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## **REGIONAL POLICY FORUM**

### **FINANCIAL INCLUSION AND MARKET DEVELOPMENT IN EAST AFRICAN COMMUNITY**

#### **PROGRAMME**

**28 October 2024**

**8:00-17:00HRS (GMT +3)**

**@Four Points by Sheraton, Dar es Salaam, Tanzania**

Registration Link: <https://aercafrica-org.zoom.us/meeting/register/tZErdeqgrDkrH9364uoBlyPwnH18bxynGxvB>

Finance plays a crucial role in poverty and conflict cycles. Lack of access to financial services stifles entrepreneurial activities and thus may perpetuate and/or deepen poverty leading to underdevelopment and stagnation, thereby exacerbating social and economic tensions. Africa's inclusive growth and realization of the 2030 agenda for sustainable development (SDGs) depend on inclusive finance in the first stage. The past decade has seen wide-ranging financial market reforms in Africa which, coupled with private sector-led innovations especially in mobile money, have led to far more people across the continent having access to formal financial services (broadening of financial inclusion).

Fintechs and digital financial services are important areas of financial sector development and bears great promise for enhanced financial inclusion, especially in sub-Saharan African countries, where the traditional financial sectors are generally underdeveloped, thus allowing for leapfrogging by these countries. Fintechs should enhance access to financial services and thus potentially improve economic outcomes for citizens of these countries. An early and successful fintech is M-Pesa, a set of mobile financial services products developed and popularized in Kenya, but now adopted across the globe. Interoperability—the ability for different systems to connect with one another—enhances integration of financial systems in respective countries and/or regions. It transforms the functioning of financial sector with the magnitude of the impact determined by several factors, which vary within and across countries. There is need to understand how these fintechs would interface with the traditional financial sectors in these countries, and the potential implications for regulation and consumer protection, especially given the regulatory capacity challenges in these countries.

Promoting inclusive growth in the economy, including financial inclusion, is critical to sustainable development as it includes the majority of the population such as the poor and the disadvantage groups in both urban and rural populations in developing countries. Inclusive growth implies “economic growth that results in a wider access to sustainable socio-economic opportunities for a broader number of people, regions or countries, while protecting the vulnerable, all being done in an environment of fairness, equal justice, and political plurality.”

The provision of financial and banking services at affordable cost to economically disadvantaged groups including the underprivileged and low-income groups supports financial inclusion (FI). FI is achieved when a broad range of high quality, relevant, appropriate and affordable financial products -savings, credit, insurance, payments and pensions, etc., -- are available and accessible to all. Financial inclusion supports the objectives of financial stability, integrity, and consumer protection and drives economic and social growth. It also requires that the financial regulatory reforms become central to national strategies for improving financial stability and integrity, protecting financial consumers, and guarding the financial system against the risks of the widespread use of cash. Regulatory environment should balance the needs of advancing access to finance with the stability of the financial system. Financial exclusion is increasingly being recognized globally as a risk to political stability that impedes economic advancement. With these interrelated challenges facing financial sector development in Africa and the East African region, the study was designed to understand the key challenges relating to fintech and digital financial services for the poor (DFS) that need resolving for enhanced financial inclusion and broad-based development to

be realized in the region. The challenges related to regional alignment on payments interoperability, scalability of diverse financial services; accessibility to the network so that no one is left behind, strengthening capacities of financial regulatory institutions, digital identification (E-ID), regional consumer protection, and development impacts.

Through a generous support by the [Bill and Melinda Gates Foundation \(BMGF\)](#), the [African Economic Research Consortium \(AERC\)](#) has conducted collaborative research project on “Delivering Digital Financial Services for the Poor in the East African Community (DFSP-EAC)”. The research draws on country-specific evidence from Kenya, Rwanda, Burundi, South Sudan, Tanzania and Uganda to inform policy and practical efforts to advance digital financial services for the poor and support market development within the East African Community (EAC).

The Regional Policy Forum brings together key stakeholders from financial institutions, private sector and policy research institutions who have important roles to play in shaping new research findings, paving new policy directions, and initiating innovative practices in the areas of financial inclusion and market Development.

## Programme Schedule

*Monday, October 28, 2024*

**Registration** (Pamela Muhoro): **8:00 – 9:00 (GMT+3)**

**Session 1: Opening of the Policy Forum (9:00-10:40)**

**Moderator: Dr. Dianah Muchai, Collaborative Research Manager, AERC**

**9:00- 9:10**

**Opening/Welcome Remarks**

❖ **Prof. Victor Murinde**, Executive Director, AERC

**9:10-9:40**

**Guest of Honour**

❖ **Hon. Dr. Abdullah Makame**, MP East Africa Legislative Assembly (EALA)

**Thematic Presentation**

**9:40-10:10**

**Policy Options for Digital Financial Inclusion, Ecosystem Development and Interoperability** by *David Cracknell, Managing Director of First Principles Consulting Limited*

**10:10-10:40**

**Floor Discussion**

**10: 40 – 11:00**

**BREAK**

## Session II: paper presentations (11:00-13:00)

**Moderator: Dr. Elizabeth Kasekende, Acting Director of the Monetary Policy and Economic Research Department, Bank of Uganda.**

*(25 minutes/paper presentation, 45 minutes floor discussion)*

### Presentations

- |             |  |
|-------------|--|
| 11:00-11:25 | 1. <b>Strengthening Financial Sector Institutional Capacities for Regional Payment Interoperability</b> by <i>Dr. Sammy Tiriongo, Director, Kenya Bankers Association (KBA) Centre for Research on Financial Markets and Policy.</i> |
| 11:25-11:50 | 2. <b>Competition and user/consumer protection issues relevant to digital payments for financial inclusion</b> by <i>Dr. Jimmy Apaa Okello, Director financial markets, Bank of Uganda</i>   |
| 11:50-12:15 | 3. <b>Gender, Digital Financial Services and Financial inclusion: What Policy Options Exist</b> by <i>Dr. Anne Kamau, Senior Manager, Research Department, Central Bank of Kenya</i>   |
| 12:15-13:00 | <b>Floor Discussion</b>  |

13: 00 – 14:15

LUNCH BREAK

## Session III: Policy Round Table (14:15-16:45)

**Moderator: Dr. Peter Wamalwa, Economist, Central Bank of Kenya**

*(Welcome and introduction by the session Moderator)*

### Panellists

- Dr. Patricia Ojangole**, Managing Director at Uganda Development Bank Limited
- Prof. Humprey Moshi**, Rtd. Professor of Economics at the School of Economics at the University of Dar es Salaam, and Founding Director of the Centre for Chinese Studies
- Kennedy Komba**, Director, Financial Deepening and Inclusion, Bank of Tanzania
- Prof. Peter Muriu**, Department of Economics & Development Studies, University of Nairobi

45 Minutes

**Floor Discussion**

10 minutes

Key takeaways and closing by the session moderator

5 minutes

**Closing remarks**

**Prof. Victor Murinde**, Executive Director, AERC

16: 45

BREAK/ADJOURNMENT

## Session 1: Opening of the Policy Forum



**Hon. Dr. Abdullah Hasnu Makame (PhD)** is an Honourable Member of the East African Legislative Assembly (EALA) where he is a commissioner and a former Chairperson of the Standing Committee in Agriculture, Environment, Tourism and Natural Resources. Dr. Makame has served in various senior capacities in both the Government of the United Republic of Tanzania and Zanzibar; academically, his doctorate is from Birmingham UK and MSc from Strathclyde - Scotland, he holds a Professional Certificate in International Trade from Adelaide and has published both locally and internationally. Dr Makame serves on various boards across the EAC region.



**Prof. Victor Murinde** is the Executive Director of the African Economic Research Consortium (AERC). He joined AERC from the SOAS University of London, where he was serving as an AXA Professor of Global Finance and the founding Director of the Centre for Global Finance. He is a distinguished financial economist with more than 25 years of experience post-PhD, mainly involving university research and teaching, but also including senior-level stints in practitioner, policy, and consultancy roles for governments and leading international organizations. In his scholarly endeavors, he has contributed over 120 research papers on economics, banking, and finance. He was also the founding Director of the African Development Institute at the African Development Bank (2011-2014). He is a Fellow of the Econometrics Society.



**Dr. Dianah Ngui Muchai** is a Collaborative Research Manager at the African Economic Research Consortium (AERC). A distinguished researcher and a trainer, before joining AERC, she was Senior Lecturer of economics at Kenyatta University -Kenya, a member of the Advisory Committee of the Environment for Development (EfD) Initiative in Kenya, and a senior researcher with various multinational organizations. Dr. Dianah also worked as a policy analyst in the Infrastructure and Economic Services Department at the Kenya Institute for Public Policy Research and Analysis (KIPPRA). She has over 20 years of experience conducting high-quality empirical research on issues related to industrial policies, enterprise performance and natural resources in developing countries. Since joining the consortium, she has worked on sub-Saharan African countries topical and emerging issues, such as climate change, poverty, inequality, gender, financial inclusion, Special Drawing Rights, and human capital. She has authored and co-authored over fifty (50) academic articles and other publications. She is a member of the [Task Force on Climate, Development and the International Monetary Fund](#). She holds a PhD in Economics from Martin-Luther-Universität Halle-Wittenberg, Germany.



**David Cracknell** is the Director of First Principles Consulting Limited and was previously Managing Director (Africa) for *MicroSave* (MSC). His technical work focuses on financial inclusion, policy and regulation, strategic and institutional reviews, market research, pilot testing, delivery channel diagnostics and service delivery, and writing on microfinance and banking. He recently co-published a book on Digital Financial Inclusion and Market Development for AERC alongside other authors. He has published over 70 blogs on financial services on his website [www.firstprinciplesinfinance.com](http://www.firstprinciplesinfinance.com). He is a judge for the Think Business Banking Awards, keynote speaker and board advisor. He has experience in over 25 countries in Africa and Asia. His recent work includes strategy development for shared services and microfinance institutions. He works on digital agricultural finance. He has trained on ESG, assisted in the development of the National Financial Inclusion Strategy for South Sudan and prepared multi-country market feasibility studies. Earlier he worked through the National Treasury for SASRA, the SACCO Societies regulator on

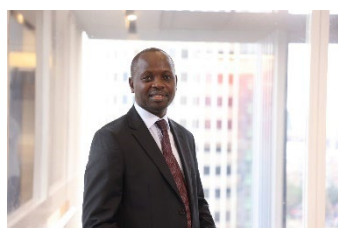
creating a policy and regulatory framework for shared services for SACCOs in Kenya, which is leading to the implementation of a shared technology platform for SACCOs.

David has reviewed donors' digital finance programs and performed country-level studies leading to the creation of donor programs. At different times, he has worked building the capacity of Central Banks, in Bangladesh, Uganda, Rwanda, Malawi and Zambia in digital financial services. David is fluent in English and has basic knowledge of Sinhalese and French. David has a Certificate in Financial Technology from Oxford University Said Business School (UK), Post Graduate Diploma in Bank Financial Management from the University of Sri Jayawardenapura (Sri Lanka), and a degree in Economics from the University of Leicester (UK).

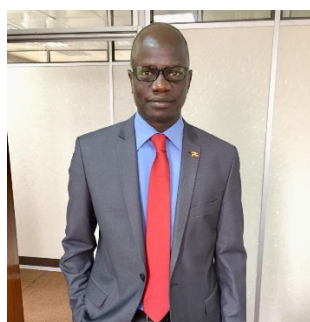
## **Session II: paper presentations**



**Dr. Elizabeth Kasekende** is the Acting Director of the Monetary Policy and Economic Research Department at the Bank of Uganda. With over 18 years of expertise in monetary policy, she has played a pivotal role in shaping macroeconomic policy in Uganda. Dr. Kasekende holds a PhD in Economics from the University of Cape Town, South Africa, an MSc in Economic Research and a BA in Economics from the University of North Texas, USA. She has published on a range of diverse topics, including financial inclusion, monetary policy, extractive industries, macroeconomic forecasting, and financial innovation. Her research has been integral to enhancing the understanding of complex economic dynamics and supporting the development of informed policy frameworks.



**Dr. Samuel Tiriongo** is the Director of Research and Policy at the Kenya Bankers Association, responsible for designing and executing the research agenda, and overseeing the Sustainable Finance Initiative (SFI) programme for the banking industry. He is an economist by profession, with over 17 years of experience, 13 of which as an economist at the Central Bank of Kenya. Dr. Tiriongo holds a PhD in Economics and is a practicing researcher, with a proven record in researching on financial markets and macroeconomic policy. He has published widely in peer-reviewed research outlets on financial market microstructure, economic responses to crises, monetary policy, and credit market analyses, among other areas.



**Dr. Jimmy Apaa** is the Director Financial Markets, Central Bank of Uganda. As the director financial markets, Jimmy is responsible for overseeing the implementation of monetary policy (through the open markets and foreign exchange operations), review and development frameworks for issuing and auctioning government securities, and development of a governance/institutional frameworks for management of the country's foreign exchange reserves and overseeing reserves assets portfolio management. Prior to joining the Financial Markets department, Jimmy served as the Director Economic Research of the central bank during April 2001 to July 2024 where he was instrumental in the design and implementation of the policy analysis system within the inflation targeting framework. During August 2014 to August 2015, Jimmy served as a Special Appointee with the International Monetary Fund, helping member countries, particularly Angola and Niger, design and implement macroeconomic and financial policies. Jimmy Apaa holds a PhD in economics with course work and dissertation.



**Dr. Anne W. Kamau** is a senior manager at the Research Department of the central bank of Kenya with over 15 years' experience in central banking - specifically in monetary policy, Economic Modelling and forecasting. Her policy and banking career have been enriched by her experience in high level public policy engagements, at the Executive Office of the President, The National Treasury, Nairobi, Kenya and internationally at the Brookings institute, Washington DC. Currently she focuses on monetary policy research but continues to pursue her other interests in research on macro, financial, climate and gender issues. Anne has published several articles in journals, discussion and working papers, policy briefs and policy opinions. She also features in several topical podcasts. She holds a PhD in Economics from the University of Nairobi.

### **Session III: Policy Round Table**



**Dr. Peter Wamalwa** is an economist at the Central Bank of Kenya with more than 12 years of experience in economic and financial sector assessment, with a focus on interlinkages between macroeconomic performance, regulations, growth and development of the financial sector and financial stability. He has more than 12 years of experience in building the capacity to use econometric models to aid in policy making and undertake policy-oriented research and 6 years of experience in coordinating and participating in the Common Market for Eastern and Southern Africa (COMESA) and East Africa Community economic analysis and financial sector stability assessment and convergence activities. Peter is passionate about undertaking research on policy impact evaluation and forecasting using partial and general equilibrium models (SAM, CGE and DSGE), assessing the impact of economic performance on the financial stability of households, private corporate entities and state-owned enterprise. Peter holds a BA and MA degree in Economics from the University of Nairobi, Kenya and a PhD in Economics from the University of Cape Town, South Africa.



**Patricia Adongo Wamalwa** is an economist at the Central Bank of Kenya with more than 12 years of experience in economic and financial sector assessment, with a focus on interlinkages between macroeconomic performance, regulations, growth and development of the financial sector and financial stability. He has more than 12 years of experience in building the capacity to use econometric models to aid in policy making and undertake policy-oriented research and 6 years of experience in coordinating and participating in the Common Market for Eastern and Southern Africa (COMESA) and East Africa Community economic analysis and financial sector stability assessment and convergence activities. Peter is passionate about undertaking research on policy impact evaluation and forecasting using partial and general equilibrium models (SAM, CGE and DSGE), assessing the impact of economic performance on the financial stability of households, private corporate entities and state-owned enterprise. Peter holds a BA and MA degree in Economics from the University of Nairobi, Kenya and a PhD in Economics from the University of Cape Town, South Africa.



**Prof. Peter Muriu** holds a PhD in Financial Economics from the University of Birmingham, UK. He is an associate Professor at the Department of Economics & Development Studies, University of Nairobi. An alumnus of African Economic Research Consortium (AERC) Collaborative Masters Programme (CMAP) Scholarship Award for African Scholars. Also, he is an active member of AERC network and an external reviewer for Group C (Finance & resource mobilization thematic research). For over 20 years, he has spearheaded various research projects whose aim is to ignite new policies on financial inclusion; financial stability; climate finance; banking concentration; microfinance initiatives; cross border banking; provisioning behaviour and risk management in the banking industry; development banks as instrument of economic growth and recent developments in capital markets.

As a policy analyst, he has been engaged by several African governments on matters of financial inclusion, banking and institutional reforms.



**Kennedy Komba** is the Director, Financial Deepening and Inclusion, at the Bank of Tanzania. With a robust skill set that includes Banking, Business Analysis, Risk Management, SDLC, Databases among others, Kennedy was Previously, a Director, Strategy and Financial Inclusion Policy at the Alliance for Financial Inclusion (AFI) and Advisor, National Payment Systems at Bank of Tanzania.



**Prof Humphrey Moshi** is a Rtd. Professor of Economics at the School of Economics at the University of Dar es Salaam, and Founding Director of the Centre for Chinese Studies. He holds a Bachelor's and Master's Degree in Marketing and Finance respectively, a Master's Degree and PhD in economics from the University of Dar es Salaam and University of Meunster, Federal Republic of Germany, respectively.

He has served as a visiting scholar at the International Monetary Fund, Washington, D.C. and at the University of Mannheim, Federal Republic of Germany, and at the South China University of Technology (SCUT). Prof. Moshi's research interests span public economics, macroeconomics, financial corporate governance, private sector development, China-Africa socio-economic relations, and policy formulation and analysis. Prof Moshi has authored, co-authored and edited five books on economic issues, and published more than 75 scholarly articles in reputable international journals. He has been a consultant to several international, regional and national organizations, as well as to numerous private corporations.

He served as a Research Fellow at the International Monetary Fund (IMF), 1997 Washington D.C. He was an economic advisor to the Minister for Finance, United Republic of Tanzania (1998 – 2000). During 2002 – 2004 he was the Director of President's Economic Policy Advisory Unit (PEPAU) and the Chief Economic Advisor to the President of Zanzibar. He also served as Chairman and Board Member of various corporate boards.