



DIGITAL FINANCIAL INCLUSION FOR THE SUCCESS OF THE **ONE AFRICAN MARKET**



Africa is poised at a tipping point to lift an additional 30 million people out of poverty by 2035, raise the incomes of millions more,¹ and support the over 270 million² inhabitants of borderland regions with the creation of the One African Market.³ We can use this opportunity to ensure every African is financially and economically empowered by 2035. Digital financial services, particularly digital payments, have proven⁴ their power to transform lives, societies, and economies. Making them responsible⁵ and ubiquitous is the urgent challenge and opportunity laid before us.

When digital payments are delivered responsibly, the potential of African economies will be unlocked.

When true digital financial inclusion is achieved, everyone who calls Africa home will have the opportunity to soar to their fullest potential, especially women and youth, who are the majority on the continent, with approximately 60%⁶ of Africa's population under 25 years old.

The World Economic Forum calculates that 70 percent⁷ of new value created globally over the next decade will be digitally enabled. The African Union recognizes this as an unprecedented opportunity. This call to action by the African Union Commission and the African Continental Free Trade Area (AfCFTA)⁸ Secretariat takes Africa's proud history of innovation in digital payments⁹ as its foundation.

Digital financial inclusion is a proven and powerful tool. Its beneficial influence is fundamental and wide-ranging. It positively impacts economic activity¹⁰ by increasing efficiency,¹¹ reducing¹² costs and enabling women's full participation.¹³ Inclusive digital economies will be vital to the success of AfCFTA. Digital payments are essential to digitizing trade. Achieving digital financial inclusion for all Africans will empower the African Union to deliver on its promises¹⁴ to women and youth over the next decade. The universal participation of women and youth will ensure economies operate at total capacity, unbound by exclusion. Digitally inclusive economies supercharge our attainment of the Sustainable Development Goals¹⁵ and, especially, Africa's Agenda 2063.¹⁶ Digital financial inclusion is a prerequisite to the achievement of both.

In 2021, it was estimated that 68%, i.e., USD 36.6 billion of global volume in mobile money transactions, take place in Africa.¹⁷ This indicates the enormous potential contained in digital financial services. However, they can also entrench systemic inequalities and worsen social divides if applied irresponsibly. The African Union calls for a digital payments ecosystem that is responsible, universal, and superior to cash.

Our goal to create One African Digital Market and attain the Africa we want is ambitious.

Africa's journey to digital financial inclusion¹⁸ that leaves no African behind contains **five staging posts**.



01 / Government leadership

Governments are central to driving the uptake of digital financial services. Governments must coordinate efforts to build reliable and accountable services that leave no one behind.

Call to Action

- Define a clear roadmap for digital financial inclusion and mobilize all stakeholders nationally to contribute to its successful implementation.
- Digitize all government services and payments.
- Encourage and support innovation.

02 / Supportive regulations

Digital financial services constantly change to serve people better. Regulations must keep pace.

Call to Action

- Require interoperability of national and regional digital payments to ensure choice and affordability.
- Ensure consumer protection¹⁹ through a user-centric framework to embed trust. The UN Principles for Responsible Digital Payments²⁰ provide essential guidance.
- Ensure national regulations complement continental agreements for every African to benefit.

03 / Universal trusted usage

When financial service providers (FSPs) design their services responsibly, with user needs at the heart of the product, trust is earned, and user adoption follows.

Call to Action

- Ensure FSPs design products that meet user needs and consistently measure success against those needs.
- Ensure all micro- and small-scale merchants can access digital financial services affordably.
- Ensure FSPs provide clear recourse, and user funds are safeguarded.

04 / Regional collaboration

Digital payments can only surpass cash when they are fast, safe, reliable and trustworthy. Continental and regional organizations have the power to deliver on this together.

Call to Action

- Champion African universal digitization to drive impact, build trust and supercharge regional efforts.
- Ensure the interoperability of payment systems to simplify national and cross-border payments working through Smart Africa Alliance and Association of African Central Banks. Attaining interoperable payments requires shared standards like the One Africa Network.²¹
- Facilitate the sharing of knowledge and experience through peer learning among economic communities.

05 / Financial equality

Ensure every African can participate fully in a digital economy regardless of gender, age or social status. All the underserved and excluded must be equipped with the digital financial services they need to empower themselves to lead a better life.

Call to Action

- Governments to champion the inclusion of women, youth and marginalized groups as a socio-economic development opportunity. The African Union's Women's Financial and Economic Inclusion²² Roadmap and Toolkit can guide Member States.
- Governments to measure progress towards financial equality²³ through disaggregated data and use these data to enact the necessary policy action.
- FSPs to include women and youth throughout product development to ensure new products are appropriate to their needs.

Wherever the gaze rests in Africa, examples of successful digital financial services transforming economies and societies abound. We can extend that gaze to places and people who have yet to realize the benefits of this ambitious plan. Africa is **a leader²⁴ in essential areas**, notably digital platforms and supportive regulatory environments that react with agility as technology services evolve. Governments, regulators, and the private sector must seize the opportunity to build a future where all Africans benefit from the digital dividend, regardless of nationality, age, or social status. This is especially relevant to achieving women's financial equality and increasing economic participation.

Lessons from Africa's world-leading platforms and products can be shared and applied across the continent to make financial inclusion a reality for 1.3 billion Africans.²⁵ We have what it takes to attain financial inclusion once and for all in this decade, such that the One African Market we are creating is one in which Africa's youth see themselves grow and thrive as we have set out for the Africa we want.

