



Key note address

By: HIS EXCELLENCY ROGÉRIO LUCAS ZANDAMELA, GOVERNOR OF THE BANK OF MOZAMBIQUE,

EVENT: 5TH AMPI LEADER'S ROUNDTABLE

VENUE: AFECC GLORIA HOTEL, MAPUTO

DATE: THURSDAY, 11-12 MAY, 2017

THEME: DRIVING CHANGE FOR FINANCIAL INCLUSION THROUGH INNOVATION IN AFRICA

Maputo, 11 May 2017

Honorable Mr. Bennu Ndulu, Governor of the Bank of Tanzania and Chairman of the Board of Directors of the Alliance for Financial Inclusion (AFI), Excellency;

Governors and Deputy Governors of the Central Banks Members of AFI, Excellences;

Dear Mr. Norbert Mumba, Deputy Executive Director of AFI, Excellency;

Dear Mrs. Otilia Santos, Chairperson of the Board of Directors of the Mozambican Insurance Supervision Institute

Dear Mrs. Luisa Diogo, Chairperson of the Board of Directors of Barclays Bank, our Keynote Speaker

Dear Representatives of the Government Institutions

Dear Representative of the Multilateral Institutions and Cooperation Partners

Dear Participants and Guests,

Ladies and Gentlemen,

It is with great emotion that on behalf of the Bank of Mozambique and on my own behalf I welcome you to this 5th AMPI Leaders Roundtable, especially our distinguished participants and foreign guests, whom I warmly welcome to Mozambique and to our capital city Maputo, in particular.

I know that some of you were here during the 7th Forum of the Alliance for Financial Inclusion (AFI), which we hosted from 1-4 September, back in 2015. We would like to take this opportunity to thank our co-organizers for accepting another AFI network event to take place in our city in less than two years.

I extend my greetings to all our public and private-sector partners, as well as to our international partners with whom we have established a solid collaboration towards our goals, in particular those of financial inclusion promotion. I also extend my greetings to all participants of this event, especially to Mrs. Luísa Diogo who, despite her tight schedule, has accepted our invitation to be the keynote speaker of this event.

Distinguished Guests

AMPI was founded in February 2013, five years after the creation of AFI. Since then it has been hosting several events, including training sessions on regulation and supervision of digital financial services, and the roundtables of the Leaders' Initiative.

In this context, I would like to mention that prior to this 5th AMPI Leaders' Roundtable, it took place in this very same building, on 9-10 May 2017, another training event under the theme "Approaches to Enhancing Inclusion through Digital Financial Services".

This event enabled officials from AMPI member institutions to increase their knowledge on emerging technology trends within digital financial services, including recent issues such as those related to RegTech, which accelerates financial services regulation, especially the FinTech, even if via regulatory *sandbox*.

Our officials have shared and debated best practices in the implementation of regulations for "know your client", known as KYC, with emphasis being placed on innovations, trends, challenges and opportunities. These discussions took into account an approach based on a balance between innovation, risks to mitigate and effective regulation, among other aspects. I should mention that we had a positive feedback of this training event.

Today, we are embarking in another AMPI event, the 5th AMPI Leaders Roundtable, which will end tomorrow. For this year's event, the theme chosen was "Driving change for Financial Inclusion Through Innovation in Africa", a current and relevant theme within the context of promoting financial inclusion in our continent, especially of disadvantaged groups, as in the case of women, youth, micro, small and medium-sized enterprises acting in the agro sector, where our continent has a great potential.

Thus, it is my belief that with this year's theme we will leave here with a clear orientation on the precise approaches that we need to put in practice to give an increased impetus in adopting innovation for the design of products, financial services and business models adequate for promoting financial inclusion in the continent.

Ladies and Gentlemen,

As a result of AFI and AMPI involvement, regulators and financial policy makers in Africa are creating a regulatory environment favoring digital financial services thus promoting financial inclusion in the continent.

In fact, according to the data published by the Groupe Speciale Mobile Association (GSMA), the global association of mobile phones network, by December 2016, our continent has increased to 277 million registered accounts over the different platforms of mobile phone networks, from 100 million registered accounts networks, at the end of 2012, just before the

establishment of the AMPI. This represents around 55% of the total mobile accounts worldwide and more than the total number of bank accounts in the continent.

Over the last years, we have been witnessing the diversification of electronic money transactions, from common transactions such as buying top-ups, cash transfers, cash deposits and withdrawal, to more sophisticated transactions such as payments of service providers (water and electricity), receiving or paying wages, and other daily transactions, including purchasing Treasury Bonds.

Data shows that more than 40% of the adult population in several African countries, especially in Eastern Africa where electronic money has a long and mature history, actively use this type of money.

This information encourages us to continue in the frontline for the creation of an appropriate environment for digital financial services providers, in line with the recommendations of the 4th AMPI Leaders Roundtable, that took place in Dakar, Senegal, in February last year, namely:

- Enhance the cooperation between regulatory institutions of financial sector and telecommunication sector in DFS related matters.
- Improve the collaboration between financial regulators from different jurisdictions to allow and facilitate e-money cross-border remittances using e-money. The electronic money is proving to be affordable, efficient and convenient for transferring small amounts cross-country, despite the challenges over the exchange regulation, risk management, including the KYC issue.
- Facilitate the dialogue between market stakeholders to speed up an effective interoperability and account-to-account platform from DFS providers, despite some progress in this matter.
- Promote DFS to MSMEs under the Maputo Accord and favor policy reforms to improve the support to agro financing. Therefore, we urge AMPI member's institutions to reinforce their commitment under the Maputo Accord.
- Promote inclusive policies to women within the framework of the Denarau Action Plan, particularly in the use of new technologies, adoption of a financial regulation that is favorable to the women participation in the financial sector.

Distinguished Guests

Allow me to inform that in 2016, Mozambique had approved the National Strategy for Financial Inclusion, prioritizing the establishment of policy measures and actions aiming at accelerating the expansion of financial products and services access points throughout the country.

To conclude, I reiterate my warmest welcome to all 5th AMPI Leaders Roundtable participants, believing that exchange of experience and knowledge and open debates during the following two days will provide us with ideas on how to use innovation to improve financial inclusion in Africa.

Thank you very much!

Maputo, May 11, 2017

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