish."

In the digital age, addressing the mismatch of credentials across Africa is pivotal for enhancing economic integration and enabling efficient cross-border trade. The 3i Africa Summit dedicated a session to exploring the potential of Universal Trusted Credentials (UTCs) to standardize how individuals and businesses are recognized within the financial system. Led by K. Duker, CEO of the Development Bank Ghana, the panel included significant insights from Clare Rowley of the Global Legal Entity Identifier Foundation, who advocated for globally recognized standards that can underpin these credentials.

The discussion highlighted the substantial barriers that current disparate credential systems pose to SMEs, such as inconsistent recognition in different markets and the challenges these pose to accessing financial services and engaging in cross-border transactions. This fragmentation leads to inefficiencies and heightened costs for businesses attempting to expand beyond their local markets.

UTCs were discussed as a transformative solution to these challenges. By standardizing the indicators of identity and business

The panel concurred that the effective implementation of UTCs would require robust collaboration between governments, regulatory authorities, financial institutions, and technology providers. The goal is to develop a coherent framework for digital credentials that ensures all economic actors, especially SMEs, can compete more effectively in the global marketplace.

The session underscored the clear path forward: leveraging Universal Trusted Credentials to harmonize how economic actors are recognized across Africa. This approach will not only enhance digital economic integration but also pave the way for a more inclusive and prosperous economic landscape across the continent. By championing the adoption of UTCs, 3i Africa aims to facilitate smoother, more efficient cross-border trade, unlocking the full economic potential of the region.





# 3i AFRICA SUMMIT 20 24

Innovation • Investment • Impact



L-R: K. Duker - C.E.O, Development Bank Ghana, Qamar Saleem - Global Head, SME Finance Forum, Clare Rowley - Head of Business Operations - Global Legal Entity Identifier Foundation (GLEIF), Saurav Bhattacharyya - C.E.O., Proxtera



# Global Capital's Reluctance: Mobilizing Investment for African Innovation



**"Africa will be the next frontier for investment".**

– Dr. George Agyekum Donkor  
(ECOWAS Bank for Investment and Development)

## Overview of the Investment Climate

Africa's FinTech sector is experiencing a pivotal moment in its growth trajectory, shaped by an influx of foreign investments that signal strong confidence in the continent's economic potential. In recent years, especially in 2021, the continent has seen an unprecedented surge in FinTech investments, with a record \$1.6 billion spread across 153 deals<sup>2</sup>. This marked a significant recovery and growth from the previous year, reflecting a robust rebound from the pandemic's economic impacts.

The increasing flow of capital is not just a vote of confidence in Africa's FinTech innovations but also a recognition of the continent's improving digital infrastructure and regulatory environments. Key markets such as Nigeria, Kenya, and South Africa are leading this investment influx, with significant deals also emerging in up-and-coming FinTech hubs like Egypt. The rise in investment is supported by the expanding penetration of smartphones, which are becoming both more affordable and widespread, thus enabling greater access to FinTech services.

Contrasting sharply with the global downturn in FinTech funding witnessed in 2023<sup>3</sup>, Africa continues to defy these trends, driven by a unique confluence of demographic dynamics, technological adoption, and innovative business models that cater to a rapidly evolving consumer and business base. The continent's unique position is further underscored by its young, tech-savvy population and an emerging middle class eager for digital financial solutions that offer both inclusion and innovation.

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<sup>2</sup> FinTech investment pours into Africa – KPMG Global

<sup>3</sup> Pulse of FinTech H2'23 (kpmg.com)

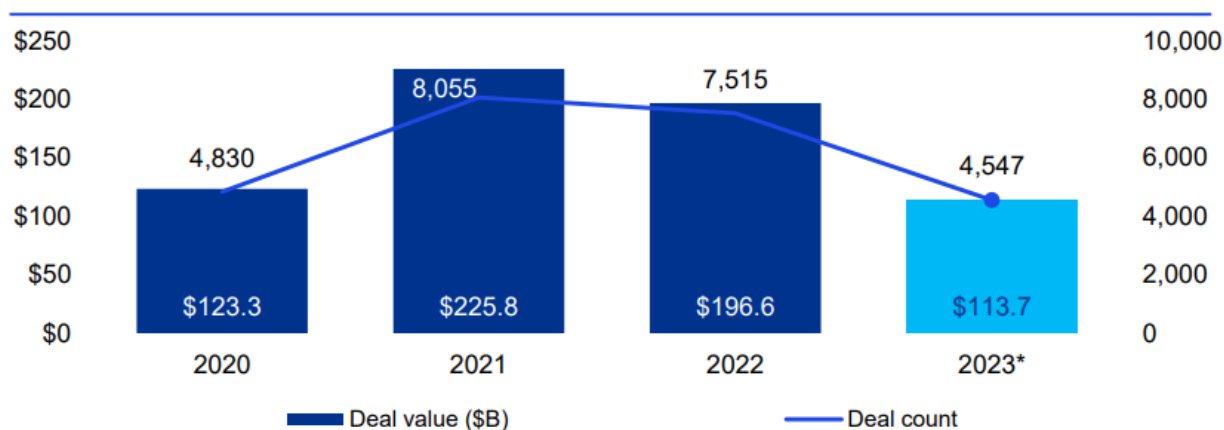
## Investment Barriers in Africa's FinTech Landscape

L-R: Rashmi Pillai - Global Head of Public Policy, Wave Mobile Money, Kwame Oppong - Director of FinTech and Innovation, Bank of Ghana, Elizabeth Rossiello - C.E.O, AZA Finance, Sylvia Otuo-Acheampong - Head, Products and Services, Mobile Money Limited, Benjamin Fernandes - C.E.O, NALA



Panel discussions, featuring insights from financial leaders and policymakers, underscored several critical barriers that need addressing to unlock the continent's investment potential.

### Total global funding activity (VC, PE and M&A) in fintech 2020–2023\*



Source: PitchBook Data, Elevandi Analysis

The discussions on capital at the 3i Africa Summit commenced with a candid remark from Iyinoluwa Aboyeji during the Capital Meets Policy Dialogues, where he characterized global capital as a “coward” that flees at the first sign of trouble. This assertion set the tone for a deeper exploration into the volatility of foreign investments in Africa, particularly in the FinTech sector. Aboyeji’s comment highlighted a recurring challenge: despite the continent’s enormous potential and high returns on investment, global capital remains highly sensitive to geopolitical and economic uncertainties in Africa.



This behavior exacerbates the funding gap and affects sustainable economic growth, as investors are quick to withdraw at any hint of instability, thereby stunting the development of robust FinTech ecosystems that could drive transformation across the continent. The discussions emphasized the need for more resilient financing structures and supportive policy frameworks to mitigate these investment fluctuations and build investor confidence in Africa's markets.

Michael Jongeneel, CEO of FMO Group, highlighted a critical aspect of investing in Africa—the perceived high risk premium. This premium is often cited by investors as a reason for requiring higher returns on investments in African markets compared to other regions. He pointed out that while conventional practice suggests a risk premium of over 2% for African investments, FMO's experiences suggest that actual risks may be significantly lower, with their calculations indicating a premium of less than 1%. He further underscored the need to realign the perceived risk premium with actual risks, suggesting that a more accurate depiction of risks and returns could attract a broader base of investors. This adjustment requires transparent communication supported by empirical data and narratives of successful investments.

This discrepancy in perceived versus actual risk underscores a broader challenge and opportunity within Africa's investment landscape. The high-risk premium can deter potential investors, especially those unfamiliar with the continent's market dynamics and potential for growth. However, it also presents a chance to educate and recalibrate investor expectations based on real performance and risk data.

The discussion brings to light the need for a more nuanced understanding of the African market. It is essential for stakeholders to work towards reducing this risk premium by enhancing transparency, improving regulatory frameworks, and showcasing successful investment stories that demonstrate the continent's resilience and profitability. This approach will not only attract more foreign investment but also help in tapping into the continent's vast untapped potential more effectively.

Panel discussions highlighted geopolitical instability as a significant deterrent to investment. Unpredictable political climates and regulatory uncertainties can abruptly change the investment landscape, posing risks that many international investors are unwilling to take. This instability is often a critical factor in the decisions of multinational corporations and foreign investors when considering the African market.

The volatility of African markets, noted for their sensitivity to external shocks and internal disparities, was a focal point of the discussion. Investors often hesitate to commit funds to regions where economic and currency stability cannot be guaranteed, as these factors directly impact the return on investment and operational feasibility.

Dr. George Donkor, President and Chairperson of the Board of Directors of the ECOWAS Bank for Investment and Development, emphasized the crucial role of regulatory environments in shaping investment flows. Inconsistent regulatory policies across nations can lead to a fragmented market landscape, complicating compliance and operational strategies for FinTech companies. The Summit discussion underscored the need for harmonized financial regulations that support cross-border operations and digital trade, which are essential for fostering a conducive investment climate.

## Strategies for Overcoming Investor Reluctance: Strengthening Africa's Investment Appeal

The 3i Africa Summit provided a platform for in-depth discussions on mitigating investor reluctance in the African FinTech sector, emphasizing a multifaceted strategy to boost investor confidence and secure capital inflow. Key strategies highlighted include enhancing regulatory frameworks, increasing investor education, showcasing successful ventures, and integrating Environmental, Social, and Governance (ESG) considerations.

Panelists pointed to the importance of creating a uniform regulatory environment across the continent to simplify compliance and operations for multinational FinTech firms, thus enhancing Africa's appeal as a stable investment destination. They also advocated for public-private partnerships and government incentives such as tax breaks and subsidies to mitigate initial investment risks.

Investor education emerged as a crucial strategy. By organizing investor Summits, publishing in-depth market analyses, and facilitating investment tours, stakeholders can expose international investors to the unique opportunities within the African FinTech landscape, thereby diminishing the 'fear factor' associated with investing in Africa.

The discussions also emphasized the significance of incorporating ESG and climate considerations into investment strategies. As global attention on sustainable investment grows, Africa's ability to showcase its commitment to ESG principles can serve as a strong attractor for capital. This involves not only promoting sustainable practices within investee companies but also highlighting the potential for green FinTech solutions that contribute to environmental conservation and social welfare.

Lastly, enhancing digital financial services to support seamless cross-border transactions was recognized as essential for fostering a conducive investment climate. This includes developing platforms that facilitate efficient and transparent financial exchanges, which are crucial for attracting and retaining foreign direct investment.

These collective strategies, particularly the integration of ESG factors, are vital for transforming Africa's investment landscape, making it not only more attractive for potential investors but also aligned with global investment trends toward sustainability and ethical considerations.

# Elevate and Enhance: Strategic Ecosystem Upgrades for Africa's Digital Economy

## Digital Assets: Pioneering a New Economic Paradigm in Africa

Digital assets are rapidly redefining the economic landscape of Africa, offering transformative opportunities for growth and innovation. The discussions during the "3i Africa Dialogues on Digital Assets" at the 3i Africa Summit shed light on how cryptocurrencies, blockchain technologies, and other digital assets are becoming foundational elements of a new economic framework across the continent.

Africa's engagement with digital assets is rapidly evolving, driven by a significant increase in retail participation in cryptocurrency markets. Notably, approximately 8.5% of Kenya's population<sup>4</sup> and 10% of South Africans currently own cryptocurrencies<sup>5</sup>, demonstrating a clear demand for digital currencies across the continent. Moreover, a report from KuCoin highlights that 33.4 million Nigerians have interacted with cryptocurrencies, indicating substantial market penetration<sup>6</sup>. Beyond cryptocurrencies, the concept of asset tokenization is also gaining ground, although at a slower pace. Tokenization could revolutionize investment accessibility in Africa, allowing a broader demographic to invest in traditionally illiquid assets like real estate or venture capital.

The "3i Africa Dialogues on Digital Assets" track at the 3i Africa Summit extensively covered the critical facets of digital assets, emphasizing their transformative potential. One of the groundbreaking projects discussed was the Bank of Ghana's collaboration with the Monetary Authority of Singapore on Project DESFT, which successfully demonstrated the use of digital credentials and Central Bank Digital Currency (CBDC) for cross-border trade. This project underscores the practical utility of digital assets in reducing transaction friction and enhancing the efficiency of international trade.

Regulatory frameworks were a focal point, with many African nations making strides towards creating supportive environments for digital assets. For instance, South Africa's Financial Sector Conduct Authority has begun licensing Crypto Asset Service Providers, signaling a maturing regulatory landscape that could encourage more institutional inflows.

Building on the momentum discussed at the Summit, several strategic initiatives are necessary to fully integrate digital assets into Africa's digital economy:

### 1. Enhancing Regulatory Frameworks

Continued development of tailored regulatory frameworks that foster innovation while ensuring market stability and consumer protection is crucial. This includes learning from the regulatory advancements in nations like Mauritius and South Africa.

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<sup>4</sup> Kenya Proposes Bill to Tax Crypto: Report (coindesk.com)

<sup>5</sup> South Africans with crypto assets near 10% mark (businesslive.co.za)

<sup>6</sup> KuCoin's Into The Cryptoverse Report Reveals 35% of Nigerian Adults are Crypto Investors | KuCoin



## 2. Educational Initiatives

There is a need for comprehensive educational campaigns to raise awareness about the benefits and risks associated with digital assets. Enhancing understanding among the populace and policymakers alike can foster a more inclusive digital asset ecosystem.

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## 3. Infrastructure Development

Significant investment in digital infrastructure is required to support the adoption and smooth operation of digital assets. This includes strengthening internet connectivity, enhancing cybersecurity measures, and developing more robust digital trading platforms.

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## 4. Fostering Innovation through Public-Private Partnerships

Leveraging public-private partnerships to pilot innovative digital asset solutions can provide valuable insights and set precedents for broader adoption.

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## 5. Promoting Inclusive Financial Services

Digital assets offer a unique opportunity to enhance financial inclusion. By making financial services more accessible utilising blockchain, digital assets can play a pivotal role in integrating underserved populations into the formal economy.

## Expert Insights



**"One of the main focuses for the implementation of Central Bank Digital Currencies is to enable financial inclusion."**

– Conrad Kraft, Strategic Advisor, Digital Euro Association



**"As part of the pilot, and to ensure adoption of CBDC, the Bank needed to undertake a thorough consumer understanding process. The CBDC had to be designed for a local context. To design a CBDC ecosystem, it is important to understand the context of the use in the region."**

– Kwame Agyapong Oppong, Director – FinTech and Innovation, Bank of Ghana



**"Blockchain establishes trust in a trust less environment and there various ways to monetize blockchain in a cost effective way. Policy development is a great place to start and Ghana is an ecosystem that is adopting these digital assets. Do not start with blockchain, start with addressing the problem."**

- Stellar Development Foundation

## **Empowering Innovators: Talent Development and Capacity Building**

The 3i Africa Summit underscored the immense potential and necessity of cultivating talent to drive Africa's digital economy forward. Speakers like Iyinoluwa Aboyeji of Future Africa pinpointed the urgent need for policies that foster economic inclusion and empower individuals to participate more broadly in the economy. Emphasizing the importance of digital literacy, Aboyeji advocated for a shift in regulatory institutions, urging them to embrace digital capabilities to remain relevant and responsive to the evolving landscape of the financial industry.

The Summit discussions also highlighted the need for robust training programs and knowledge sharing initiatives to equip the African youth with the digital skills necessary for the modern economy. Such programs aim to enhance the capacity of African institutions and businesses, ensuring they can thrive within the framework of the African Continental Free Trade Area.

Michael Jongeneel of FMO emphasized the critical role of fostering local talent to drive the continent's economic growth. He highlighted the importance of creating bankable opportunities that not only attract investment but also support the development of entrepreneurial skills among Africa's youth. He argued that nurturing a vibrant ecosystem where young entrepreneurs can thrive is essential for sustainable development. He pointed out that by providing the necessary tools and resources, and by encouraging innovative financial solutions, we can unlock the immense potential of African innovators, ultimately leading to a more prosperous economic future for the continent.

Furthermore, leveraging the African diaspora was recognized as crucial. There was a proposal to establish a Ministry for the Diaspora for a structured approach to engage and harness this untapped pool of skills, knowledge, and resources. This strategy aligns with the broader goal of fostering public-private partnerships that drive innovation and investment in the FinTech sector.

In addition to policy and structural suggestions, there was a strong focus on entrepreneurship education. Beyond traditional academic settings, entrepreneurship in Africa should encompass mentorship programs, practical experiences, and research-based learning opportunities. This comprehensive approach is designed to prepare entrepreneurs not just to start businesses but to sustain them successfully through innovative and economically sound practices.

The insights shared by Ing. Patricia Obo-Nai, CEO of Telecel, further highlighted the wealth of talent within Africa. She stressed the importance of long-term strategies that utilize the inventive potential of local talents to address pressing challenges. A call was made for a

systemic overhaul of educational systems to better equip developers and innovators, which in turn would support the growth of new FinTech enterprises and strengthen the investor market within the continent.

Through these discussions, it's clear that nurturing talent and enhancing skill sets through strategic educational reforms, effective use of the diaspora, and fostering an entrepreneurial mindset are pivotal for Africa's continued growth and integration into the global digital economy.

There was a consensus at the Summit that Africa needs to take bold steps to address the skills gap by significantly enhancing educational systems and training programs tailored to the needs of a digital economy. This includes the integration of technology and entrepreneurial skills in curricula from an early age and expanding access to technical and vocational education across the continent. Additionally, there's an emphasis on fostering partnerships between educational institutions and the private sector to ensure that the skills being taught are directly applicable to the marketplace. This approach aims to prepare a workforce that is agile, innovative, and ready to contribute to Africa's growing digital landscape.

## **Elevating African Agriculture Through FinTech Innovation**

The agricultural sector in Africa, described by Mr. Kwasi Korboe, CEO of GIRSAL, as the "backbone of many African countries," plays a crucial role in the continent's economy. Agriculture contributes significantly to GDP, provides the majority of employment, and supplies over 90% of Ghana's food needs alone. Despite its vital importance, the sector harbors vast untapped potential. According to the Food and Agriculture Organization of the United Nations, Africa holds about 65% of the world's uncultivated arable land, totaling approximately 600 million hectares.

Challenges such as dependency on rain-fed agriculture, low levels of investment, and high rates of non-performing loans in agricultural financing significantly hinder productivity. However, FinTech innovations present transformative solutions to these long-standing barriers, offering new ways to boost efficiency and scalability in agriculture.

The Agriculture and FinTech Forum highlighted the significant advancements made in leveraging technology to empower farmers and address sectoral challenges. Essential to these advancements is the role of FinTech in transforming access to financial services for the agricultural community. Digital contracts and payment systems, for instance, facilitate transparent and efficient transactions, essential for farmers who need timely payments to sustain their operations.

Data-driven innovations are proving to be game-changers. Technologies such as blockchain enhance transparency and traceability across supply chains, allowing for better decision-making and resource allocation. Artificial intelligence and data analytics enable farmers to optimize farming practices, manage risks better, and ultimately increase yields.

Collaborative efforts between FinTech startups, agricultural enterprises, and government bodies are vital. These partnerships help tailor technological solutions to meet the specific needs of the agricultural sector, ensuring that interventions are comprehensive and impactful. Such collaborations can extend beyond financial tools to include technological infrastructure development and capacity-building initiatives, paving the way for a more integrated and sustainable agricultural ecosystem.



The forum's discussions made it clear that the future of agriculture in Africa hinges on continued technological innovation and strategic collaboration. By embracing these developments, the sector can overcome its challenges, unlock its full potential, and ensure sustainable growth and prosperity for the continent's rural communities. The insights from the forum underscore the necessity of technology and collaboration as not merely tools but as essential drivers of a thriving agricultural sector in Africa.

## Elevating the Creative Arts Industry: Strategic Integration of FinTech

L-R: Lady Denta Amoateng - President of GUBA Enterprise, Oluwatosin Oluwole Ajibade (Mr. Eazi) - Singer and Songwriter, Moriasi Omambia - Head of Business Affairs, Sauti Sol Group, Denelle Dixon - CEO, Stellar Development Foundation, Aisha Ayensu - Creative Director, Christie Brown, Jeremiah Owusu-Koramoah - Professional NFL Linebacker



The creative arts industry significantly enriches Africa's cultural landscape and economy, yet it accounts for less than 1% of the continent's GDP. In stark contrast, in developed regions like the United States, the industry contributes 4.4% to the GDP. This gap underscores the vast untapped potential within Africa's creative sectors, ranging from music and film to fashion and digital arts. The panel at the 3i Africa Summit emphasized the need to recognize and elevate the economic impact of these industries through targeted financial and technological interventions.

During the Summit, discussions highlighted how FinTech can revolutionize the creative sectors by improving access to financial services, enhancing revenue streams, and streamlining operations. For example, blockchain technology was pointed out as a powerful tool for managing copyrights and facilitating cross-border payments, allowing artists to monetize their work globally without the heavy reliance on traditional banking systems. This is crucial for artists who often face geographical and financial barriers when attempting to access global markets.

Intellectual property protection remains a pivotal challenge within the creative sectors in Africa. The panel stressed the importance of using FinTech solutions like blockchain to create immutable records of ownership and rights transfers, thus protecting creators' works from unauthorized use and ensuring that artists are compensated fairly. Additionally, the implementation of digital tools can help manage royalties and provide creators with more control over their financial and creative rights.

Moriasi Omambia, General Counsel and Head of Business Affairs at the Sauti Sol Group, discussed advancements in Intellectual Property management in the creative arts industry, particularly in music. He highlighted how Kenya has implemented significant improvements to copyright laws, making the registration process affordable and accessible by reducing the cost to only \$10. Furthermore, he emphasized the importance of digitizing the registration process and proposed the establishment of a digital African intellectual property repository. This approach not only streamlines IP management but also ensures broader accessibility and protection for creators across Africa, reflecting a proactive step towards enhancing the legal infrastructure to support the creative economy.

Omambia also emphasized the advancements in managing IP within the music industry, facilitated by digital tools and standards. He discussed how, upon uploading music, a track is assigned a digital DNA and an ISRC (International Standard Recording Code), making it uniquely identifiable worldwide. This technology simplifies the tracking and management of copyrights, ensuring that artists receive proper credit and royalties for their work, demonstrating an efficient use of technology in protecting creators' rights.

To fully harness the potential of FinTech within the creative arts, there is a need for robust infrastructure that supports digital transactions and protects intellectual property. Panelists discussed the importance of regulatory frameworks that accommodate the unique needs of the creative industries and foster an environment conducive to innovation and growth. These frameworks should facilitate the integration of new technologies and provide educational resources to ensure creators can navigate the evolving digital landscape effectively.

Mr. Eazi, during the panel, made a significant commitment to the creative arts industry by pledging \$1,000,000 to a creative fund for Ghanaian creatives. He encouraged others to match this contribution, emphasizing the need to support and finance creative projects in Ghana. This gesture highlights his dedication to nurturing the creative ecosystem in Africa and providing financial backing to help local artists and creators thrive.

The Summit underscored the necessity of collaborative efforts between governments, FinTech companies, and creatives to develop a cohesive ecosystem that supports the growth of the creative arts. Such collaborations can lead to the development of tailored financial products, educational programs, and regulatory policies that collectively enhance the operational capacities of creative industries.

The strategic integration of FinTech within Africa's creative sectors presents a promising pathway to elevate and enhance the digital economy. By addressing the unique challenges faced by these industries and leveraging innovative financial technologies, stakeholders can unlock new opportunities for growth, sustainability, and global competitiveness.

## Sustainable and Inclusive Growth Strategies: Building an Equitable Future



**"I firmly believe that the greatest and next best innovations will come from Africa going forward."**

**"We need to believe in our continent. We need to believe in our people. Everyone deserves the benefits of a modern connected life and that requires money."**

– Mr Stephen Blewett, CEO of MTN Ghana

Africa has made notable strides in financial inclusion, particularly by targeting underserved populations such as rural communities, women, and the unbanked. The rise of digital financial services has played a pivotal role in this progress, as banks and FinTech firms leverage technology to offer innovative and affordable financial products and services. These efforts cater to the diverse needs of consumer segments across the continent. International standards like those from the Financial Action Task Force (FATF) and the OECD are also shaping African crypto regulations, particularly concerning anti-money laundering and tax transparency.

Despite these advancements, significant challenges persist in achieving full financial inclusion in Africa. These include the digital divide, limited access to banking infrastructure in rural areas, the prevalence of informal economies, regulatory barriers, and low levels of financial literacy. Moreover, gender-specific barriers continue to hamper women's access to financial services.



**"Financial inclusion isn't just about individual empowerment, it's the bedrock of a thriving economy"**

– Governor John Rwangombwa, National Bank of Rwanda

### Current Challenges

Key challenges in achieving full financial inclusion include:

- Access to technology and the internet remains uneven, particularly in rural areas.
- Women and youth face unique barriers in accessing financial services.
- Limited banking infrastructure in rural areas hinders access.
- A significant portion of economic activity occurs outside formal financial systems.



- Inconsistent and outdated regulations can stifle innovation.
- Low levels of financial literacy prevent many from effectively using financial services.

### Proposed Solutions

To address these challenges, speakers and knowledge partners at the Summit recommended several initiatives:

- Increase Access to Mobile Money Services
- Promote Digital Payment Solutions
- Integrate Mobile Money with Open APIs
- Targeted Programs for Women

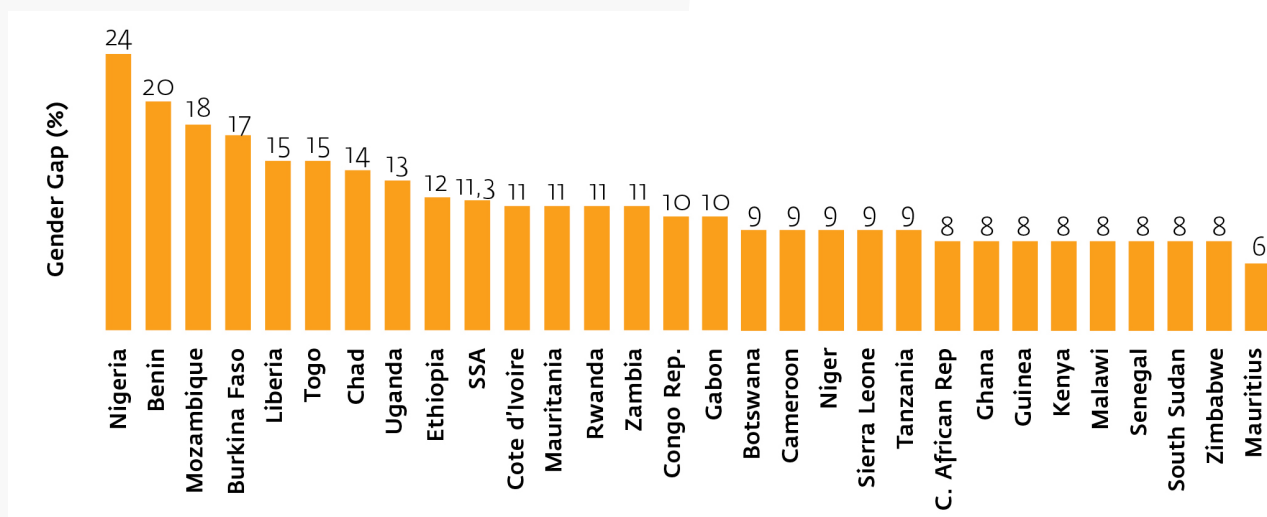
Mrs. Elsie Addo Awadzi, Second Deputy Governor of the Bank of Ghana, emphasized that "exclusion will continue to keep a large portion of businesses in the informal sector and largely outside the tax net, affecting government revenues and the developmental efforts of governments." She added that financial inclusion should be a mainstream data policy and business model for financial service providers, not just a fringe issue.

An International Finance Corporation (IFC) report highlighted at the Summit states, "Economies achieve their highest potential when all citizens can participate fully and without discrimination." While Sub-Saharan Africa has seen significant growth in financial inclusion, the IFC report also pointed out a persistent gender gap. This is concerning because women are increasingly recognized as key players in FinTech. World Bank data shows that mobile money transactions in Africa reached a staggering \$1.3 billion USD in 2020, with women accounting for 55% of users. Further research by the IFC reveals that women in the region are more likely to use mobile money than men. However, the financial inclusion gender gap in Sub-Saharan Africa remains at an average of 11.3%, ranging from 24% in Nigeria to just 6% in Mauritius.

This data underscores the urgent need for efforts to design and deliver financial products and services that specifically address the needs of marginalized groups, particularly women. Ursula Owusu Erkufu, Ghana's Minister for Communication and Digitalization, remarked, "The digital revolution has reshaped all economies worldwide. It is driving innovation, inclusivity, and sustainable development, yet the gender gap persists, and this is significant in access to and benefits from FinTech. It is hampering women's economic potential and our broad economic growth and development, and it is hampering financial inclusion as well."

Mansa Nettey, CEO of Standard Chartered Ghana, illustrated this with SCG's "Women in Tech program," which, supported by a \$450,000 investment, has propelled 54 tech-driven businesses in sectors like agriculture, education, and fashion. By fostering networking and mentoring, this initiative empowers women-led tech enterprises, promoting economic autonomy among women and inspiring more girls to pursue careers in the tech industry.

## Gender gap in financial inclusion in Sub-Saharan Africa



Source: Global Findex 2017

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**"The digital revolution has reshaped all economies worldwide. It's driving innovation, inclusivity and sustainable development and yet the gender gap still persists and it's significant in access to and benefits from FinTech. It is hampering women's economic potential and our broad economic growth and development, and it is hampering financial inclusion as well!"**

– Hon. Ursula Owusu-Ekuful, Minister for Communications and Digitalisation



**"There are many women who are working tirelessly in their chosen fields and professions and solving world debt challenges even better than their male counterparts and yet have to battle discrimination, disrespect, doubt, cultural barriers in addition with volatile economies and better funded competitors."**

– Mansa Nettey, CEO Standard Chartered Bank Ghana

Michele Wee Sung San, CEO of Standard Chartered Bank Vietnam, added, "In harnessing the power of technology and innovation, we unlock new opportunities, create jobs, and promote multi-sectorial growth across the continent. We can tell a new Africa story."

### **Beyond Access: The Broader Impact**

Financial inclusion goes beyond mere access. As MTN's CEO, Stephen Blewett, stated, "Everyone deserves the benefits of a modern connected life." This sentiment is particularly relevant for women. Gender-inclusive FinTech solutions are not just about granting equal access; they are about unlocking Africa's full economic potential. By providing women with greater access to financial tools like grants, loans with favorable terms, and gender-conscious investments, FinTech empowers them to become active participants in the economy. This boost in productivity and growth enables them to make greater contributions to the economy, ultimately fostering a more inclusive and prosperous society.

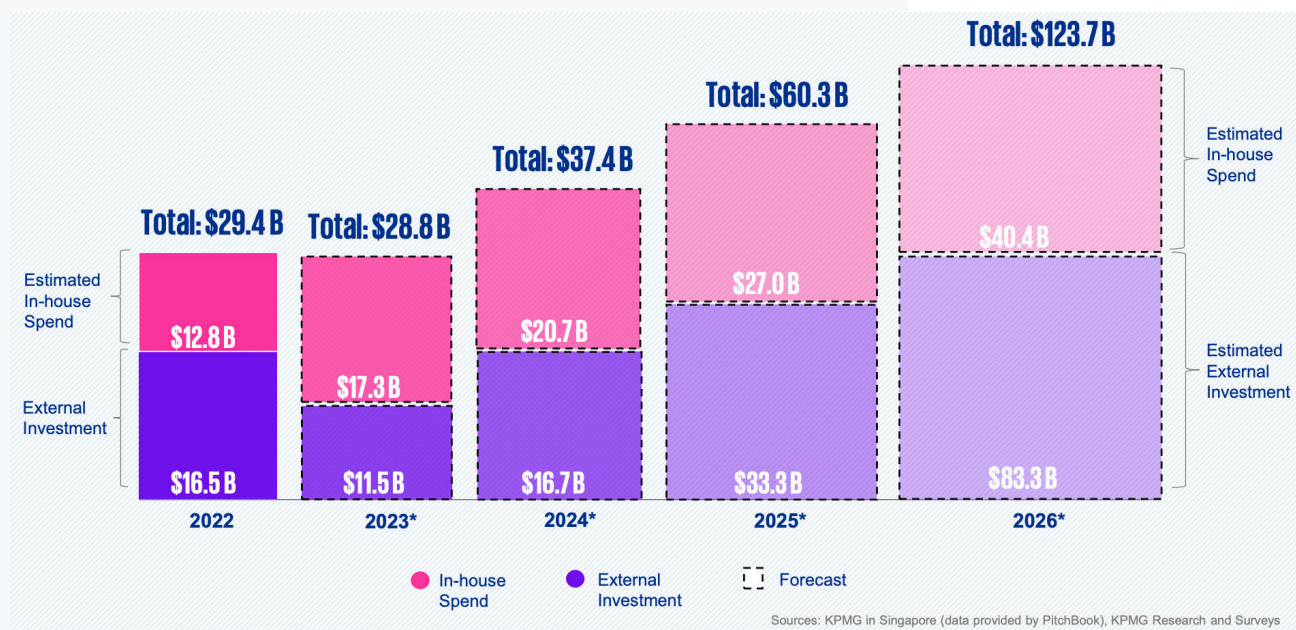
### **ESG as an Opportunity**

Integrating Environmental, Social, and Governance (ESG) principles into digital economic planning is critical for sustainable, equitable growth. Rather than viewing ESG as merely a regulatory requirement, it should be seen as an opportunity to drive innovation, attract investment, and build resilient economies. The adoption of ESG frameworks can help African countries address social inequalities, promote environmental sustainability, and ensure good governance, thereby creating a more inclusive and prosperous future for all.

By prioritizing ESG, Africa can position itself as a leader in sustainable development, leveraging its unique strengths to attract global capital and foster long-term economic growth.



## Total Anticipated Global Investment in ESG FinTech (USD)



Source: Accelerating Transformation Amidst Economic Slowdown - The Resilient ESG FinTech Sector (kpmg.com)

More so, ESG FinTech is fast becoming an attractive global trend, indicative of the vast opportunity that exists for African entrepreneurs to capitalise on.



**"The obvious benefit of implementing ESG strategies in business operations appears to be access to funding opportunities because you become more attractive to investors, however, through implementing ESG strategies, businesses enjoy cost cutting. Cost cutting directly affects profit which is of high priority to all businesses. To top it off, you are contributing to save the planet.**

- Stephanie Eyrum Akumah, Director - Project Development and Socioeconomic Impact, Centre for Green Growth



**"When considering ESG, I view it through four dimensions: as a risk management tool, an opportunity for creating solutions beneficial to various stakeholders, a means of measuring impact, and a value addition by ensuring readiness when funding is required."**

- John Akuoko-Tawiah, Head - ESG, Sustainability and Climate Finance at Development Bank Ghana



**"The challenge with ESG in Ghana lies not in policy creation, but in its effective implementation. Governance, the 'G' in ESG, serves as the cornerstone upon which the other components rely. In Ghana, without a mandate, action is often lacking. Therefore, imposing ESG reporting requirements and mandating board members to have ESG knowledge for in regulated companies can propel us in the right direction by addressing the problem at a Governance level. "**

- Kwame Sarpong Barnieh, Partner - Head Governance, Risk & Compliance, KPMG'

# Conclusion: Translating Insights into Action



Cross-section of speakers

The inaugural 3i Africa Summit was an overwhelming success, drawing significant participation from across the continent and beyond. The event's impact resonated through the enthusiastic engagement of attendees and the substantive discussions that took place, all centred around advancing Africa's digital and financial sectors.

The Summit reinforced 3i Africa's ultimate goal: *To develop a collaborative network of public and private stakeholders committed to building robust digital and financial connections across Africa, and with key global markets.*

Following the Summit, the establishment of the 3i Africa Secretariat represents a strategic move to translate the insights gathered into actionable plans. Tasked with sustaining the dialogue between policymakers, investors, and innovators, the secretariat is pivotal in translating these collaborative discussions into practical outcomes. It will use the 3i Africa platform to propel Africa's journey towards becoming a fully realized digital economy.

Going forward, 3i Africa is committed to addressing pivotal issues in the digital economy across three strategic levels to enhance economic and digital integration on the continent. At the **policy level**, the focus will be on the development and



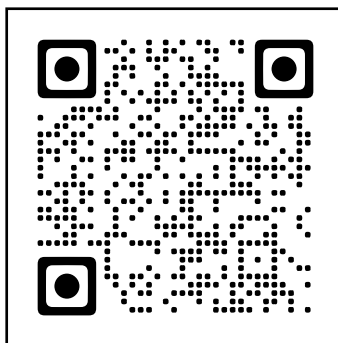
harmonization of digital public infrastructures that enable seamless cross-border digital services. This involves integrating systems such as digital identities and standardizing data protection laws, along with promoting digital trade agreements to support the free flow of data and services across borders.

At the **regulatory level**, 3i Africa aims to foster a unified regulatory environment that supports the widespread adoption of digital financial services. Central banks and regulatory bodies will align their policies on digital currencies, payment systems, and anti-money laundering standards to reduce barriers and enhance the security of cross-border transactions.

Finally, at the **industry level**, commercial players including FinTech companies and banks will be encouraged to adopt and comply with established interoperability standards. This includes the utilization of common APIs, shared security protocols, and collaborative platforms that enable entities to connect and transact seamlessly across different markets. By tackling interoperability at these three levels, 3i Africa aims to build a robust framework that not only supports economic growth but also ensures that Africa's digital transformation is inclusive and sustainable.

The secretariat will organise the annual 3i Africa Summit as a periodic checkpoint to take stock of progress made in Africa's digital economy transformation. It will also organize smaller, frequent events across the continent. These gatherings will ensure that stakeholders remain engaged throughout the year, working continuously on predefined goals and periodically reporting on progress. This structured approach ensures that each year builds on the success of the last, progressively moving towards the grand vision of a digitally connected Africa.

This framework and the proactive role of the 3i Africa Secretariat are instrumental in turning the vision of an interconnected African digital economy into a reality, setting a precedent for sustainable development and collaborative success.



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