

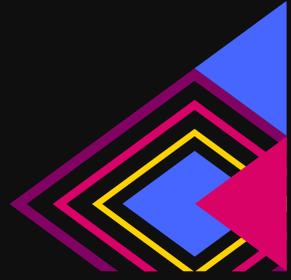


IN ASSOCIATION WITH



# Driving innovation for a more inclusive future

Insights from the **INCLUSIVE FINTECH FORUM™** | 20-22 JUNE 2023



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## Acknowledgments

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## Disclaimer

The opinions expressed at the Inclusive FinTech Forum and quoted in this publication are those of the speakers. They do not purport to reflect the opinions or views of KPMG in Singapore or Elevandi.

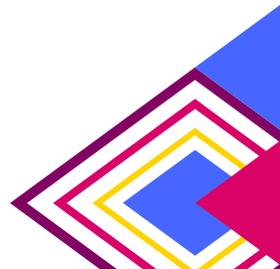




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Elevandi is set up by the Monetary Authority of Singapore to foster an open dialogue between the public and private sectors to advance FinTech in the digital economy. Elevandi works closely with governments, founders, investors, and corporate leaders to drive collaboration, education, and new sources of value at industry and national levels. Elevandi's initiatives have convened over 350,000 people to drive the growth of FinTech through events, closed-door roundtables, investor programmes, educational initiatives, and research. Elevandi's flagship product is the Singapore FinTech Festival alongside fast-rising platforms, including the Point Zero Forum, Inclusive FinTech Forum, Elevandi Insights Forum, The Capital Meets Policy Dialogue, The Founders Peak and Green Shoots. Visit [www.elevandi.io](http://www.elevandi.io) to learn more about Elevandi.



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# Foreword

Fintech holds immense potential to empower individuals, communities, and entire economies by providing inclusive financial services that were once out of reach. This message particularly resonates in Africa as the inaugural edition of the Inclusive FinTech Forum (IFF) held in Kigali, Rwanda on June 20-22, 2023, demonstrated, when over 2,000 policymakers, entrepreneurs, investors, corporates, and foundations congregated to propel the inclusive and sustainable development of FinTech in Africa.

Fintech is crucial for Africa due to its potential to empower African innovators, bridge the demand gap for financial services, redefine capital formation, support vulnerable populations, and foster inclusive and sustainable development. With Africa's talent, ambition, and thought leadership, coupled with the necessary capital, policy, and infrastructure, the continent can build its fintech platform to drive and accelerate inclusive growth in a self-determined manner.

Fintech solutions can address the growing demand for inclusive financial services, democratise access to capital, provide innovative approaches to support youth, women, marginalised populations, and demonstrate the possibility of building highly liveable, sustainable, and inclusive societies. Through fintech, Africa can create a future where financial services are accessible, affordable, and inclusive, promoting shared prosperity for all.

The forum in Kigali provided an exceptional platform for deep engagement and meaningful discussions on harnessing technology to accelerate greater financial inclusion across the continent. With five key themes guiding deliberations, finance professionals and policy makers explored the vital aspects necessary to drive fintech innovation, build robust digital infrastructure, enhance access to capital, address regulatory fragmentation, promote cross-border collaboration, and develop talent as a key enabler. The insights shared, solutions proposed, and partnerships forged during these three days will undoubtedly shape the future trajectory of fintech in Africa.

This publication is jointly produced by KPMG in Singapore (KPMG) and Elevandi. KPMG is actively engaged in nurturing and advancing the fintech ecosystem in Singapore and beyond. With this, KPMG in Singapore has collaborated with Elevandi to produce a series of publications and conferences.

The authors and their teams would like to thank all the participants, speakers, sponsors, and partners who contributed to the resounding success of the first edition of the IFF. Together, we have set in motion a transformative wave that will shape the future of fintech in Africa and redefine the meaning of financial inclusion.

Let us march forward, united in our commitment to empower Africa through inclusive fintech.

## **Sopendu Mohanty**

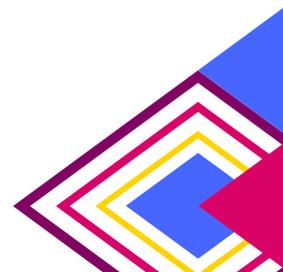
Chief FinTech Officer, Monetary Authority of Singapore  
Chairman of the Board, Elevandi

## **Antony Ruddenklau**

Head of Financial Services,  
KPMG in Singapore  
Global Head of Fintech, KPMG International  
Global Head of Innovation,  
Financial Services, KPMG International

## **Nick Barigye**

Chief Executive Officer,  
Rwanda Finance Limited (RFL)



# Snapshots from the Inclusive FinTech Forum 2023



Driving innovation for a more inclusive future

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# Mobilising fintech innovation to build a more inclusive future

Across continents, the development levels of local payment systems remain relatively low and inconsistent. However, the rise of mobile money in recent years has demonstrated, especially in parts of Africa, how fintech has the potential to build a more inclusive and sustainable future while driving economic growth. Mobile money has helped bridge urban-rural divide and address challenges such as varying levels of user literacy, education, and smartphone penetration. Through tailored fintech solutions, Africa can secure greater parity in access to financial services, drive economic growth, and uplift communities.

Financial inclusion serves as a catalyst for economic progress, societal betterment, and the alleviation of poverty. It represents the capacity for individuals and businesses to access cost-effective financial products and services tailored to their specific needs, which encompass transactions, savings, credit, insurance, and pensions – all delivered in a responsible and sustainable manner.

## The key role of technology

Technology has always played an important role in enabling higher level of financial inclusion in society and this remains true to this day. In his opening address at the Inclusive Fintech Forum (IFF) 2023, H.E. Paul Kagame, President of the Republic of Rwanda, highlighted that "fintechs are accelerating Africa's digital transformation and the impact is evident across the continent as more jobs, wealth and opportunities are being created."



*"Fintechs are accelerating Africa's digital transformation and the impact is evident across the continent."*

- H.E. President Kagame, President of the Republic of Rwanda



## Room for improvement

Despite progress in the past decade, financial inclusion remains low in Africa relative to global levels. As of 2021, only 55 percent of adults have access to an account with a financial institution while Sub-Saharan Africa ranked second to last globally in ease of accessing emergency funds<sup>1</sup>. The relative absence of financial institutions (banks and particularly insurance) also clearly exemplify a big potential for growth with Sub-Saharan Africa taking up majority of market share in global mobile money transactions and transaction volume (Exhibit 1).

Despite the ongoing positive trend in mobile money transaction, some of the factors driving low levels in financial inclusion include disparities in development of local payment systems, different urbanisation and mobile penetration levels across countries, and relatively lower income, purchasing power, user literacy and education levels. To address these challenges, more cross-border collaboration is needed to tackle areas such as regulatory fragmentation, double taxation issues, non-interoperable payment systems and lack of liquidity in local foreign exchange markets. This will help to accelerate the underlying economic growth that is a necessary condition to drive higher level of financial inclusion across African economies.

In his address H.E. **Hakainde Hichilema, President of the Republic of Zambia**, called for the next generation to take action: "We need to emphasise the importance to accept that accelerating economic and social development is an imperative given the large profile of the younger population of Africa, and the need to provide opportunities for young people."

### Fintech: Africa's beacon of financial inclusion

Fintech, a combination of finance and technology, consists of the creative blending of technologies and innovative business models to provide financial services in a more efficient, user-friendly, affordable, and inclusive form.

The transformative potential of Fintech is particularly significant for the African financial landscape. It paves the way for new and enhanced solutions tailored to the specific demands and needs of the underserved and unserved clientele. An illustrative example of this is mobile money transactions for which Africa takes the lead globally. Over 33 percent

of adults in Sub-Saharan Africa have a mobile money account on average, which they primarily use for peer-to-peer (P2P) transfers (58 percent), but also for bill payment (14 percent), merchant payment (13 percent), airtime top-up (12 percent), bulk disbursement (4 percent) or international remittance (2 percent)<sup>1</sup>.

Furthermore, a Nigerian-based fintech pioneer stepped up to assist a global ride-hailing giant with a localised payment solutions. Since then, this fintech has processed transactions exceeding US\$9 billion and empowered over 300,000 businesses to accept payments across 150 countries.



To surmount these challenges and tap into the vast potential of Fintech for financial inclusion in Africa, a concerted effort amongst various stakeholders is imperative. Five key needs were identified and guided the discussion at IFF 2023: (1) building a stronger underlying digital infrastructure, (2) driving more equity investment, (3) harmonising policies, (4) enhancing collaboration, and (5) developing and retaining talent. The following five sections of this report outline some of the main ideas debated during the forum on these key topics.

<sup>1</sup> The Global Findex Database 2021, The World Bank

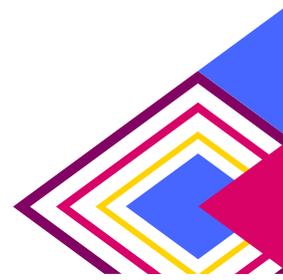
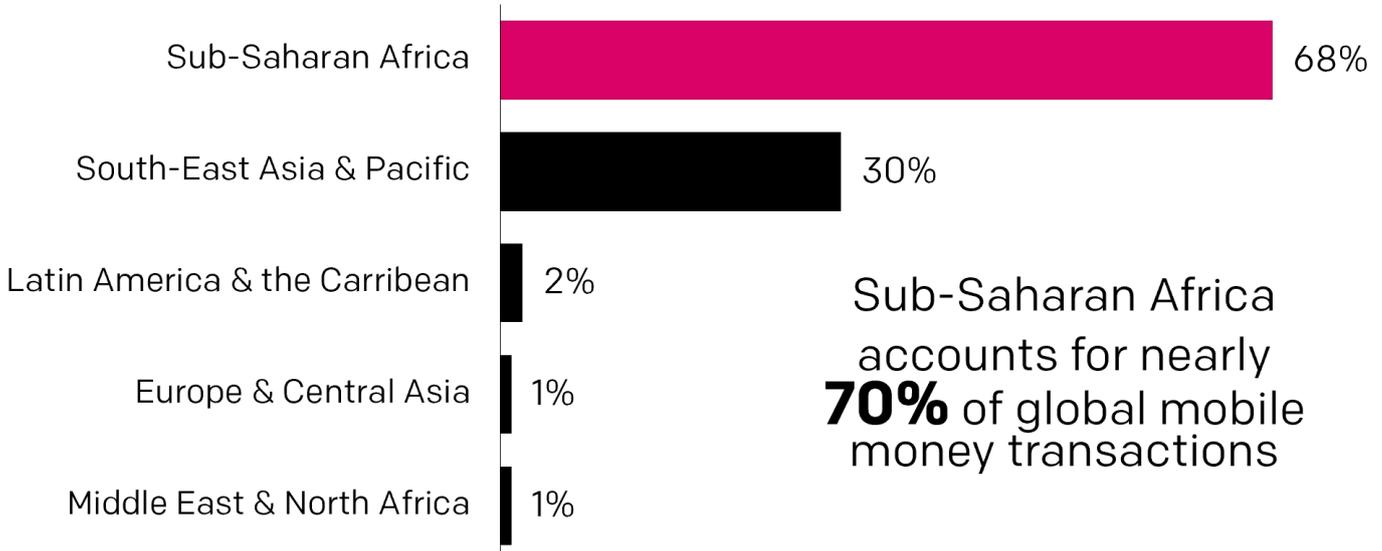


Exhibit 1: Mobile money is at the heart of payments in a market otherwise underserved by financial services

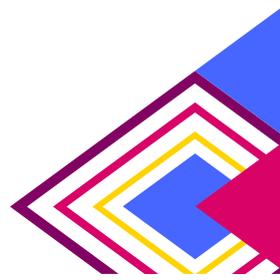
### Global mobile money transactions (2021)



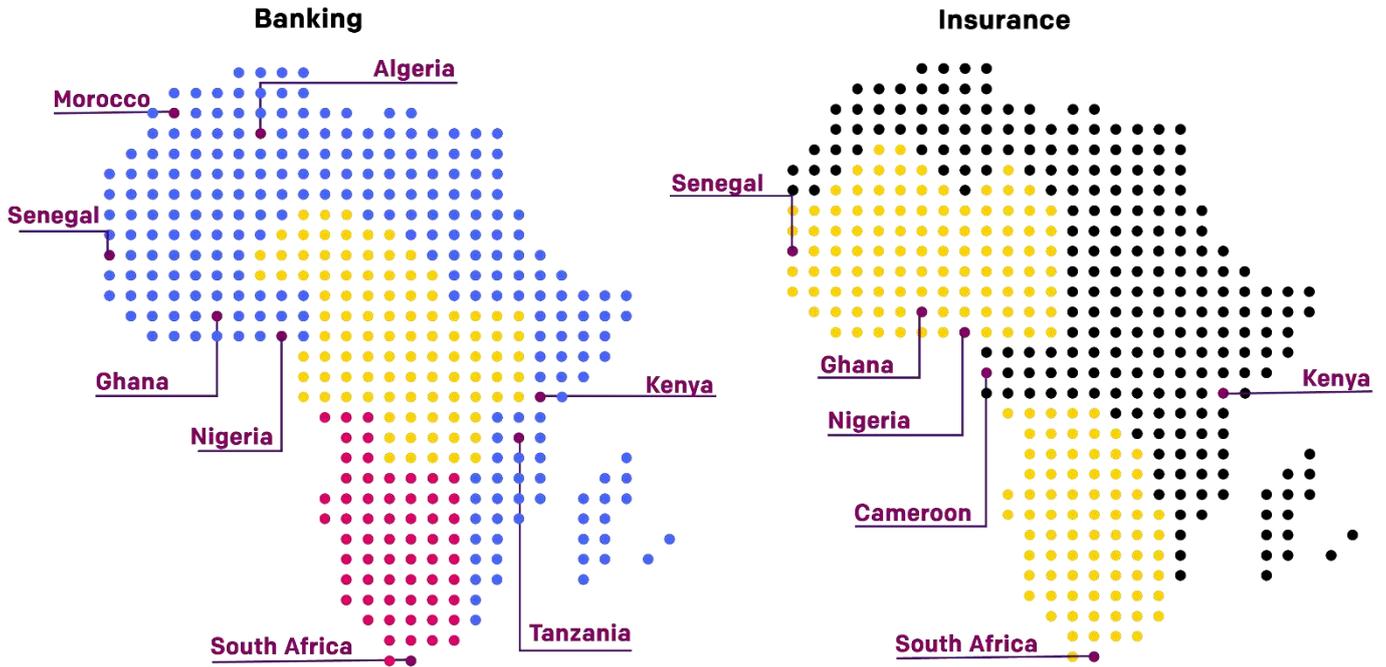
### Dollar (USD) value in daily transaction volume



Source: GSMA: State of the Industry Report on Mobile Money, Pew Research Center, GSMA: Mobile Money Metrics



# Africa: Penetration of Global FIs (banks and insurance)



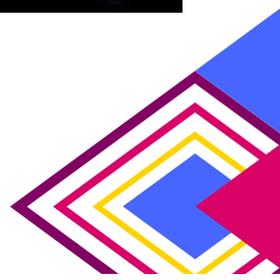
**Global banks/insurers penetration levels (footprint mapping) in 2019**

Key markets with max. presence	Medium penetrated region (15-24%)	Minimal penetrated region (less than 10%)
Highly penetrated region (25-30%)	Low penetrated region (10-14%)	

Sources:

GSMA: State of the Industry Report on Mobile Money, Pew Research Center, GSMA: Mobile Money Metrics

KPMG in Singapore Research



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# Unlocking potential: digital infrastructure backbone of transformation

Leveraging latest fintech innovations to build an interoperable digital infrastructure can accelerate Africa's momentum in closing the gap with more mature economies. Harnessing data in more effective ways, deploying digital identity systems at scale, and facilitating access to mobile money are some of the possible actions that can help address the existing disparities in domestic payment networks and the lack of interoperability across countries.

## Harnessing data

Africa's financial sector is starting to adopt a more data-driven approach in developing effective digital infrastructure for seamless money transfers. Discussions at various sessions during the IFF 2023 highlighted current challenges such as fragmented data storage, underutilisation of collected data, and lack of credit scoring by fintech companies. These challenges must be addressed and fintech companies can leverage digital transaction data and advanced analytics to develop innovative credit scoring models, promoting inclusive access to financial services.

Customer ownership of data is also crucial. This requires robust privacy frameworks and clear consent mechanisms with the collaboration among governments, financial institutions, fintech companies, and consumer advocacy groups. Furthermore, enhancing comprehensive data governance frameworks is important as it enables transparency, accountability, and customer rights. This fosters trust in digital financial services, an area that is currently lacking in many communities.



*"Digital infrastructure is not just a technical asset, but a social enabler. It allows everyone to access and benefit from the opportunities of financial inclusion."*

- Antony Ruddenklau, Partner and Global Head of Fintech at KPMG International

## Driving innovation for a more inclusive future



Overcoming these challenges and fostering collaboration will enable Africa to build a robust digital infrastructure that empowers individuals, promotes financial inclusion, and drives economic growth.

“Digital infrastructure is not just a technical asset, it’s a social enabler and allows everyone to access and benefit from the opportunities of financial inclusion,” **Antony Ruddenklau, Partner and Global Head of Fintech at KPMG International**, told IFF 2023 attendees.

### Digital identity as a steppingstone

Conversations at IFF 2023 highlighted how the deployment of digital identity in African countries has the power to enable more seamless financial transactions and promote financial inclusion. Several challenges for successful implementation were also identified. Firstly, the cultural challenge of creating a digital identity across diverse communities. This requires a system that respects and accommodates local customs, which one participant illustrated with the fear of cyber spirits in some communities. Secondly, bridging disparities by targeting both tech-savvy youth and individuals less familiar with technology is crucial. Thirdly, showcasing the value-add such as increased security and expanded access to financial services is essential for gaining acceptance. Overcoming these challenges will enable digital identity streamline transactions, fuel economic growth, and empower individuals to participate in the digital economy.



*“ICT remains central to our 2050 development agenda.”*

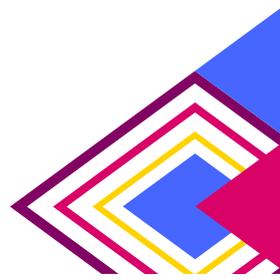
- Hon. John Rwangombwa, Governor of the National Bank of Rwanda



### Large domestic payment network disparities to address

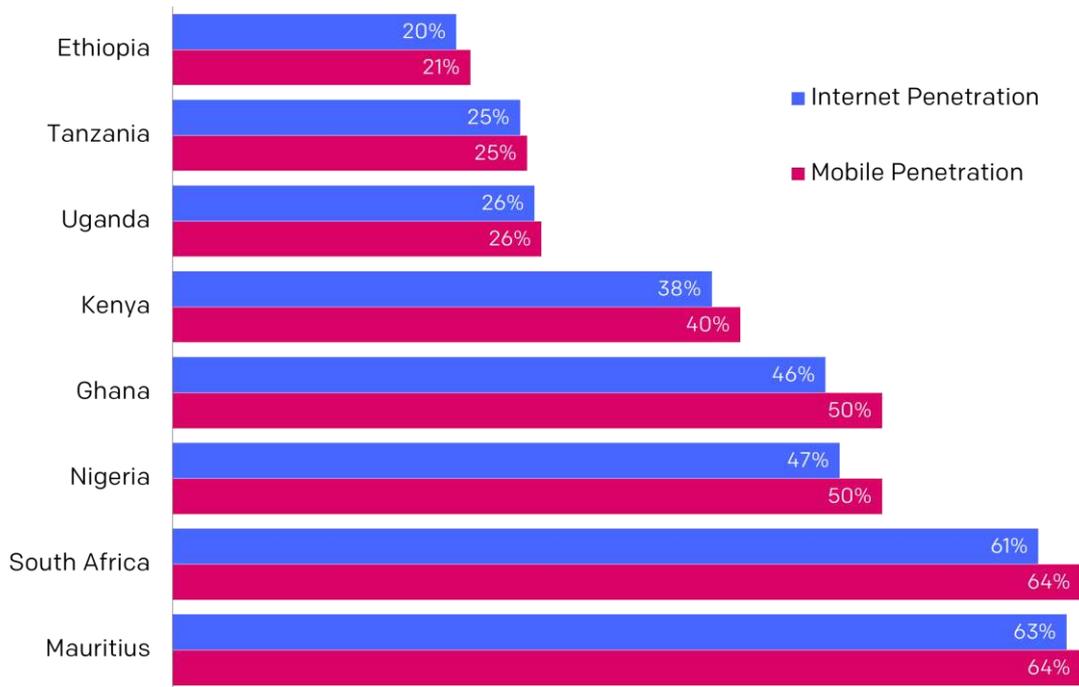
Across Africa, domestic payment networks exhibit significant disparities, reflecting varying levels of economic development and technological infrastructure. Real-Time Gross Settlement (RTGS) systems are fragmented, with some countries possessing robust systems while others are still at development stage. Cost considerations make RTGS implementation unfeasible for some nations, necessitating alternative solutions. Mobile money has emerged as a transformative tool, leveraging the widespread adoption of mobile phones (Exhibit 2). It enables individuals to conduct financial transactions conveniently, bridging the gap created by fragmented payment networks. However, lowering barriers to entry is crucial for its success. Efforts should focus on enhancing financial literacy, increasing mobile phone penetration, promoting interoperability among platforms, and fostering supportive regulatory framework.

As **Hon. John Rwangombwa, Governor of the National Bank of Rwanda**, shared in his remarks, improving infrastructure has been and will continue to be a priority: “We’ve been promoting Information and Communications Technology (ICT) as a key pillar for various policies since 2001 and it remains central to our 2050 development agenda”.

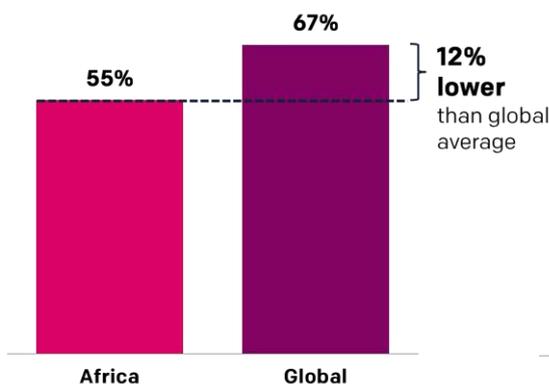


## Exhibit 2: Mobile & internet penetration in Africa

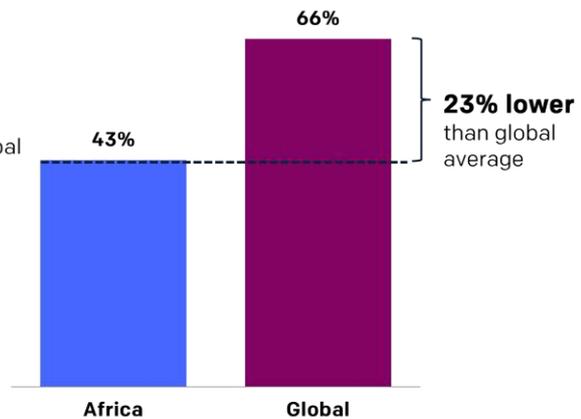
Internet and mobile penetration of selected countries (2021)



Mobile penetration (2021)



Internet penetration (2021)



**167M**

Have mobile access but no internet

**320M**

Number of potential increase in user access to FinTech when African internet and mobile penetrations match global levels

Sources:

Digital Banking in Sub Saharan Africa by BPC and FinCog  
 databank.worldbank.org, The World Bank Group 2023

International Telecommunication Union (ITU) World Telecommunication/ICT Indicators Database

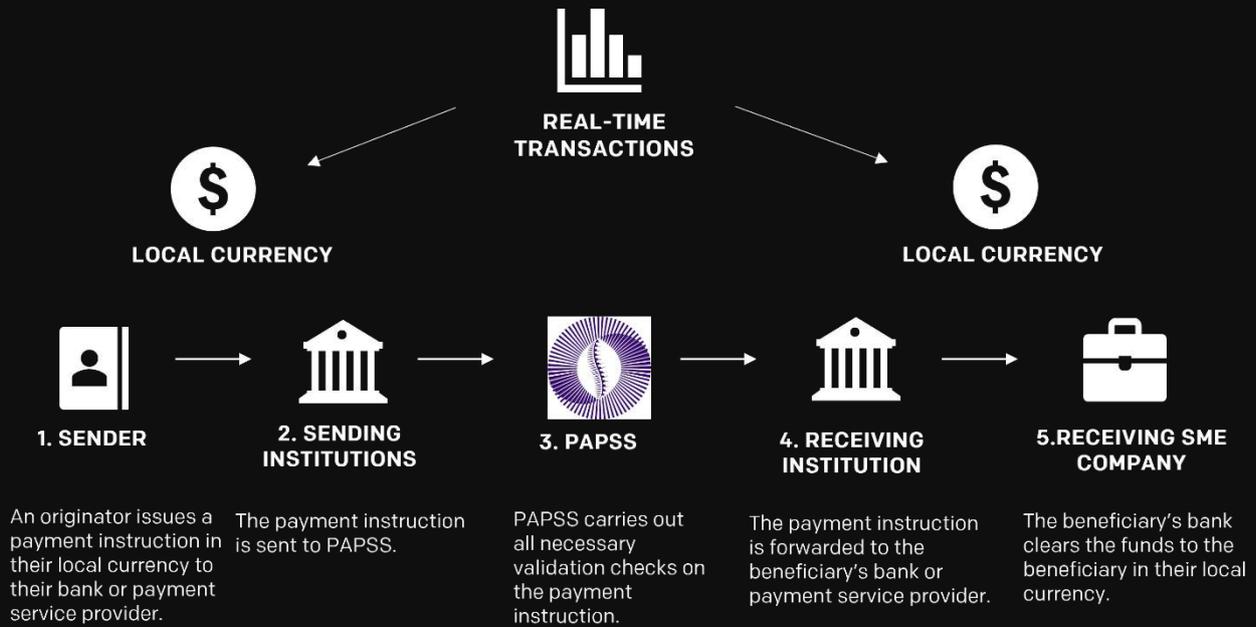
## Spotlight: The Pan-African Payment and Settlement System (PAPSS)

One key initiative aligning with these actions and recommendations is the Pan-African Payment and Settlement System (PAPSS). PAPSS is an African Union infrastructure that enables the efficient and secure flow of money across African borders.

PAPSS works in collaboration with central banks in the continent, providing payment and settlement services across the continent for commercial banks, payment service providers and fintech organisations, enabling them to connect as participants. The platform provides an alternative to current high-cost and lengthy correspondent banking relationships to facilitate trade and other economic activities among African countries through a simple, low-cost risk-controlled payment clearing and settlement system.

As of June 2022, the PAPSS network consists of eight central banks and 28 commercial banks. It will expand into the five regions of Africa before the end of 2023. All African Central Banks are to sign up by the end of 2024 and all commercial banks by the end of 2025.

By prioritising digital infrastructure development and embracing initiatives such as PAPSS, Africa is poised to accelerate its journey toward inclusive fintech growth, fostering economic integration for intra-African trade, improve interoperability of payment systems, and reaping the benefits of a thriving digital ecosystem.



Source: [PAPSS website](#)

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# Funding growth, access to capital crucial

Improved capital access is vital for fintech development in Africa. Insufficient funding, especially in local currencies, currently hinders innovation. Lack of institutional support further limits private funding, while high-risk countries face additional challenges. More data-driven research, more transparent return-on-investment, higher talent retention in local markets, and developing founders' business skills can help mitigate the capital shortage. Fostering investor confidence and enabling effective communication can attract the much-needed capital to accelerate fintech growth in Africa.

## Funding remains insufficient

The lack of funding for fintech in Africa remains a significant hurdle, impeding the growth and innovation potential of the sector. Despite witnessing some progress, the continent's fintech companies received a mere US\$2 billion in funding in 2021, representing just 1 percent of the global funding pool. While this percentage is higher compared to the 0.3 percent to 0.4 percent range seen between 2018 and 2020, it falls far short of the investment required to truly accelerate fintech advancements across Africa (Exhibit 3).

Digging deeper into the funding distribution, it becomes evident that approximately 80 percent of the total investment went to only four countries: Nigeria, Kenya, Egypt, and South Africa<sup>2</sup>. These countries have made commendable strides in fostering their respective fintech ecosystems, while the other nations on the continent are still playing

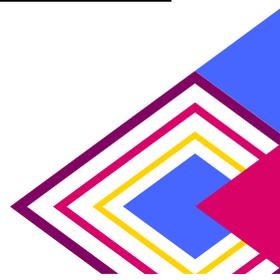


*" I have three takeaways for three groups of people. To the brilliant tech entrepreneurs, help us to democratise access to finance. To the banker, let's change the rules. And to governments, take a stand for your people."*

-Maxwell Gomera, UNDP Rwanda

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<sup>2</sup> 'African Fintech Startups Raised New Record of US\$2B in 2021', Fintechnews.africa, March 2022



catch-up in attracting the necessary investments needed for substantial growth and development in the sector.

Multiple challenges contribute to this funding gap. Firstly, the availability of funding in local currencies remain limited, exposing investors to currency exchange risks and deterring investment decisions. Furthermore, many stakeholders, including traditional investors, lack a comprehensive understanding of the potential return on investment offered by fintech ventures. This has resulted in caution and hesitancy when it comes to funding opportunities.

Secondly, the scarcity of reliable and up-to-date data poses a significant challenge for investors seeking to evaluate the viability of fintech projects. Without access to accurate information, making informed investment decisions becomes more challenging and riskier. Some Fintech founders lack the skillset to effectively communicate their value propositions to potential investors, hampering their ability to secure funding.

Thirdly, inadequate institutional support further exacerbates the funding gap. Governments and regulatory bodies must take a more proactive role in creating an enabling environment that encourages investment, promotes innovation, and safeguards the interests of both consumers and investors.

Lastly, certain African countries face even greater difficulty in attracting capital as they are often perceived as "high-risk" by international compliance agencies. This classification deters potential investors, perpetuating the cycle of underfunding for promising fintech ventures in these regions. This phenomenon is amplified by the fact that a significant share of fintech funding in Africa comes from overseas notably North American funds, leaving higher risk geographies starving for capital, and highlighting the need for more local capital to be deployed.

**Maxwell Gomera, Resident Representative, UNDP,** concluded: "I have three takeaways for three groups of people. To the brilliant tech entrepreneurs, help us democratise access to finance. To the bankers, let's change the rules. And to governments, take a stand for your people."



### A leap forward required

Addressing the funding challenges in African fintech requires targeted solutions that focus on key areas. Firstly, there is a pressing need for more data and research to provide clarity on the return-on-investment potential in the sector. Conducting comprehensive studies and gathering reliable data will enable both foreign and local investors gain better understanding of the opportunities available. **Jean Bosco Iyacu, Chief Executive Officer, Access to Finance Rwanda,** (pictured above) highlighted that technology can play a role in "democratising the way capital intermediation is done. If you have money and I need money, why shouldn't we talk through technology."

Retaining talent within the local market is another ongoing challenge as many fintech professionals emigrate to Europe or North America after gaining some experience within the African fintech landscape. African countries need to create an environment that nurtures and supports fintech professionals, encouraging them to stay and contribute to the growth of the sector. This can be achieved through initiatives such as providing access to quality education, fostering collaboration between academia and industry, establishing mentorship programmes, and creating favourable conditions to attract new talent such as [Rwanda's flexible visa programme](#).

Furthermore, enhancing the business skillset of fintech founders is essential for effective communication with investors. Initiatives aimed at equipping founders with the necessary skills and knowledge in areas such as finance, marketing, and investor relations are crucial. This will empower them to articulate their vision, showcase the potential of their ventures, and build strong relationships with investors.

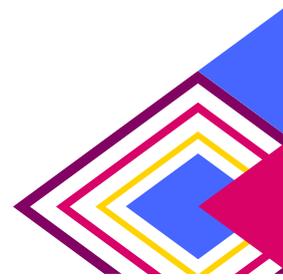
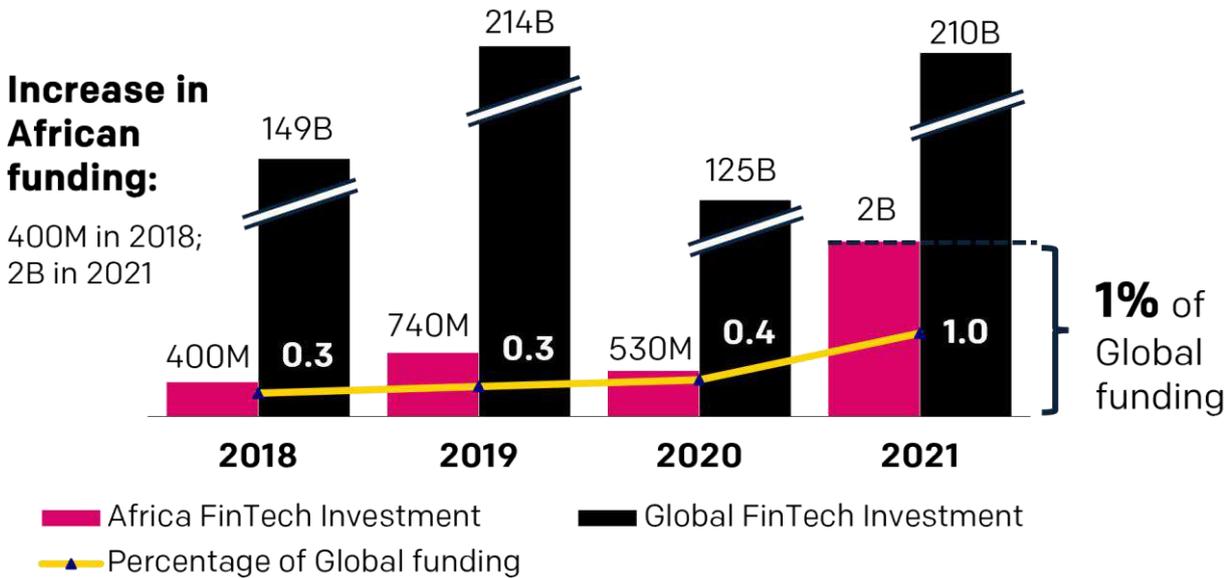


Exhibit 3: Evolution of fintech funding in Africa relative to Global levels

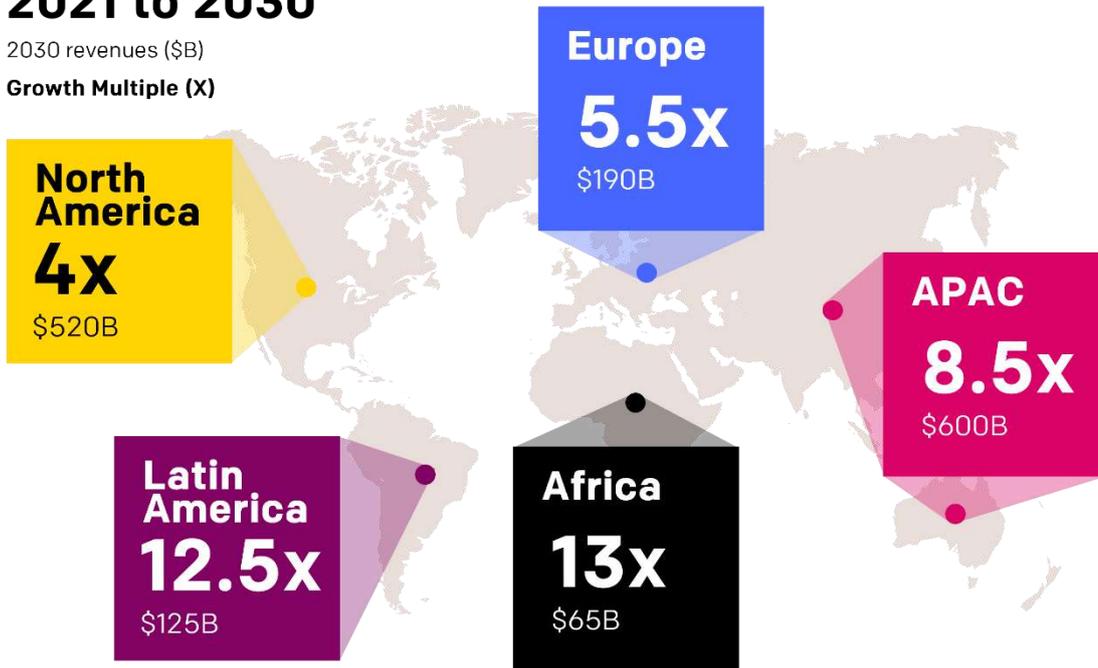
### FinTech Investment in USD (2018-2021)



### Global FinTech Revenue Growth Projection by Region, 2021 to 2030

2030 revenues (\$B)

Growth Multiple (X)



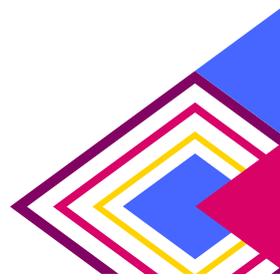
Sources:

Pulse of FinTech H2 2021, KPMG

Fintech investment in 2021, dealroom.co, February 2022;

African Fintech Startups Raised New Record of US\$2B in 2021, Fintechnews.africa, March 2022;

Capital IQ, Pitchbook, Company's investor presentations, desktop research, BCG analysis



# US2.02 Billion

Funding into African FinTechs reached a record high in 2021

# 80%

of funding went to Nigeria, Kenya, Egypt and South Africa in 2021

# 71%

Growth in African FinTech funding from 2018 - 2021

African VC FinTech funding as a percentage of Global FinTech funding in 2021

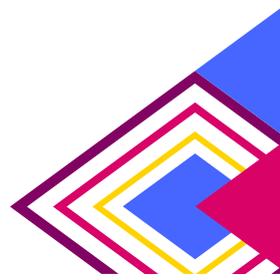
# 1%

Sources:

African Fintech Startups Raised New Record of US\$2B in 2021, Fintechnews.africa, March 2022; Capital IQ, Pitchbook, Company's investor presentations, desktop research, BCG analysis

## Walking the talk

The Boost Africa Initiative by the African Development Bank (AfDB): Launched in 2016 in collaboration with the European Investment Bank (EIB) and the European Commission (EC). This initiative is designed to nurture entrepreneurship and innovation in Africa. It provides equity financing and technical assistance to early-stage start-ups and incubators through a network of carefully selected fund managers.



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# Navigating the labyrinth: policy harmonisation

Regulatory fragmentation is hindering Africa's fintech sector's growth potential. Local policies and regulations must evolve to keep pace with rapid technological advancements. Better policy alignment across countries is crucial for regional integration and cross-border fintech operations. Harmonising regulations and standards will create an enabling environment for fintech companies to scale their solutions as well as drive financial inclusion and economic growth. Collaboration among African nations, regional bodies, and international organisations is essential to achieve policy coordination and harmonisation.

## Improving local policies

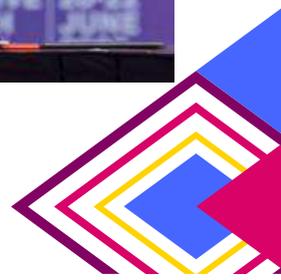
Africa's fintech sector is poised for significant growth but face numerous hurdles requiring immediate attention from policymakers. This includes complex administrative procedures for fintech businesses and disorganised governance landscape which may slow down fintech development.

Fintechs applying for regulatory approval and licenses face complex administrative procedures. Fintech companies often require licenses to be granted in a timely manner to match cashflow realities and the need for legitimisation by the public sector to attract the next round of private capital.

Collaboration between regulators and fintech is vital to foster trust and drive innovation. However, the continent still lacks meaningful collaboration as regulators often struggle to understand fintech's unique challenges. This is caused by the absence of

efficient data exchange between government bodies which restricts comprehensive policymaking.

Such environment may deter potential investors and restrict sector growth. Furthermore, there are also challenges and concerns with the fintech sector related to its interactions with regulatory authorities. This emphasizes the need for better communications and understanding between policymakers and the sector for a more conducive regulatory environment.



To address these challenges, policymakers must prioritise improved communication and education. Engaging with the fintech community, understanding their needs, and providing clear regulatory guidance is crucial. Streamlining administrative procedures, eliminating redundant governance structures, promoting data sharing, and facilitating access to capital will create an enabling environment for fintech growth in Africa.

Singapore's fintech investment surged from S\$20 million in 2015 to S\$4 billion in 2022, driven by a series of regulatory measures encouraging financial institutions to adopt technology, recapped **Sopnendu Mohanty, Chief FinTech Officer, Monetary Authority of Singapore** (pictured on the right). "We introduced regulatory sandboxes and policy frameworks to enable financial institutions to rethink about financial services and technology," said Mohanty. He added that by expanding the definition of fintech beyond payments automation to include technology that enables the digitalisation of financial institutions, Singapore was able to create a new class of fintech that attracted and accelerated their fintech funding ecosystem.

#### More collaboration needed

Regulatory collaboration and policy alignment across countries are imperative to foster further growth in the sector. Expanding successful fintech ventures across borders requires streamlined regulatory frameworks and licensing processes. The current fragmentation stems from the absence of harmonisation and coordination among varying jurisdictions, authorities, and frameworks that oversee fintech activities, including aspects such as licensing, supervision, consumer protection, data privacy, anti-money laundering, and taxation. Currently, the use of regulatory sandboxes are either underutilised or lacking. Sandboxes should be fostered to provide an environment for fintech startups to test their innovations without complex regulations.

As of 2023, out of the 54 countries in Africa, only 16 have set up regulatory sandboxes for fintech activities (Exhibit 4). With each country having its

own set of laws and regulations, it complicates the opportunities for cross-border sandbox usage, especially for the other 38 nations currently without their own regulatory sandbox for fintech research and exploration.



The issue of double taxation also poses a significant obstacle to cross-border fintech growth. Harmonising tax policies and offering clearer guidelines on international transactions would encourage cross-border collaboration and investment. Furthermore, the high cost of cross border fund transfer funds impede financial inclusion and economic progress. Implementing innovative solutions such as blockchain-based payments or interoperable payment systems can lower transaction fees and processing time.

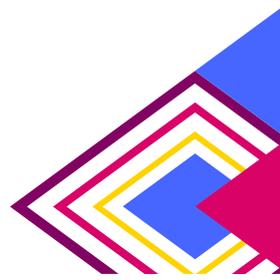
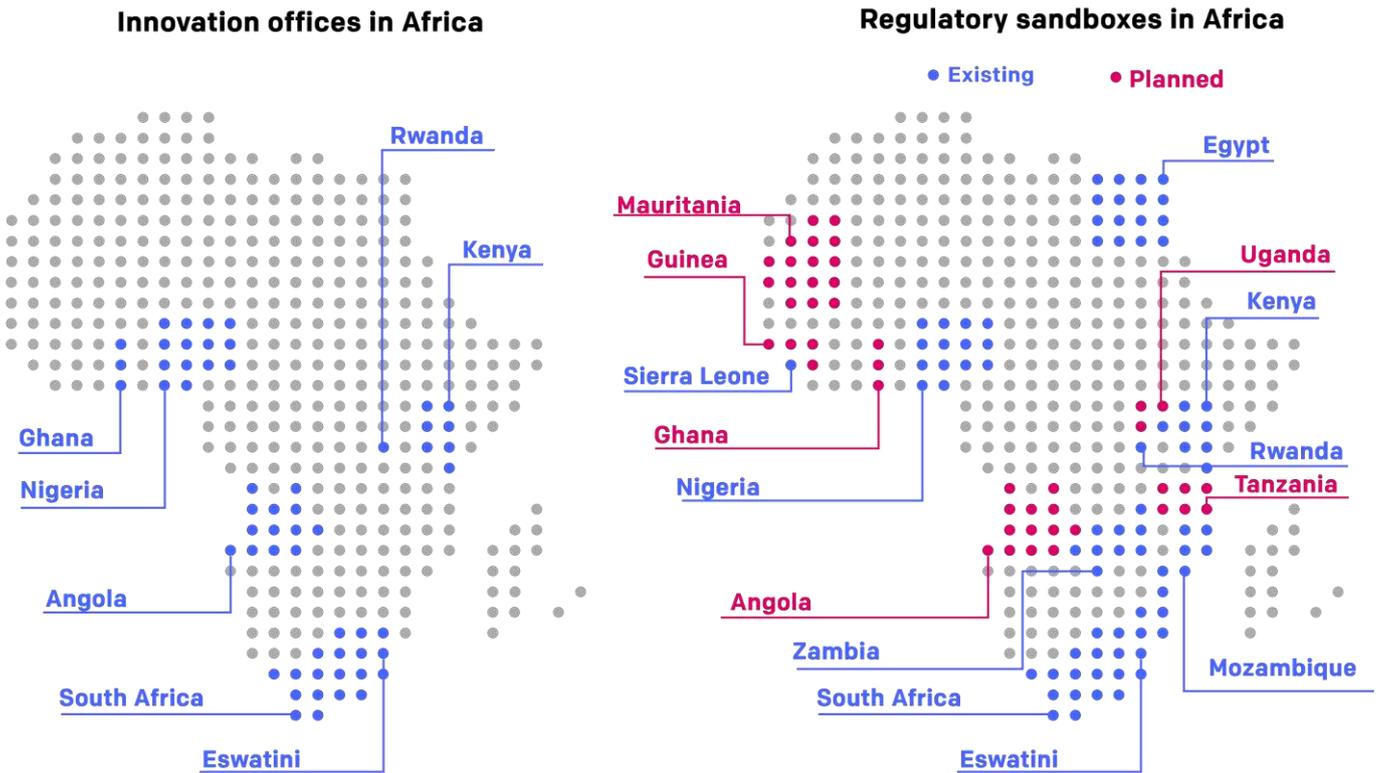


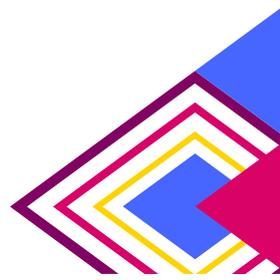
Exhibit 4: Map of countries with regulatory sandboxes (as of 2022)



Sources:  
 FinTech Regulation in SubSaharan Africa (University of Cambridge),  
 OpenBank Project, Regulatory Sandboxes in Africa

Walking the talk

The African Continental Free Trade Area (AfCFTA) holds the potential to unite approximately 1.2 billion people within a consolidated market. Its objective is to establish a single market encompassing goods, services, and even financial services across 54 African nations. This vast market presents immense opportunities for export diversification, as the AfCFTA streamlines business transactions by implementing unified rules, regulations, and procedures that transcend individual country boundaries.



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# Spurring Monetisation: collaborative effort

In Africa's evolving fintech landscape, the achievement of monetisation and scale holds the key to sustained growth, increased competitiveness, and the creation of substantial value for all stakeholders. However, numerous challenges hinder this progress, necessitating a greater emphasis on public and private collaboration across borders. Factors such as limited market size, market fragmentation, low customer income and purchasing power, high acquisition and retention costs, low loyalty and switching costs, as well as elevated operational and regulatory expenses, demand a collective effort to overcome obstacles and enable the necessary scale for successful monetisation.

## Monetisation relatively more challenging

Achieving monetisation in the fintech sector presents unique challenges in Africa, requiring the adaptation of customer-centric approaches and customised solutions to address the varied cultural nuances across the continent. Given the prevalence of low customer loyalty in the region, fintech companies must navigate a landscape where acquiring and retaining customers pose challenges.

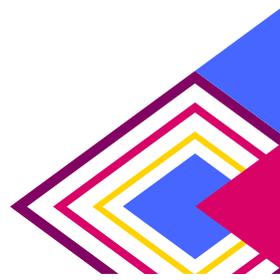
Monetary incentives often drive initial usage, but the removal of such incentives often results in low customer stickiness. This underscores the importance of devising sustainable and value-driven strategies that go beyond mere financial incentives.

Fintech companies need to foster trust and demonstrate the long-term benefits of their products to create lasting customer relationships. Furthermore, in low-income areas and communities, the absence of purchasing power poses a significant obstacle for monetisation. To address this issue, fintech companies should develop innovative models that cater to the specific requirements and limitations of these communities, ensuring affordability and accessibility.



*"A lot of value comes from the intangible capital, relationships, and connections that bridge the private and public sectors."*

-Tidjane Thiam, Board Chairman, Rwanda Finance Limited



In addition to financial considerations, understanding and adapting to the cultural nuances and preferences of different African communities is crucial. Customising products and services to align with cultural specificities enhances user experience and fosters a sense of familiarity and belonging, ultimately driving customer engagement and loyalty.

To navigate these challenges successfully, a customer-centric approach is essential. Fintech companies should continuously listen to customer feedback, adapt their offerings based on evolving needs, and provide personalised experiences. Prioritising customer satisfaction and convenience allow fintech companies to create lasting relationships and foster the customer stickiness necessary for sustainable monetisation in the African market. As **Robert Ochola, Chief Executive Officer, AfricaNenda**, noted in his remarks: "We are now at a significant inflection point for fintech in Africa. Customers should be part of the co-creation of a product."

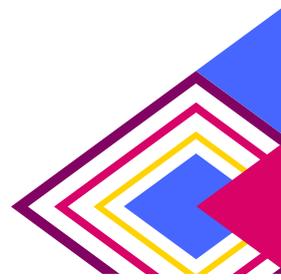
### Public-private collaboration across borders

In the quest for fintechs to reach their full potential in Africa, the need for collaboration across sectors and borders becomes paramount. African nations can unlock the scale necessary for monetisation and widespread adoption by fostering stronger partnerships between the public and private sectors, as well as encouraging international cooperation. Public institutions play a crucial role in supporting innovation. Through public-private collaboration,

these institutions can help better understand the needs of the fintech industry and create an enabling environment for its growth. This collaboration does not only involve sharing resources and expertise, but also facilitating the exchange of data between government bodies and private sector entities across countries. This exchange of data allows for a deeper understanding of customer behaviour and market dynamics, which in turn shapes the development of innovative solutions.

African fintech companies can expand their customer base and market reach by leveraging existing networks and platforms established by strategic government partners. Fintechs can tap into these platforms to gain access to crucial resources, expertise, and financing options which accelerates industry growth. **Rashmi Pillai, Group Head of Public Policy, Wave Mobile Money, and Board Member, FITSPA Uganda** suggests to look at four areas to consider when joining fintech associations in various countries: (1) collective bargaining power (2) the advocacy legs to enable a better fintech environment (3) the expertise to prevent anti-competitive practices by incumbents, and (4) The regional integration.

Moreover, learning from best practices and experiences shared by both public and private sectors fosters innovation and differentiation. The private sector should take the lead in articulating its needs and expectations from the public sector, ensuring alignment and proactive support for fintech innovation and inclusion.



Sharing resources and capabilities, public-private collaboration also helps mitigate costs and risks. Africa must continue harnessing existing partnerships while actively seeking new ones where necessary. Stronger collaborations between public and private institutions can yield mutually beneficial outcomes, such as increased access to capital, enhanced innovation, and expanded customer reach.

### Reinforcing the south-south corridor

Fintech firms based in the Global South, particularly China and India, are expanding globally and driving south-south cooperation in the fintech sector. These firms have unique advantages that make them competitive in other Global South economies, including those in Africa.

Push for cross-border collaborations by private companies have been instrumental in driving the

fintech and digitalisation agenda in Africa as is evident from Huawei’s recent announcement of its ‘Non-Stop Banking’ initiative to accelerate the digitalisation of banking industry in Africa.

The emergence of blockchain-based fintechs and cryptocurrencies has led to cost reduction and increased efficiency in the south-south trade as well. Cryptocurrency payments are gaining popularity in developing economies, including Africa, due to their speed and efficiency compared to major international currencies.

These developments have facilitated south-south trade and investment, with China-Africa trade being particularly significant. Integration between a certain large Chinese e-commerce platform and a Nigerian fintech is expected to enhance payment activities associated with the growing China-Africa trade.

Company	Country	Internationalization status
<b>Alipay</b>	<b>China</b>	January 2022: Alipay and its global partners served over 1.3B users in 80 countries
<b>Flutterwave</b>	<b>Nigeria</b>	Operates in African economies, including Ghana, Kenya, Nigeria, Rwanda, South Africa and Uganda. Plans to enter Cameroon, Egypt, Ethiopia and Morocco, as well as Asian economies, such as China and India. As of February 2022: Flutterwave has processed more than 200M transactions valued at over \$16B
<b>M-Pesa</b>	<b>Kenya</b>	December 2022: 51M users in 7 countries (Democratic Republic of the Congo, Egypt, Ghana, Kenya, Lesotho, Mozambique, Tanzania)
<b>WeChat Pay</b>	<b>China</b>	December 2022: Supported over 26 currencies in 69 countries for over 900M monthly active users. It capitalizes on WeChat’s huge userbase of 1.3B

Sources:

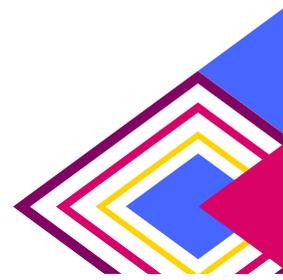
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Tencent Annual Report (<https://static.www.tencent.com/uploads/2023/04/06/214dce4c5312264800b20cfab64861ba.pdf>)



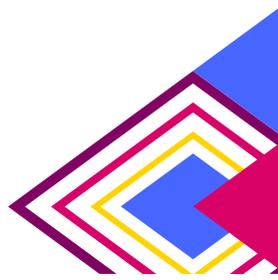
### Private sector

**Synfindo**, a FinTech startup that powers the digital lending initiative for SMEs in Rwanda through its white-label platform. This platform enables financial institutions to offer digital lending products to their customers, leveraging artificial intelligence, alternative data, and open banking APIs. Synfindo also collaborates with FinTechs and developers, integrating their solutions into the platform. The Kigali International Financial Centre (KIFC) has chosen Synfindo to drive its digital lending initiative, empowering SMEs in Rwanda.

**Proxtera**, a platform that revolutionises cross-border SME trade in Africa. By utilising blockchain, smart contracts, and mobile money, Proxtera facilitates secure and transparent transactions along the agricultural value chain, connecting smallholder farmers with buyers and financiers. To scale its impact, Proxtera has forged partnerships with prominent organisations such as the World Food Programme, the African Development Bank, and the Mastercard Foundation.

### Public sector

**Smart Africa** is a commitment from African Heads of State and the government to accelerate sustainable socio-economic development in the continent, ushering Africa into a knowledge economy through affordable access to broadband and usage of information and communications technologies. The original Smart Africa manifesto document was signed by seven (7) African Heads of States (Rwanda, Kenya, Uganda, South Sudan, Mali, Gabon, Burkina Faso) in 2013, it has since grown to include 36 African countries that represent over 1 billion people.



# Snapshots from the IFF 2023 Careers Forum



Driving Innovation for a more inclusive future

25



# Developing talent pool as a key enabler

Prioritising talent development can help Africa position itself as a global fintech hub. This would boost economic growth, financial inclusion, and transform lives across the continent. Collaboration between governments, educational institutions, and industry leaders is key to unlocking Africa's fintech revolution. Nurturing a larger, skilled workforce is crucial. Investing in education and training programmes will bridge the skills gap, drive innovation, and meet industry demands. Gender disparities must be addressed too, with increased participation of women in the fintech sector which will unlock untapped talent and diverse perspectives, benefiting the sector.

## A larger and better skilled workforce

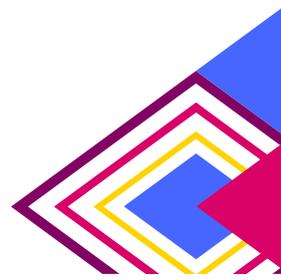
In the rapidly evolving world of fintech, Africa stands at the forefront of a transformative opportunity. However, to fully capitalise on this potential, the development of a robust workforce is crucial. The need for skilled developers is evident, and the demand for architects who can contextualise and build relevant products is even more pressing. **Hon. Claudette Irere, Minister of State for ICT and Technical Vocational Education and Training, Republic of Rwanda** emphasised this message in her opening remarks at the Careers Forum, "With the rise of fintech, the market is demanding a multi-dimensional skillset that is constantly evolving."

Africa's young demographic makes the continent unique, and at the same time creates challenges and opportunities. To harness potential, legacy curriculums must undergo a paradigm shift. Theoretical education needs to be aligned with practical skills required in the fintech sector, with a focus on digital, project-based learning, and mentorship programmes.



*"By limiting the space for women in finance and technology, we are not just failing women, we are failing everyone."*

-HE Jeanette Kagame, First Lady of Rwanda



Governments across the continent should take a proactive role by subsidising learning initiatives, whether in universities or through e-learning platforms. Making education more accessible and affordable can help foster a skilled workforce and meet the demands within the fintech sector. As a participant at IFF 2023, **Navin Suri, CEO of Percipient**, said "About a third of developers in Africa are actually self-trained<sup>3</sup> now that's quite impressive but more needs to be done."

Furthermore, the establishment of apprenticeship and internship programmes will bridge the gap between theoretical knowledge and industry experience. These programmes will provide young developers with valuable opportunities to learn from seasoned professionals, accelerating their growth and impact.

The statistics speak for themselves – 78 percent of developers in Africa have less than six years of experience, with 80 percent of them under the age of 35<sup>3</sup>. This pool of young and talented individuals holds immense potential for innovation and disruption in fintech. By investing in their education, nurturing their skills, and creating an enabling environment, Africa can become a global leader in the fintech revolution. As **Clare Akamanzi, Chief Executive Officer, Rwanda Development Board**, (pictured below) succinctly put it: "Africa needs relevant talent for the fintech revolution".



## Closing the gender gap

Addressing gender disparities is crucial to expand the talent pool within the fintech sector in Africa. Women frequently steer away from "core" technology positions towards roles involving softer skills such as human resource or marketing. These disparities are exacerbated by pay inequalities, which are further compounded by credit score discrepancies.

The absence of paternity leave in many countries prevents women from seamlessly returning to the workforce after pregnancy, perpetuating the gender gap. To bridge this divide, there is a pressing need for more comprehensive legislation at the institutional level. Furthermore, women require role models who can openly share their accomplishments with and provide mentorship. This will help foster an environment that encourages and supports their growth.

Better representation of women in leadership positions and on boards of directors is vital for driving change. Men, too, have a critical role to play in supporting and accelerating this transformation by advocating for gender equality and creating inclusive workplaces.

Currently, females represent a mere 15 percent of the developer pool in Africa, highlighting the urgency to address these disparities<sup>3</sup>. Africa can tap into a larger talent pool, drive innovation and unlock the sector's full potential for economic growth and development. These steps will address gender inequalities and create opportunities for women to excel in fintech.

<sup>3</sup> 'Africa Developer Ecosystem Report 2021', Google & Accenture, February 2022

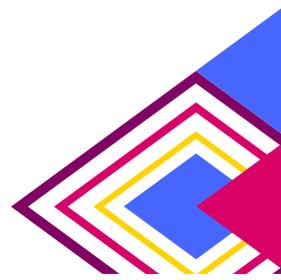
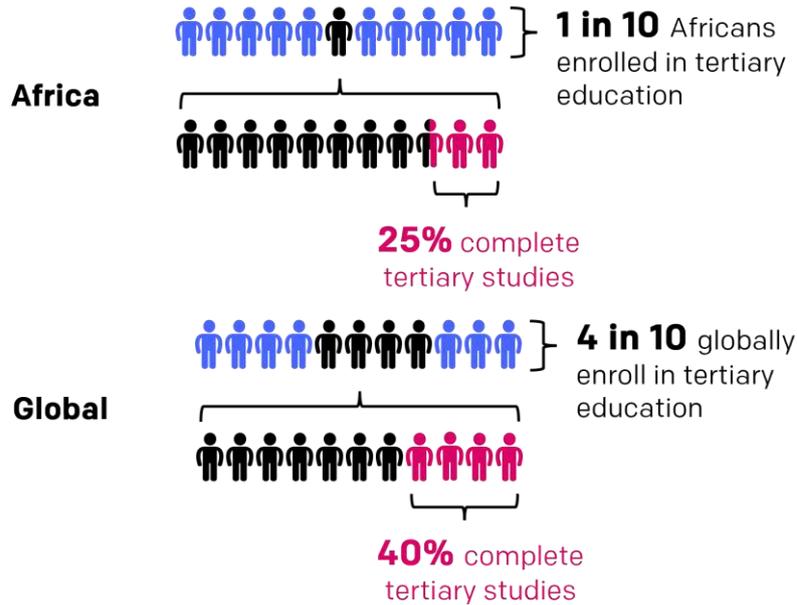
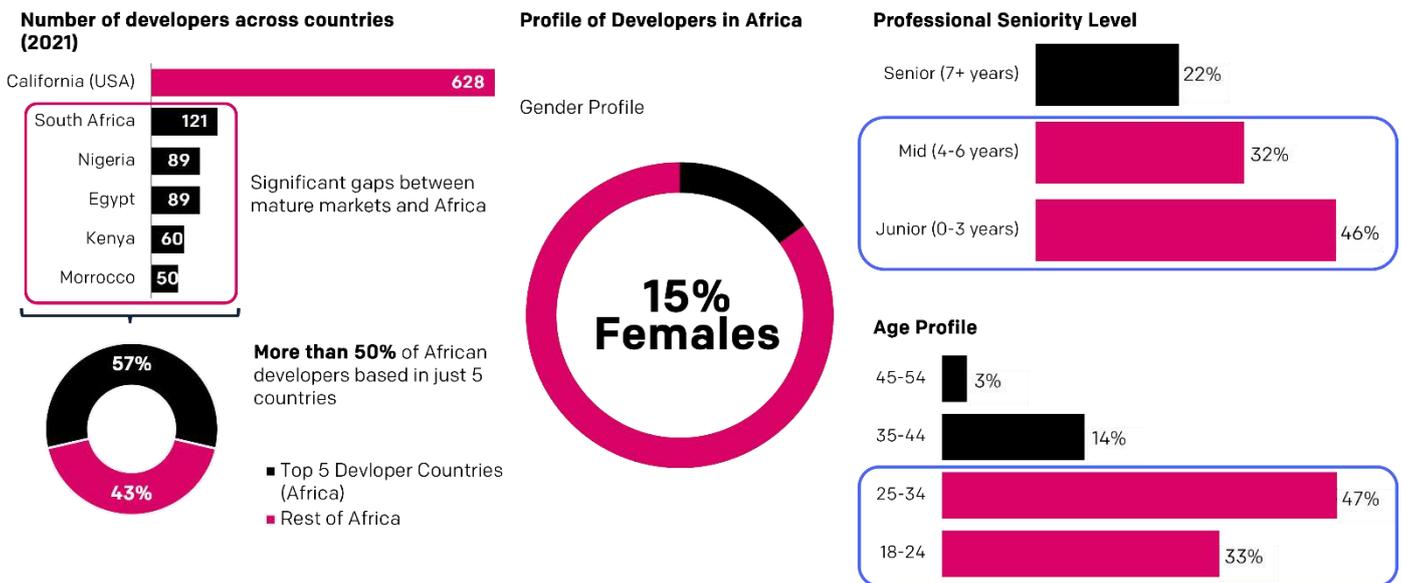


Exhibit 5: Tertiary education levels & profile of the developer talent pool in Africa

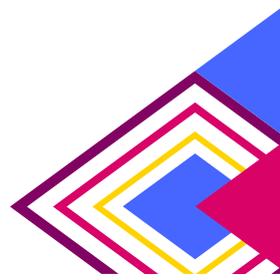
# In 2020



Source: UNESCO Institute of Statistics data



Source: N. Garija, e-Conomy Africa 2020: Understanding Africa's \$180B internet economy future, Google, IFC, Nov. 2020  
E. Spruyt, African Software Developers: Best Countries for Sourcing in 2023, Tunga, 2023



## Walking the talk

The Andela Rwanda apprenticeship programme is a notable initiative that exemplifies the commitment to talent development and inclusivity in the fintech sector. Andela, a renowned global technology company, established this programme to nurture the next generation of tech professionals in Rwanda. By investing in skills development, fostering diversity and inclusion, and forging partnerships, the program contributes to the growth and competitiveness of Rwanda's FinTech sector while providing opportunities for individuals to embark on meaningful and rewarding careers in technology.

The programme also provides opportunities for apprenticeship and employment with global companies that partner with Andela.

African Women in FinTech & Payments (AWFP) network is the first and only Pan-African community for women in the industry, and it strives to create more opportunities for women in the continent, as well as African women in diaspora, by intentionally being a champion for a more diverse and inclusive industry for all.

This platform connects and empowers women professionals and entrepreneurs in the FinTech and payments industry across Africa. AWFP provides mentorship, networking opportunities, and career development programs, while also advocating for gender diversity and inclusion within the sector.



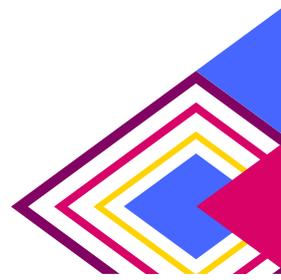
# Conclusion

The Inclusive FinTech Forum (IFF) 2023 was a landmark event that demonstrated the power and promise of fintech to transform the financial system and improve the lives of millions of people who are currently excluded or underserved by the traditional financial services.

The three-day event brought together a diverse and influential group of stakeholders, including heads of states, policymakers, C-suite executives, regulators, innovators, and investors, to discuss and debate the most pressing issues and opportunities in the field of

financial inclusion such as strengthening the digital infrastructure, addressing the regulatory fragmentation, improving the access to capital, fostering cross-border collaboration, and nurturing talent.

Africa stands at a critical juncture in its journey for financial inclusiveness for its 1.3 billion population. With its inaugural showcase, IFF 2023 concluded with a strong call to action and commitment from all participants to continue working together to promote and support financial inclusion initiatives to make a positive difference for the continent.





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