An exploratory study of financial inclusion in sub-saharan Africa

damane, moeti and Ho, Sin-Yu

University of South Africa. Department of Economics, P O Box 392, Preller Street, Muckleneuk, Pretoria 0002

7 September 2023

An Exploratory Study of Financial Inclusion in Sub-Saharan Africa

Moeti Damane[a,1], **Sin Yu Ho**[b]

[a]University of South Africa. Department of Economics, P O Box 392, Preller Street, Muckleneuk, Pretoria 0002

[b]University of South Africa. Department of Economics, P O Box 392, Preller Street, Muckleneuk, Pretoria 0002

Declaration: *The authors report there are no competing interests to declare*

[1] Corresponding author: Mr. Moeti Damane (damane.moeti@gmail.com)

ABSTRACT

This study explores the development of financial inclusion in 37 Sub-Saharan Africa countries during 2005-2019. We first offer a conceptual definition and measurement of financial inclusion. We then discuss international initiatives and country-specific strategies to promote financial inclusion. We also document cross country trends in financial inclusion in the region and highlight general challenges before identifying possible solutions. We find that the extent of financial inclusion in the region varies across low-income, lower-middle-income, and upper-middle-income economies, with lower-middle-income countries having higher access to and use of financial services. Furthermore, although financial inclusion in the region has improved over time, partly due to legislative initiatives, challenges remain, including lack of coordination, gaps between financial deepening and inclusion, low financial literacy, and gender discrimination. We recommend the need for stakeholder-focused national financial inclusion strategies and policy reforms based on peer learning and transformation.

KEY TERMS:
Sub-Saharan Africa; Financial inclusion; National financial inclusion strategies; Alliance for financial inclusion; Financial access survey.

JEL classification: G20, G21, G28

1. Introduction

Financial inclusion has several facets, and different nations and regions define it differently. Typically, it is described from the perspectives of those who create legislation and govern the financial industry, as well as those who provide and use financial services and products. This makes it challenging to have a single and widely accepted definition of the term. Broadly, financial inclusion is the widespread availability and utilization of fundamental formal financial services and products, such as payments, transactions, credit, savings, and insurance, by households and businesses in a fair, effective, efficient, secure, long-lasting, and cost-effective manner (Sahay *et al.,* 2015; World Bank, 2018). It is widely recognised as being essential to attaining both Agenda 2063 of the African Union and the Sustainable Development Goals (SDGs) of the United Nations (UN). It can foster economic growth and general macroeconomic and financial sector stability by assisting in the extension of formal financial services and products to financially underserved economic agents (i.e., households and businesses) and thereby promoting consumption, investment, job creation, and poverty alleviation (Park and Mercado 2015; Kim 2016; Nanda and Kaur 2016; Jima and Makoni, 2023). For these reasons, the international development community and policymakers have increased their efforts over the past ten years to increase financial inclusion. Several governments have created national policies to fight financial exclusion in their individual nations and made public commitments to specific financial inclusion objectives (Asuming *et al.,* 2019; Adedokun and Ağa, 2021). Additionally, the World Bank and the International Finance Corporation (IFC) set achieving universal financial access by 2020 as one of their goals to promote global financial inclusion (Cruz, *et al.,* 2015; Voica, 2017).

Figure 1 displays the regional and global percentages of financial institution account holders from 2011 to 2021. Global account ownership increased from 51 percent to 74 percent between 2011 and 2021. Compared to other regions, the Sub-Saharan Africa (SSA) region shows the lowest total percentage of adults with accounts in the review period. Nonetheless, the percentage of account holders in SSA shows a steady upward momentum, rising from 23 percent in 2011, to 40 percent in 2021. This may be the result of deliberate policy efforts to increase access to and use of financial services in the region.

Figure 1 Percentage of Financial Institution Account Holders, Regionally and Globally (2011 – 2021)
Source: Authors' Compilation based on Global Findex Database 2021
Note: 2014 data for the MENA region is not available from the Global Findex Database.

To increase financial inclusion at the national level (and, consequently, the regional level), several SSA economies have created and executed National Financial Inclusion Strategies (NFISs) (Zins and Weill 2016; Demirgüç-Kunt *et al.,* 2018). As of 2022, 87 percent of SSA member countries of the Alliance for Financial Inclusion (AFI) launched their NFISs, compared to 16 percent after 2018. Additionally, only AFI member countries in SSA and those from Asia and the Pacific will have introduced their third NFISs as of 2022 (AFI, 2022a). Furthermore, the region has lately implemented significant financial sector interventions and reforms, including electronic banking, financial literacy campaigns and cashless policy efforts. Similarly, the region's financial sector, which was formerly dominated by state-owned banks, has also undergone considerable changes during the past 20 years. Entry barriers for foreign and local private banks, have been greatly reduced, and a more global perspective in the continent's banking industry has encouraged new entrants to innovate. This has enabled SSA countries to develop their financial sectors and expand access to financial services and products to those who were previously unbanked (Asuming *et al.,* 2019; Adedokun and Ağa, 2021; Beck and Cull, 2014). However, as reflected in Figure 1, compared to other regions, roughly only 40 percent of adults in the SSA region have a financial institution account. This is significantly less than what the UN's SDGs call for (Demirgüç-Kunt *et al.,* 2018). It also suggests that the financial systems in SSA countries continue to be underdeveloped and access to formal financial services and products by different groups of households and businesses remains limited (Beck *et al.,* 2009, 2015).

Although efforts to promote financial inclusion in the SSA region have recently increased, qualitative research intended to discuss country specific NFISs and related policies to promote financial inclusion while capturing financial inclusion trends in the region over extended time horizons has been sparse. Because of this, it is more challenging for policymakers to identify areas that require additional policy measures and to assess which policies are effective and which ones are not. Further, this hinders the capacity of financial service providers to spot gaps and potential for learning from past achievements (Chaia *et al.,* 2009; Asuming *et al.,* 2019). For these reasons, this article adds to the growing body of literature on financial inclusion by providing a cross-country discussion of NFISs in SSA economies. To the best of our knowledge, our paper is the first to discuss and compile cross-country information on NFISs in the SSA region. This provides a glimpse into the planning, implementation and monitoring of purposeful government strategies to advance financial inclusion in the region. The study also examines trends in financial inclusion in SSA countries from 2005 to 2019, to evaluate the efficacy of nation-specific initiatives promoting financial inclusion over time. Challenges faced by the region in financial inclusion are also highlighted, and potential solutions are identified.

The remainder of the paper is organized as follows. Section 2 provides a conceptual definition and measurement of financial inclusion. Section 3 details multinational programs to advance global financial inclusion. Section 4 covers government policies and interventions to promote financial inclusion in SSA. Section 5 offers an overview of the trends in SSA's financial inclusion. Section 6 presents key challenges to financial inclusion in SSA and possible solutions. Section 7 concludes and offers policy recommendations.

2. Definition and Measurement of Financial Inclusion

To provide a relevant assessment of the trends in financial inclusion in SSA, it is crucial to first understand that financial inclusion is a multi-faceted concept that covers both access to and the usage of financial services. Financial access is the capacity to obtain a variety of high-quality, affordably priced financial services and products. In this situation, both financial and nonfinancial costs are considered when determining if a quality and cost are appropriate (Demirgüç-Kunt and Klapper, 2012a). The actual consumption of financial services and goods by both public and private economic agents is referred to as their use. As a result, access is more focused on the availability of financial services and products, whereas use refers to the point at which supply, and demand meet. Furthermore, having access to financial services is a requirement but not a sufficient factor in determining whether one will use them (Claessens, 2006; Beck *et al.,* 2009).

The distinction between access to and use of financial services is shown in Figure 2. From the figure, people categorized as not using formal financial services are either willingly or involuntarily excluded. When people are excluded voluntarily, there is a lack of demand for financial services. The exclusion criteria in this category include not needing financial services, refraining from using them for cultural or religious reasons, or using non-financial methods of exchange like barter. The population is divided into four categories regarding involuntary exclusion. The first group comprises individuals who are not considered bankable due to their low income or high loan risk. They are therefore not eligible for official lending processes. The remaining three groups must contend with issues like (a) discriminating rules, (b) flaws in the legal and informational frameworks, or (c) cost and product features. No policy action is required to address voluntary exclusion. Involuntary exclusion, on the other hand, can be addressed by deliberate policies of financial inclusion (Claessens, 2006; Beck *et al.,* 2009).

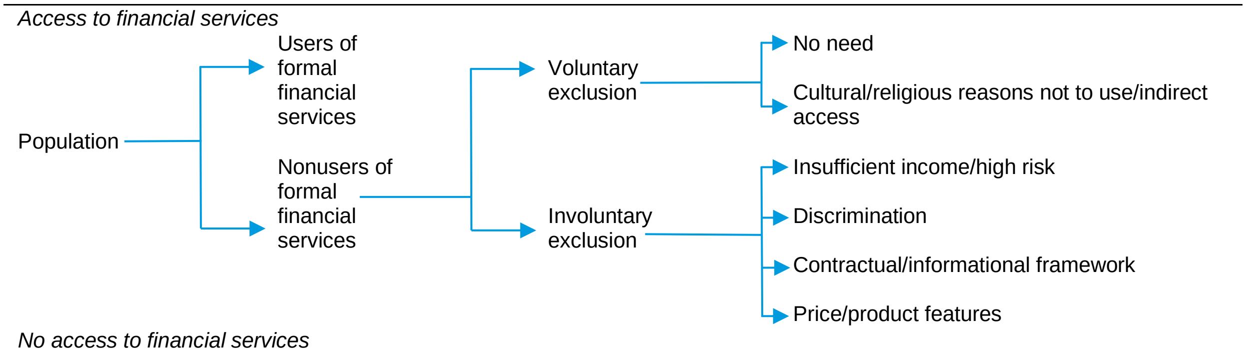

Figure 2*:* Distinguishing between Access to and Use of Financial Services
Source: Authors' compilation based on Claessens (2006); Beck *et al.,* (2009)

The distinction between access to and use of financial services and products should take into consideration the financial service or product being supplied and demanded, for instance, savings, loanable funds (credit), payment facilities or insurance (Claessens, 2006). In this scenario, the population may have access to payment facilities but not to credit. To simplify the analysis of access and indeed its measurement, it helps to appreciate the various dimensions of access as follows:

(a) Availability / reliability – if financial services are available, in what quantity are they available?
(b) Cost / continuity – what is the total price at which financial services are available?
(c) Flexibility – what is the type, range, and quality of offered financial services?

The term "financial inclusion measurement" is used to describe the process of using relevant data to determine who (among businesses and people) uses financial services and the extent to which small businesses and low-income households are directly served by various countries' financial systems. This definition is the first step in understanding how financial inclusion is measured. However, how to quantify financial service use and access is not always straightforward. This is primarily because comparable cross-country data on access and use at the micro and macro level are less widely available. Despite the difficulty in evaluating the usage and access to financial services, three methods have been highlighted in the literature. The number of people using basic financial services is the first indicator. The second metric evaluates the financial services' quality based on businesses' individual opinions. The third measure is concerned with the price and actual obstacles to access. Two crucial elements of these three indicators are to underscore the causes of financial exclusion and to identify initiatives that could lower barriers and increase access (Beck *et al.,* 2009; Claessens, 2006). Despite being helpful, each of the three measures has some drawbacks. In the first indicator, many formal or semi-formal financial service providers might offer account holders varying levels of service quality and cost. Similarly, the interpretability or robustness of subjective evaluations of service quality can be questioned in the second indicator. In the third indicator, some barriers (such the distance to a bank branch or the paperwork required to open an account) may be simpler to collect data on than others (Beck *et al.,* 2009; Claessens, 2006; Demirgüç-Kunt and Klapper, 2013). Indicators of access and indicators of usage are necessary to measure financial inclusion. However, there are two other crucial factors for financial inclusion, including the quality of the services and products as well as how they affect the recipient's performance and outcomes. Table 1 lists four metrics that can be used to gauge financial inclusion along with a brief explanation for each one.

Table 1: Financial Inclusion Indicators

Access indicators	• Record the breadth of the financial services and products' reach.
	• Examples are:
	  o the penetration of bank branches,
	  o point-of-sale equipment in rural areas,
	  o demand-side obstacles that clients encounter when attempting to access financial institutions, such as price or knowledge.

Usage indicators	• Document consumer usage of financial products and services
	• Include the frequency and longevity of the financial service or product over time.
	• Examples are:
	  o average savings balances,
	  o number of transactions per account,
	  o number of electronic payments made.

Quality indicators	• Discuss whether financial services and products meet the needs of customers.
	• Discuss the variety of choices that customers have and how well-informed and knowledgeable they are about financial products.
	• Examples are:
	  o affordability,
	  o transparency.
	  o convenience.

Performance indicators	• Evaluate and comprehend how use of financial services and products impacts results for households and businesses,
	• Examples are:
	  o performance at the firm level,
	  o investments in human capital.

Source: Authors' compilation based on World Bank (2015c).

Given each indicator, the availability of data to make a comprehensive conclusion in each case is critical. Country-level data gathered from specific surveys on financial inclusion are essential when looking to measure financial inclusion as per the four indicators in Table 1. Such data surveys can be from both the supply and demand side. Examples of well-known demand-side data studies on financial inclusion are the Global Findex Survey and Enterprise Survey provided by the World Bank. Examples on supply-side data include the International Monetary Fund's (IMF's) Financial Access Survey and International Financial Statistics.

3. International Initiatives to Promote Financial Inclusion

There have been attempts by international organizations to encourage greater global financial inclusion. With their efforts, global account ownership climbed from 51 percent of individuals in 2011 to 76 percent of adults in 2021 (see Figure 1). Similar to this, developing economies saw a rise in the average rate of account ownership of 8 percentage points between 2017 and 2021, going from 63 percent of people to 71 percent of adults (World Bank, 2022). In this section, we discuss various international initiatives performed by two most well-known organizations in this field, i.e., the Alliance for Financial Inclusion (AFI) and the World Bank Group.

3.1 The Alliance for Financial Inclusion (AFI)

The AFI partners with regulators and private sector leaders to develop financial products and services for underbanked and unbanked populations. It aims to advance financial inclusion at the country, regional and international levels. It boasts a membership that spans 89 countries (including SSA countries) and 101 institutions. The organization's model to promote financial inclusion is based on two key priorities, namely, country-led approaches and peer-to-peer engagement (AFI, 2022b, 2022d; Voica, 2017). Through this cooperative model, the AFI partners with private sector leaders, regulators, and international organizations to develop appropriate financial products and services and introduce them to the market to enhance financial inclusion to underbanked and unbanked populations. The efficacy of the policy changes necessary to engender greater financial inclusion is anchored on peer learning, knowledge exchange, peer transformation and practical solutions (AFI, 2022b, 2022d).

The primary tool used by the AFI to advance sustainable financial inclusion globally is the Maya Declaration, which was introduced in 2011 during the AFI Global Policy Forum in Riviera Maya, Mexico. It offers the first comprehensive and quantifiable set of financial inclusion commitments made by the AFI membership. It presents a platform upon which members outline targets of financial inclusion, while also being able to develop relevant country-level policies and share progress on achieving the set targets. The financial inclusion targets, which to date are close to 900, follow specific thematic areas, some of which have sub-thematic areas, as outlined in Table 2.

Table 2: Maya Declaration Financial Inclusion Thematic Areas

No.	Thematic Area	Sub-Thematic Area
1	Consumer empowerment and market conduct	• Consumer protection • Financial literacy and financial education
2	Digital financial services	• Agent banking • E-money • National payments system • Mobile financial services
3	Financial inclusion data	
4	National strategy on financial inclusion	
5	SME finance	
6	Global standards	• Financial integrity • Financial identity • Financial stability
7	Gender and women's financial inclusion	
8	Financial inclusion for climate change and green finance	
9	Overarching national goal	
10	Credit information system	
11	Financial inclusion of youth	
12	Microcredit and microsavings	
13	Microinsurance	
14	Financial inclusion of forcibly displaced persons (FDPs)	

Source: Authors' compilation based on AFI (2022e, 2022f)

A decade ago, 2.5 billion people around the world were financial excluded. Since then, the number of unbanked has declined to 1.7 billion, as 800 million people became financially included (AFI, 2022e, 2022f). A major driver in this change has been the Maya declaration, which has seen over 42 percent of the financial inclusion targets achieved since its inception. Since its inception, AFI members have also created and adopted several additional accords, action plans, and statements that set forth objectives and touch on various facets of financial inclusion. This allows for the addition of new thematic areas to complement the Maya Declaration, as the global financial inclusion agenda evolves.

The AFI agreements assist in promoting and directing actual policy solutions thematic areas, like inclusive green finance (IGF), gender inclusive finance (GIF), small and medium-sized enterprise (SME) finance, FinTechs, youth, and forcibly displaced persons (FDPs) (AFI, 2022f). Table 3 outlines the most recent AFI Accords following the introduction of the Maya Declaration.

Table 3: AFI Accords

No.	Name of Accord	Year
1	Denarau Action Plan: The AFI Network Commitment to Gender and Women's Financial Inclusion	2016
2	Sharm El Sheikh Accord on Financial Inclusion, Climate Change & Green Finance	2017
3	Sochi Accord: FinTech for Financial Inclusion	2018
4	Kigali Statement: Accelerating Financial Inclusion for Disadvantaged Groups	2019
5	Maputo Accord. SME Finance: Path to Greater Financial Inclusion.	2021

Source: Authors' compilation based on AFI (2022g)

3.2 The World Bank Group

The World Bank Group (WBG) combats poverty and raises living standards in developing nations, serving as a hub for development knowledge and a primary source of finance. At a significant World Bank forum in 2013, world leaders presented a vision for universal financial access (UFA) by 2020, acknowledging that close to 200 million small- and medium-sized enterprises (SMEs) and 2.5 billion adults worldwide lack access to credit and financial services (World Bank, 2013). The UFA 2020 objective acknowledges financial access as a fundamental component of managing the financial lives of individuals and businesses. It intends to make it easier for adults around the world to access an electronic instrument, or transaction account, to hold money and receive and send payments. In this sense, increasing financial inclusion can give low-income households the ability to pay for basic social services like housing, water, energy, education, and healthcare as well as the resources to escape poverty. Greater access to financial services and products can assist SMEs in expanding operations, lowering risks, and growing (World Bank, 2013, 2015a).

During the WBG-IMF Spring Meetings in 2015, the WBG and partners from the public and private sectors (such as credit unions, multilateral agencies, card networks, banks, telecommunications companies, and microfinance institutions) signed concrete commitments to advance and facilitate financial inclusion and realize the UFA 2020. More than 50 nations around the world committed to these financial inclusion goals (Demirgüç-Kunt and Klapper, 2013; Voica, 2017; World Bank, 2015a, 2018). Using tools like the Global SME Finance Facility, the International Finance Corporation's network of 900 financial institutions and funds, the new Financial Inclusion Support Framework, the Global Financial Consumer Protection and Financial Literacy program, the open datasets including the Global Financial Inclusion database, and other methods, the WBG has continued to carry out financial inclusion projects in more than 70 countries after the articulation of the UFA 2020 in 2013 and the numerical commitments in 2015 (World Bank, 2013, 2015a).

One of the WBG useful datasets, the Global Findex Database, offers information on how adults around the world use financial services, including contributions to savings and borrowing, as well as how they handle unforeseen financial occurrences such a loss of income or significant expense. Surveys are used to inform the database. 2011 saw the publication of the first round of survey findings. In the years since, surveys were carried out in 2014 and 2017, respectively. The most recent revision to the global Findex database was made in 2021. It benefited from surveys of roughly 125,000 adults in 123 economies that were nationally representative.

3.3 National Financial Inclusion Strategies

In the drive towards greater global financial inclusion, both the AFI and World Bank Group play a pivotal role in supporting countries to develop and implement what are known as

National Financial Inclusion Strategies (NFISs). A NFIS is a roadmap of actions based on national or subnational agreements, determined by stakeholders to achieve financial inclusion objectives (World Bank, 2015b). The rapid growth of inclusive financial systems can be facilitated when a nation has a well-coordinated and established NFIS with clearly defined objectives and targets, supported by an implementation strategy and a rigorous and efficient monitoring and evaluation structure. Successful NFISs coordinate the efforts of main stakeholders, define their collective responsibilities, and clearly state resources planning by prioritizing targets (World Bank, 2015b; AFI, 2018, 2022). Therefore, clear, and intentional policies that strategically aim to promote financial inclusion enable for the development of platforms that give public and private players the chance to coordinate their separate efforts in a cogent and focused manner. Additionally, it enables the effective allocation of scarce resources to high-impact policy priority areas that will improve financial inclusion over time. Table 4 offers a snapshot of the global state of practice in 2022 on NFISs. From the table, most of AFI's membership is in the SSA region. 86 percent (i.e., 26 countries) of them have NFIS. Of this number, 68 percent are on their first NFIS while 28 percent and 4 percent are on their second and third NFIS, respectively. Asia has the second highest number of AFI members. 92 percent of them have NFIS, with 75 percent, 8 percent, and 17 percent of them on their first, second and third NFIS, respectively.

Table 4: National Financial Inclusion Strategies: State of Practice in 2022

Region	No. of Member Countries in Region	% of Countries with NFIS in Region	% of Countries Formulating NFIS	% of 1st NFIS	% of 2nd NFIS	% of 3rd NFIS
Middle East and North Africa (MENA)	4	57	29	100	n/a	n/a
Eastern Europe and Central Asia (EECA)	4	57	29	100	n/a	n/a
ASIA	12	92	8	75	8	17
Latin America and Caribbean (LAC)	9	69	15	56	44	n/a
Sub-Saharan Africa (SSA)	26	87	13	68	28	4
Pacific (PAC)	7	88	13	57	29	14

Source: Authors' compilation based on AFI (2022a)

4. Government Policy Initiatives to Promote Financial Inclusion in SSA

The discussion focuses on national financial inclusion strategies and related policies used to promote financial inclusion in 25 SSA economies. The choice of countries is based on availability of NFIS information in SSA countries as per information from the AFI[2] and World Bank[3]. The nations are separated into income groups, based on World Bank's classification to make analysis easier. Table 5, 6 and 7 present the NFISs in low-income economies, lower-middle-income economies, and upper-middle-income economies, respectively. Each NFIS is divided into five sections that are critical NFIS building blocks. These are, (i) target clientele, (ii) vision (i.e., overall objective), (iii) leadership and coordination, (iv) strategy implementation and (v) monitoring and evaluation. Most of the first NFISs were launched between 2010 – 2019. Almost all NFISs target rural residents, women, and young people, and micro- and small businesses. The overarching vision in the NFISs is to provide a diverse range of formal and regulated financial services to businesses and individuals in both urban and rural areas. Mindful of the financial inclusion thematic areas in the Maya Declaration, almost all SSA countries have included financial education (FinEd), consumer protection and digital financial services (DFS) as key policy areas. Other top priorities were closing the gender gap in financial inclusion, financing micro, small, and medium-sized enterprises (MSME), (micro) insurance, and youth financial inclusion. The NFIS is typically led, coordinated, and monitored by a designated committee. The implementation of NFISs involves collaboration among regulators, financial service providers, ministries, and development partners involved in financial inclusion.

[2] NFIS country related information from the AFI was obtained from: https://www.afi-global.org/library/?thematic_filter=Financial%20Inclusion%20Strategy
[3] NFIS country related information from the World Bank was obtained from: https://www.worldbank.org/en/topic/financialinclusion/brief/financial-inclusion-strategies-resource-center

Table 5: Summary of NFISs in Low-Income Economies of SSA

Country	Target Clientele	Vision	Leadership and Coordination	Strategy Implementation	Monitoring and Evaluation
Burundi	• Rural residents, • Women and young people, • Micro- and small-business owners	• Permanent access by the adult population to a set of formal financial products and services.	• Implemented by a Coordination and Monitoring Committee (CMC-NFIS). • The CMC-NFIS is supported by an Executive Unit in charge of executive duties.	• The regulators, the financial service providers, the ministries, and the development partners engaged in financial inclusion	• The M&E framework tracks national financial inclusion program goals, includes baseline data targets, and is overseen by CNFI for coordination and evaluation.
Burkina Faso	• Rural residents, • Women and young people, • Micro- and small-business owners • Farmers	• To provide a diverse range of financial services to businesses and individuals in both urban and rural areas.	• To establish a committee to supervise and coordinate the Strategy Implementation. • To establish technical working groups as part of its activities.	• The Ministry of Economy, Finance and Development's Secretariat for Micro Finance department is actively involved in financial inclusion efforts.	• The Secretariat to assist the Implementation Committee with daily coordination of activities, reporting, and Monitoring and Evaluation (M&E).
Madagascar	• Rural residents, • Women and young people, • Micro- and small-business owners	• Raising the proportion of adults with access to formal financial services will improve the Malagasy population's access to financial services.	• National Coordinator of Inclusive Finance (CNFI)	• CNFI will engage with various stakeholders and reposition as a General Directorate of the Treasury within the Ministry of Finance and Budget. • CNFI's institutional capacity needs strengthening on technical, financial, and human levels to address issues during the implementation of the financial inclusion policy.	• The M&E framework tracks national financial inclusion program goals, includes baseline data targets, and is overseen by CNFI for coordination and evaluation.
Mozambique	• Rural residents, • Women and young people, • Micro- and small-business owners	• To provide a diverse range of financial services to businesses and individuals in both urban and rural areas.	• Financial sector development steering committee.	• The Bank of Mozambique established the Technical Implementation Unit in 2017 as the Financial Inclusion Service, which expanded into an office in 2019.	• The M&E framework includes high-level key performance indicators to track national financial inclusion program goals, baseline data targets, and a timetable for achieving them.
Malawi	• Rural residents, • Women and young people, • Micro- and small-business owners	• To create an inclusive financial system in Malawi, integrating it with the overall financial sector strategy and providing quality financial services to low-income individuals	• The NFIS is managed and coordinated by the Ministry of Finance, Reserve Bank of Malawi, Micro-finance network of Malawi, and Financial Inclusion in Malawi project.	• The Ministry of Finance is the lead institution responsible for guiding and monitoring implementation of the strategy.	• The M&E framework includes high-level key performance indicators to track national financial inclusion program goals, baseline data targets, and a timetable for achieving them.

Country	Target Clientele	Vision	Leadership and Coordination	Strategy Implementation	Monitoring and Evaluation
Niger	• Rural residents, • Women and young people, • Micro- and small-business owners	• To create a sustainable, inclusive, and adaptable financial sector with diverse providers offering sustainable financial products and services to all population categories	• The Executive Secretariat of Inclusive Finance manages coordination, planning, technical, economic, and financial studies, and financing mobilization.	• The Executive Secretariat of Inclusive Finance manages the mobilization of public, private, and private actors for the implementation of the NFIS..	• The Executive Secretariat of Inclusive Finance manages monitoring and evaluation, providing high-level performance indicators and baseline data targets to track national financial inclusion program goals.
Sierra Leone	• Rural residents, • Women and young people, • Micro- and small-business owners	• A focused approach to increase access to, enhance quality and increase usage of financial products and services.	• The Bank of Sierra Leone's Financial Inclusion Secretariat (FIS) reports to a governance structure comprising a Financial Inclusion Technical Committee and a Financial Inclusion Steering Committee.	• The Bank of Sierra Leone has established the FIS to execute the NFIS, a collaborative process managed by technical working groups.	• The M&E framework includes high-level key performance indicators to track national financial inclusion program goals, baseline data targets, and a timetable for achieving them.
Uganda	• Rural residents, • Women and young people, • Micro- and small-business owners	• To strengthen the financial sector, fund the economy, and support families from all socioeconomic backgrounds in wealth building.	• The Ministry of Finance, Planning, and Economic Development and the Bank of Uganda are the primary drivers of the NFIS.	• The National Steering Committee, convened annually, will oversee the implementation of the Financial Inclusion plan, and provide regular updates to other departments.	• The M&E framework includes high-level key performance indicators to track national financial inclusion program goals, baseline data targets, and a timetable for achieving them.

Note: Authors' compilation based on Burkina Faso (2018); Burundi (2014); Madagascar (2012); Malawi (2010); Mozambique (2016); Niger (2015); Sierra Leone (2017; Uganda (2017).

Table 6: Summary of NFISs in Lower-Middle-Income Economies of SSA

Country	Target Clientele	Vision	Leadership and Coordination	Strategy Implementation	Monitoring and Evaluation
Cote d'Ivoire	• Rural residents, • Women and young people, • Micro- and small-business owners	• To encourage the development of a financially literate population that has easier access to a variety of flexible, diverse, and cost-effective financial services.	• Agency for the Promotion of Financial Inclusion of Côte d'Ivoire (APIF-CI) whose mission is the implementation and multi-party coordination actions to take	• APIF-CI to ensure the coordination and supervision of the intervention of national actors as well as the coordination the action of technical and financial partners in favor of financial inclusion	• The M&E framework includes high-level key performance indicators to track national financial inclusion program goals, baseline data targets, and a timetable for achieving them.
Eswatini	• Rural residents, • Women and young people, • Micro- and small-business owners	• To provide quality financial services and products to all population categories, while eliminating barriers that hinder certain groups from accessing and using these services.	• The Financial Inclusion Coordination Agency oversees coordination, ensures NFIS obligations, and participates in public education, awareness, and protection initiatives for financial service users.	• The Financial Inclusion Council, Financial Inclusion Technical Committee, and working groups coordinate NFIS implementation, with policy direction from the Minister of Finance.	• The M&E framework includes high-level key performance indicators to track national financial inclusion program goals, baseline data targets, and a timetable for achieving them.
Lesotho	• Rural residents, • Women and young people, • Micro- and small-business owners • Farmers	• To enable Basotho who are not included in or have no access to the mainstream formal banking system to become economically empowered.	• The Ministry of Finance and Development Planning, Central Bank of Lesotho, Support to Financial Inclusion in Lesotho Programme, Rural Financial Intermediation Programme, and Micro Finance Forum	• Ministry of Finance and Development Planning to oversee and monitor the implementation of the strategy.	• The M&E framework includes high-level key performance indicators to track national financial inclusion program goals, baseline data targets, and a timetable for achieving them.
Nigeria	• Rural residents, • Women and young people, • Micro- and small-business owners	• Make sure a precise plan is in place for boosting financial service usage and access significantly by 2020.	• The Central Bank of Nigeria will establish a Financial Inclusion Secretariat to manage daily reporting, coordination, and implementation tasks.	• The Financial Services Regulation Coordinating Committee will oversee the work of the Financial Inclusion Secretariat and report any changes to the National Economic Council.	• The M&E framework includes high-level key performance indicators to track national financial inclusion program goals, baseline data targets, and a timetable for achieving them.
Senegal	• Rural residents, • Women and young people, • Micro- and small-business owners	• Formal financial institutions provide permanent, equitable access to Senegalese products and services, catering to all segments of the population based on their needs and means.	• A Coordination and Monitoring Committee (CCS) for the implementation of the plan actions, coordination, and monitoring of the execution of the works.	• The DGSFC will take care of the coordination, monitoring and implementation of the NFIS.	• The DGSFC monitors NFIS through data collection, processing, and analysis, while providing high-level key performance indicators in the M&E framework to track national financial inclusion program goals.

Country	Target Clientele	Vision	Leadership and Coordination	Strategy Implementation	Monitoring and Evaluation
Tanzania	• Rural residents, • Women and young people, • Micro- and small-business owners	• To support livelihood, household resilience, and job growth, financial goods and services must be tailored to the needs of both individuals and businesses.	• The National Technical Committee, National Steering Committee, and National Council. • The Bank of Tanzania serves as the Committees' secretariat.	▪ The National Council is the primary governing body for promoting financial inclusion in the nation, with the National Secretariat managing its daily implementation.	• The M&E framework includes high-level key performance indicators to track national financial inclusion program goals, baseline data targets, and a timetable for achieving them.
Zambia	• Rural residents, • Women and young people, • Micro- and small-business owners	• to provide a diverse range of high-quality, affordable financial services to individuals and businesses.	• The National Financial Inclusion Strategy of Zambia will be governed and coordinated by the NFIS Steering Committee.	• The NFIS Steering Committee will offer general policy direction for the creation and execution of the plan.	• The M&E framework includes high-level key performance indicators to track national financial inclusion program goals, baseline data targets, and a timetable for achieving them.
Zimbabwe	• Rural residents, • Women and young people, • Micro- and small-business owners	• To establish a comprehensive and inclusive financial system that provides high-quality, affordable financial services to all Zimbabweans.	• The Reserve Bank of Zimbabwe, the Ministries of Lands & Rural Resettlement, Agriculture, Mechanization and Irrigation Development, and the Environment.	• Financial institutions, government departments, regulatory agencies, development organizations, mobile network operators, and corporate organizations.	• The M&E framework includes high-level key performance indicators to track national financial inclusion program goals, baseline data targets, and a timetable for achieving them.

Note: Authors' compilation based on Cote d'Ivoire (2019); Eswatini (2017); Lesotho (2012); Nigeria (2012); Senegal (2022); Tanzania (2018); Zambia (2017); Zimbabwe (2016).

Table 7: Summary of NFISs in Upper-Middle-Income Economies of SSA

Country	Target Clientele	Vision	Leadership and Coordination	Strategy Implementation	Monitoring and Evaluation
Botswana	• Rural residents, • Women and young people, • Micro- and small-business owners	• By 2021, the percentage of adults without access to multiple formal financial instruments is expected to rise from 46% to 57%, promoting household welfare, economic efficiency, and growth.	• A steering group has been established by the Ministry of Finance and Development Planning to direct the making Access Possible (MAP) project.	• The ministry of finance and development planning-presided over Steering Committee will lead the MAP procedure, while stakeholders like regulators, financial service providers, ministries, and financial inclusion-focused development partners will oversee implementation.	• The M&E framework includes high-level key performance indicators to track national financial inclusion program goals, baseline data targets, and a timetable for achieving them.
Namibia	• Rural residents, • Women and young people, • Micro- and small-business owners	• The goal is to guarantee affordable access to financial services and timely, adequate credit for vulnerable groups like micro- and small firms and low-income individuals.	• Creating an inter-ministerial Financial Inclusion Council to direct policy and oversee the use of tactics to improve financial inclusion in Namibia	• Inter-ministerial Financial Inclusion Council that will oversee the implementation of policies to improve financial inclusion in Namibia and provide policy direction.	• The M&E framework includes high-level key performance indicators to track national financial inclusion program goals, baseline data targets, and a timetable for achieving them.
South Africa	• Rural residents, • Women and young people, • Micro- and small-business owners	• The goal is to ensure the provision of affordable financial services to large populations who have previously been underserved or excluded from the formal financial sector.	• A sub-working committee on intra-government financial inclusion was established under the FSR Act's Council of Financial Regulators, while a conference for financial inclusion (FI) gathered business and non-governmental players.	• The sub-working group on financial inclusion is presided over by the National Treasury.	• The M&E framework includes high-level key performance indicators to track national financial inclusion program goals, baseline data targets, and a timetable for achieving them.

Note: Authors' compilation based on Botswana (2015); Namibia (2011); South Africa (2017)

5. Financial Inclusion Trends and Developments in SSA

This section presents the trends and developments in financial inclusion in SSA from 2005 to 2019. The analysis covers 37[4] SSA economies. The number of countries and study timeline was chosen on the basis of data availability. The nations are separated into income groups, based on World Bank's classification to make analysis easier. Two indicators[5]—*number of depositors with commercial banks per 1,000 adults* and *number of commercial bank branches per 1,000 km²*—are used to assess the availability of and use of financial services in SSA.

5.1 Low-income economies

Figure 3 shows the number of commercial bank branches per 1,000 km^2 in low-income SSA nations from 2005 to 2019. A complete set of data on this indicator for low-income countries from 2005 to 2019 is only available for Burkina Faso, Chad, Guinea, The Gambia, Madagascar, Mali, Mozambique, Malawi, Niger, Rwanda, Togo, and Uganda, respectively. Over the review period, Rwanda had the highest average number of commercial bank branches per 1,000 km^2 at 12.36, followed by The Gambia at 7.67. Notably, Rwanda's government established "UMURENGE saving and credit cooperative" in 2008 as a community-based financial institution to enhance financial inclusion at the administrative sector level (Hategekimana *et al.,* 2019). During the same period, Chad had the lowest average number of commercial bank branches per 1,000 km^2 at 0.04, followed by Niger with 0.1. Nonetheless, all countries showed upward momentum in financial inclusion.

[4] A list of the 37 countries is presented in Appendix A1.
[5] The two indicators were selected based on the data availability across the 37 SSA economies.

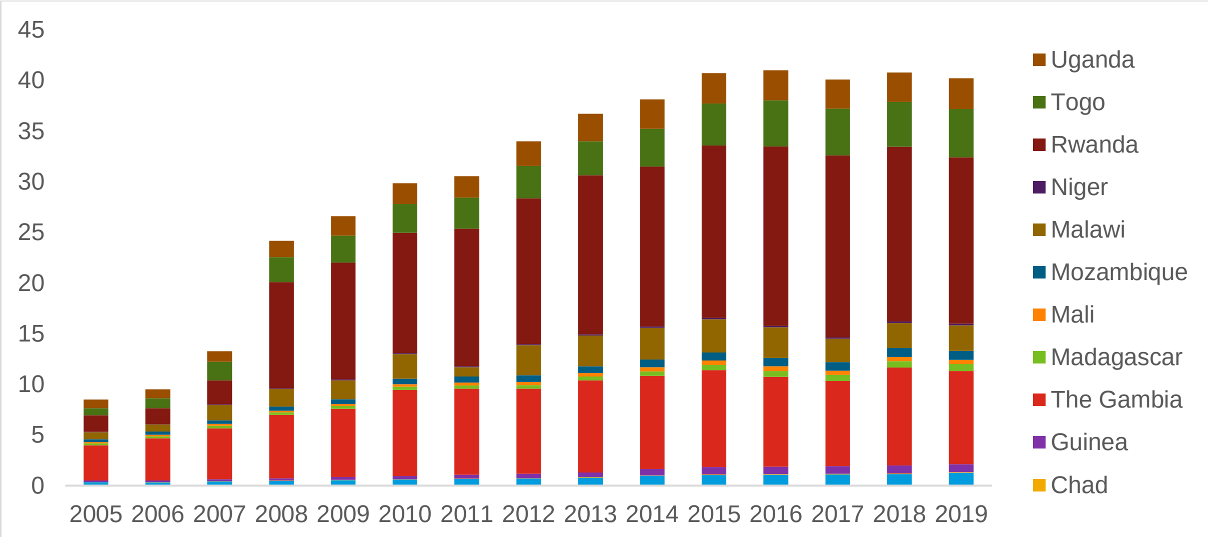

Figure 3: Number of commercial bank branches per 1,000 km^2 from 2005 to 2019 in SSA Low-Income Economies
Source: Authors' compilation based on data from IMF Financial Access Survey (FAS) (2022)

Figure 4 shows the number of commercial bank depositors per 1,000 adults in SSA low-income economies from 2005 to 2019. Only Guinea, Madagascar, Mali, Niger, Rwanda, Togo, and Uganda have complete data on the depositors with commercial banks per 1,000 individuals in low-income economies from 2005 to 2019. Uganda had the greatest average of commercial bank depositors per 1,000 adults during the research period at 202.99, followed by Togo at 175.27. The rapid growth of mobile money has enabled 8 million Ugandans to conduct financial transactions (Sebudde, 2017). Niger had the lowest average number of commercial bank depositors per 1,000 adults during that time, at 36.20, followed by Guinea with 58.67. Despite challenges, all efforts demonstrated significant progress in financial inclusion.

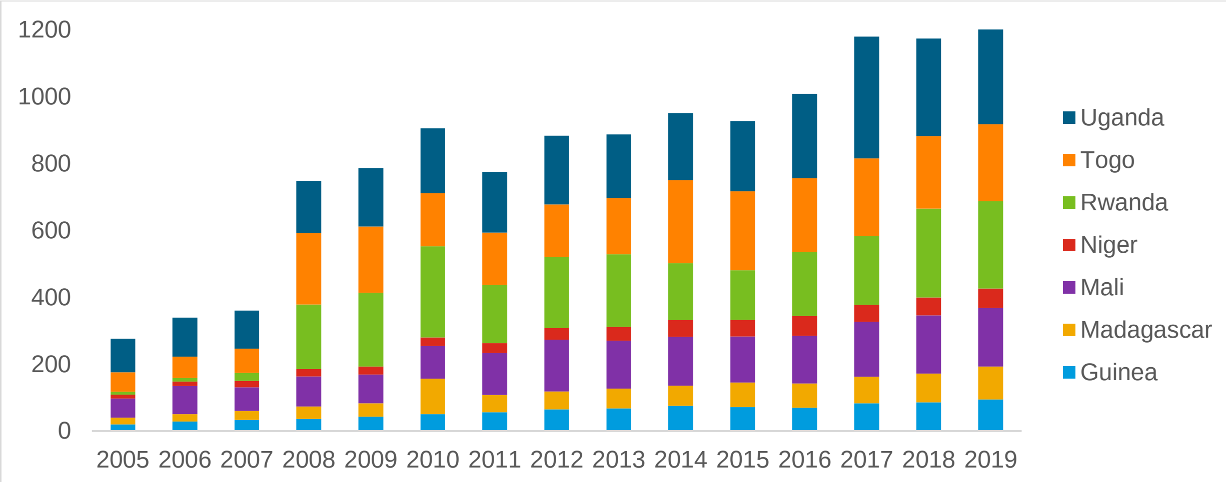

Figure 4: Number of depositors with commercial banks per 1,000 adults from 2005 to 2019 in SSA Low-Income Economies
Source: Authors' compilation based on IMF Financial Access Survey (FAS) (2022)

5.2 Lower-middle income economies

Figure 5 presents the number of commercial bank branches per 1,000 km^2 in SSA lower-middle-income economies from 2005 to 2019. A complete set of data for on this indicator for lower-middle income countries from 2005 to 2019 is only available for Angola, Benin, Cote d'Ivoire, Cameroon, Cabo Verde, Eswatini, Kenya, Lesotho, Mauritius, Nigeria, Senegal, Zambia, and Zimbabwe. Over the review period, Mauritius had the highest average number of commercial bank branches per 1,000 km^2 at 97.67, followed by Cabo Verde at 25.36. FinTech has significantly contributed to Mauritius's improvement in financial inclusion (FinScope, 2014). During the same period, Zambia had the lowest average number of commercial bank branches per 1,000 km^2 at 0.43, followed by Cameroon with 0.45.

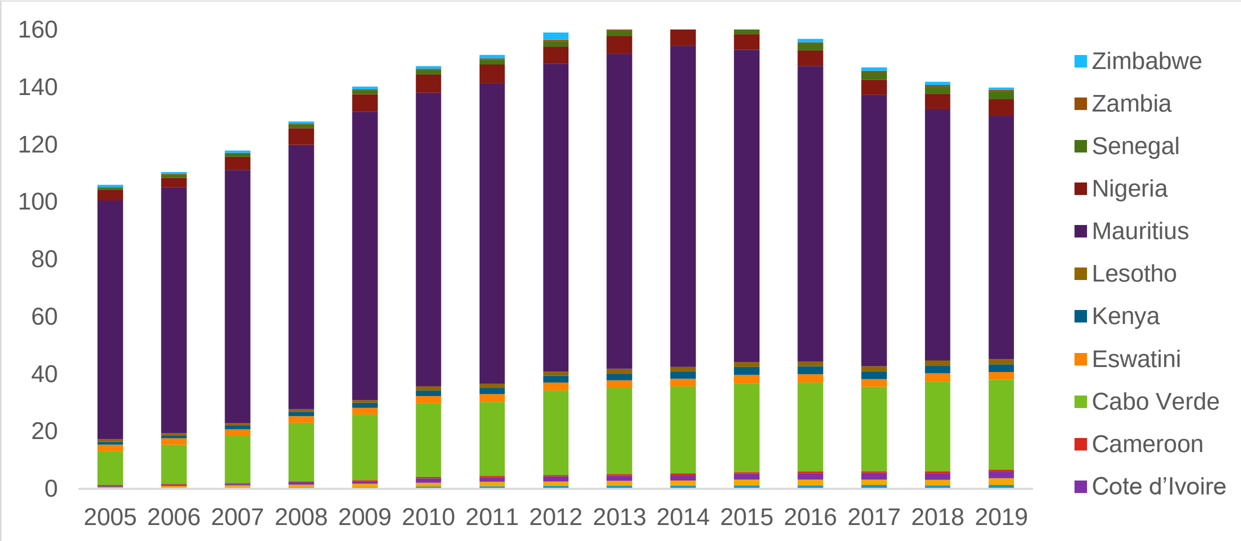

Figure 5: Number of commercial bank branches per 1,000 km^2 from 2005 to 2019 in SSA lower-middle-income economies
Source: Authors' compilation based on IMF Financial Access Survey (FAS) (2022)

Figure 6 shows the number of depositors with commercial banks per 1,000 individuals in SSA lower-middle-income economies from 2005 to 2019. Only the following SSA lower-middle-income economies have data on this indicator from 2005 to 2019: Benin, Cote d'Ivoire, Cabo Verde, Eswatini, Lesotho, Senegal, Zambia, and Zimbabwe. Cabo Verde had the largest average number of commercial bank depositors per 1,000 adults during the review period (1625.73), followed by Eswatini (482.70). Benin had the lowest average number of commercial bank depositors per 1,000 adults during that time, with 140.49, followed by Senegal with 142.04. Overall, all countries exhibit upward momentum in financial inclusion over time.

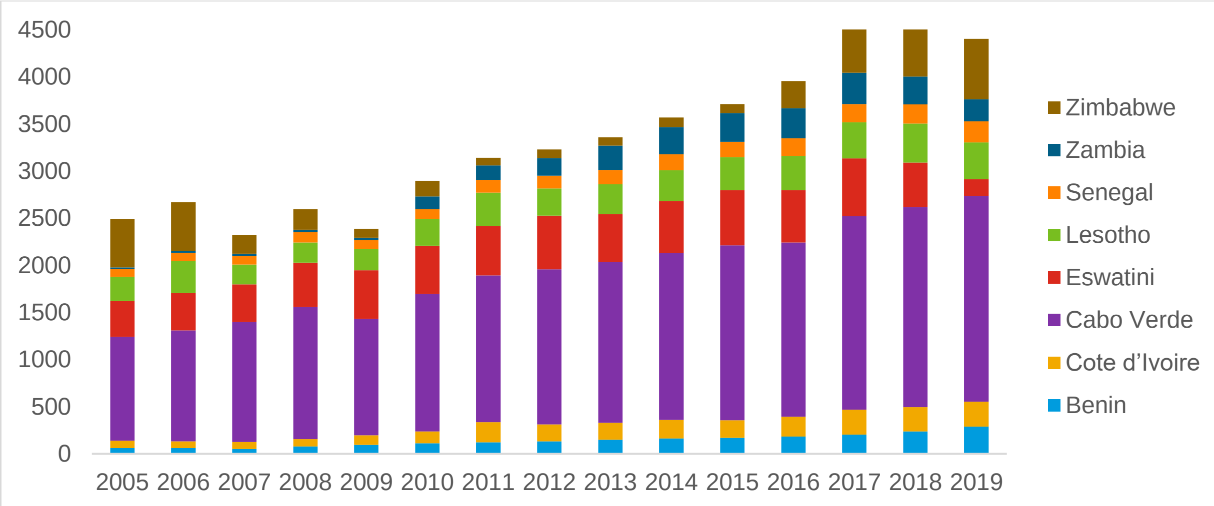

Figure 6: Number of depositors with commercial banks per 1,000 adults from 2005 to 2019 in SSA lower-middle-income economies
Source: Authors' compilation based on IMF Financial Access Survey (FAS) (2022)

5.3 Upper-middle income economies

Figure 7 shows the number of commercial bank branches per 1,000 km^2 in upper-middle-income economies for SSA from 2005 to 2019. Only Botswana, Namibia, and South Africa have complete data on this indicator for in upper-middle-income nations from 2005 to 2019. Namibia came in second with 0.21 commercial bank branches per 1,000 km^2, while South Africa had the highest average number at 2.66. Botswana had the fewest commercial bank branches on average per 1,000 km^2 for the same period, at 0.20. Over time, financial inclusion has been showing a positive trend in all countries.

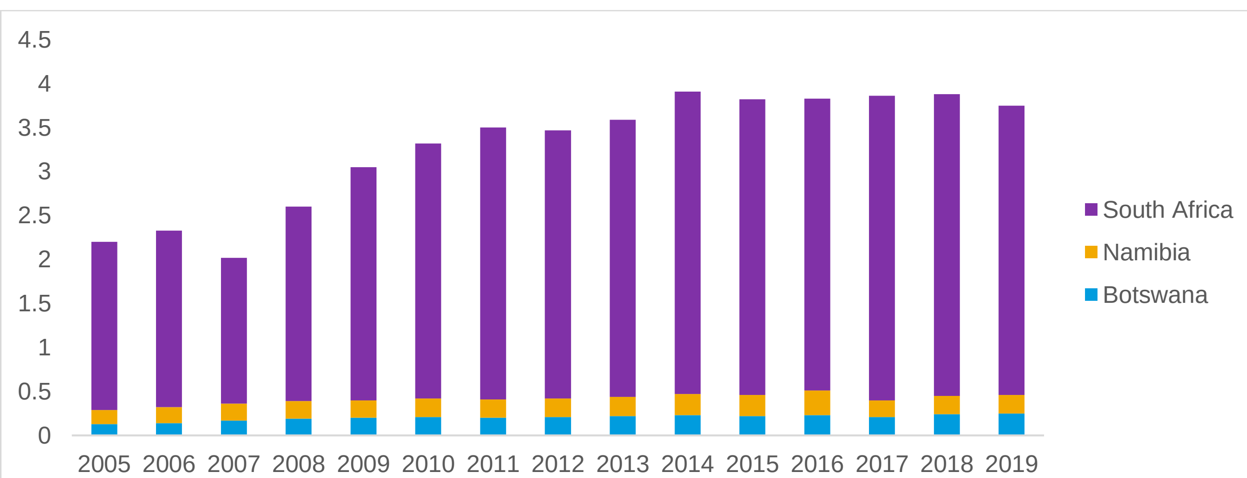

Figure 7: Number of commercial bank branches per 1,000 km^2 from 2005 to 2019 in SSA upper-middle-income economies
Source: Authors' compilation based on IMF Financial Access Survey (FAS) (2022)

Figure 8 shows the number of depositors with commercial banks per 1,000 adults in upper-middle-income economies for SSA from 2005 to 2019. Only for Botswana and Namibia is a comprehensive set of data available on this indicator from 2005 to 2019. Namibia had the largest average number of commercial bank depositors per 1,000 adults during the assessment period (577.34), followed by Botswana (565.66). A general upward trend in financial inclusion is reflected in both countries.

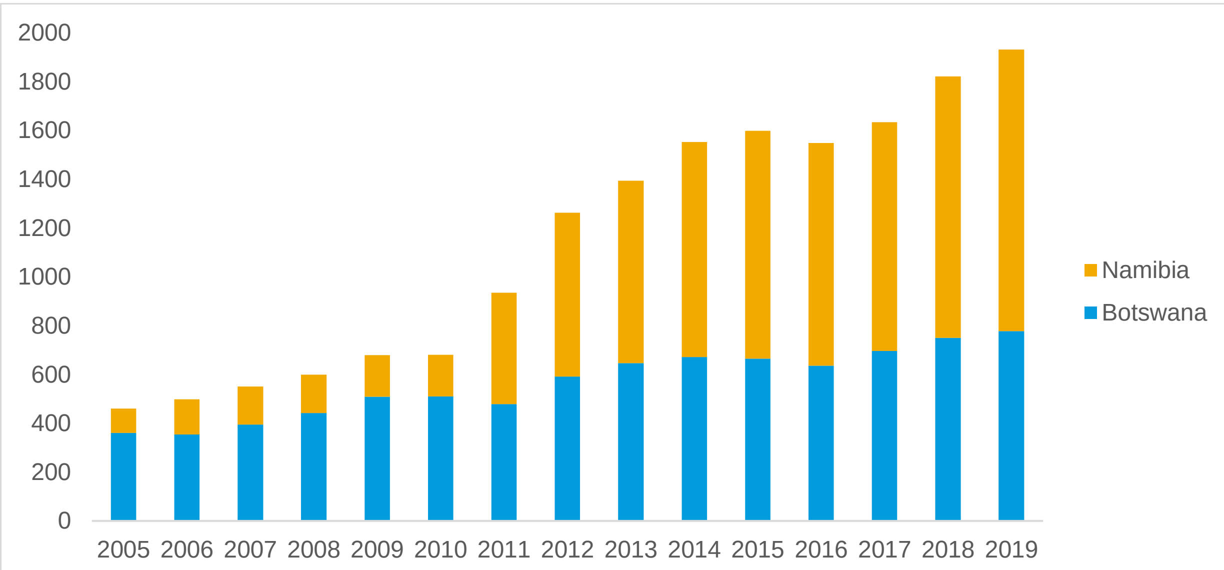

Figure 8: Number of depositors with commercial banks per 1,000 adults from 2005 to 2012 in SSA upper-middle-income economies
Source: Authors' compilation based on IMF Financial Access Survey (FAS) (2022)

6. Challenges to Financial Inclusion in SSA and Possible Solutions

Countries in the SSA area have achieved commendable progress in the expansion of financial inclusion. For example, as of 2022, 87 percent of SSA AFI member countries had launched their NFISs, compared to 16 percent after 2018. The only AFI member countries that have operationalized their third NFISs as of 2022 are those in the SSA, Asia, and Pacific regions (AFI, 2022a). Nonetheless, there are still some important obstacles to overcome. The absence of coordination at the national level is cited as the most difficult barrier by nations that have not yet developed and implemented NFISs (AFI, 2022a). There is a risk of duplication of effort and underrepresentation of stakeholder interests in the absence of strong national coordination. To overcome the challenges, effective NFIS governance frameworks are essential as they serve as a mechanism for coordinating the interests of many stakeholders, clearly defining their roles, and ensuring robust implementation support as well as monitoring and evaluation of the NFIS. The nations that have been successful in this regard are those whose governments have set up a separate Financial Inclusion Task Force to provide guidance and oversee the NFIS' implementation. Others have opted for a multi-tiered coordination structure with a steering committee at the top, a multi-agency implementation committee below it, and a secretariat shared by the central bank and the ministry of finance.

Other challenges inhibiting progress to financial inclusion in SSA include the persistent gap between financial deepening and financial inclusion (Demirgüç-Kunt and Klapper, 2013; World Bank, 2022). Despite most of the SSA countries having deeper and more stable financial institutions; high costs, inadequate competition and low concentration often lead to limited financial inclusion. This is compounded by a high preponderance of political and economic volatility, coupled with challenges of governance in private and public sectors as well as a high incidence of informality. Instead of holding an account with a traditional financial institution, the majority of the adult population in SSA saves and borrows money through informal ways. Compared to individuals with at least a secondary education, adults with only a primary education (i.e., less educated adults) have a lower rate of formal bank account ownership (Demirgüç-Kunt and Klapper, 2013). Similarly, most adults in developing economies are often vulnerable to bad information since they need help using an account and navigating the usually complex services and products (World Bank, 2022). A direct solution to this challenge could lie in deliberate policies that support greater financial literacy through the design and implementation of formal financial education programs. Such programs could be rolled out to the youth, women, and other traditionally unbanked and underserved members of the population.

Financial illiteracy is a significant barrier to financial inclusion in SSA. Financial exclusion's side effect of financial illiteracy might result in the establishment of an unregulated, exploitative financial industry. The lack of transparency in the terms of service, identity theft, and poor dispute resolution, to mention a few, are concerns that are made worse by the speed at which technology and digital banking are evolving. As a result, the financial system's stability, and safety face regulatory problems. Sharing responsibility for the financial well-being of consumers, regulators, and financial institutions is one possible solution in this regard. The onus is on financial regulators and supervisory agencies to develop better supervisory frameworks and monitoring systems to timeously identify risks to financial safety and stability, as consumers transition to digital financial services. As mentioned earlier, financial education programs are also key tools to consider and could be structured in ways that promote peer-to-peer learning to be more effective, a point supported by Demirgüç-Kunt and Klapper (2013), World Bank (2022), AFI (2022) as well as Asuming *et al.,* (2019).

The gender gap in access to money has decreased in SSA, but it still is a problem. Poor people, young people, and women are still more likely to lack access to mobile phones, be without forms of identification, live far from the closest bank branch, and require help to open and effectively manage a financial account. Deliberate steps should be taken to strengthen the ability and coordinate the activities of important stakeholders in both the public and private sectors to fully address these and other major obstacles to financial inclusion in the region. As a result, the NFIS, which has strong coordination and monitoring and evaluation frameworks, continues to be a vital tool for assisting authorities, financiers, technical service providers, funders, and other important players in the development and expansion of the region's financial inclusion programs (AFI, 2022a, 2022c).

7. Conclusions

The study provided a cross-country discussion of National Financial Inclusion Strategies (NFISs) in SSA economies. This provided insight into the planning, implementation, and monitoring of strategic government measures aimed at enhancing financial inclusion in the region. The study also examined financial inclusion trends in SSA countries from 2005 to 2019 to evaluate the efficacy of nation-specific initiatives promoting financial inclusion over time. General challenges to financial inclusion in the region and possible solutions were also identified. Our analysis discovered that the Alliance for Financial Inclusion's (AFI's) SSA membership has NFISs in 86 percent of cases, with 28 percent and 4 percent of the membership on their second and third NFIS, respectively. Most of the first NFISs were launched between 2010 – 2019. The NFISs target rural residents, women, and young people, and micro- and small businesses, to ensure access to a diverse range of formal and regulated financial services. In the period from 2005 to 2019, access to financial services and products varies across low-income, lower-middle-income, and upper-middle-income economies, with lower-middle-income countries having higher commercial access to and use of financial services. Financial inclusion in SSA nations has improved over time, partly due to legislative initiatives. However, challenges remain, including lack of coordination, gap between financial deepening and inclusion, low financial literacy, and gender discrimination. To address these, stakeholder focused NFISs and policy reforms based on peer learning and transformation are needed.

References

Adedokun, M. W., & Ağa, M. (2021). *Financial inclusion: A pathway to economic growth in Sub-Saharan African economies. International Journal of Finance & Economics.* doi:10.1002/ijfe.2559

AFI (Alliance for Financial Inclusion). (2018). Sochi Accord: FinTech for Financial Inclusion. Available online: https://www.afi-global.org/publications/sochi-accord-fintech-for-financial-inclusion/ (Accessed 30 June 2022).

AFI (Alliance for Financial Inclusion). (2019a). Kigali Statement: Accelerating Financial Inclusion for Disadvantaged Groups. Available online: https://www.afi-global.org/wp-content/uploads/2019/09/Kigali_FS_20_AW2_digital.pdf. (Accessed 30 June 2022)

AFI (Alliance for Financial Inclusion). (2019b). Denarau Action Plan: The AFI Network Commitment to Gender and Women's Financial Inclusion. Available online: https://www.afi-global.org/publications/denarau-action-plan-the-afi-network-commitment-to-gender-and-womens-financial-inclusion/ (Accessed 30 June 2022).

AFI (Alliance for Financial Inclusion). (2019c). Sharm El Sheikh Accord on Financial Inclusion, Climate Change & Green Finance. Available online: https://www.afi-global.org/wp-content/uploads/2020/08/Sharm_FS_19_AW_digital.pdf (Accessed 30 June 2022).

AFI (Alliance for Financial Inclusion). (2022a). National Financial Inclusion Strategies: Current State of Practice (2022). Available online: https://www.afi-global.org/publications/national-financial-inclusion-strategies-current-state-of-practice-2022/ (Accessed 30 June 2022).

AFI (Alliance for Financial Inclusion). (2022b). Policy and Regulatory Reforms in the AFI Network 2021 Available online: https://issuu.com/afi-global/docs/2021_policy_change_report?fr=sZTgwMzUxMTA5ODA (Accessed 30 June 2022).

AFI (Alliance for Financial Inclusion). (2022c). 2021 Maya Declaration Progress Report – A Decade-Long Journey. Available online: https://www.afi-global.org/publications/2021-maya-declaration-progress-report-a-decade-long-journey/ (Accessed 30 June 2022).

AFI (Alliance for Financial Inclusion). (2022d). AFI Official Members: Available online: https://www.afi-global.org/wp-content/uploads/2022/04/AFI-Official-Members_28042022.pdf (Accessed 30 June 2022).

AFI (Alliance for Financial Inclusion). (2022e). The Maya Declaration: Available online: https://www.afi-global.org/global-voice/maya-declaration/ (Accessed 30 June 2022).

AFI (Alliance for Financial Inclusion). (2022f). The Maya Declaration Factsheet: Available online: https://www.afi-global.org/publications/the-maya-declaration-factsheet/ (Accessed 30 June 2022).

AFI (Alliance for Financial Inclusion). (2022g) Accords. Available online: https://www.afi-global.org/accord/ (Accessed 30 June 2022).

Asuming, P. O., Osei-Agyei, L. G., & Mohammed, J. I. (2019). Financial inclusion in sub-Saharan Africa: Recent trends and determinants. Journal of African Business, 20(1), 112-134.

Beck, T., & Cull, R. (2014). Banking in Africa. In A.Berger, P.Molyneux, &J.Wilson (Eds.), Oxford handbook of banking (2nd ed.). Oxford, UK: Oxford University Press.

Beck, T., Demirgüç-Kunt, A., & Honohan, P. (2009). Access to financial services: Measurement, impact, and policies. The World Bank Research Observer, 24(1), 119-145.

Botswana (2015). Botswana Financial Inclusion Roadmap and Strategy. Available online: https://www.finance.gov.bw/images/publications/fin/2BotsMAPRMPFinal.pdf (Accessed 24th June 2022).

Burkina Faso (2018). Burkina Faso Financial Inclusion Roadmap. Available online: https://finmark.org.za/system/documents/files/000/000/198/original/Burkina-Faso_Roadmap_English.pdf?1601973604 (Accessed 24th June 2022)

Burundi (2014). Republic of Burundi National Financial Inclusion Strategy. Available online: https://www.afi-global.org/publications/republic-of-burundi-national-financial-inclusion-strategy/ (Accessed 24th June 2022).

Chaia, A., Dalal, A., Goland, T., Gonzalez, M. J., Morduch, J., & Schiff, R. (2009). Half the world is unbanked. In *Banking the world: empirical foundations of financial inclusion* (pp. 19-43). The MIT Press Cambridge, MA, USA.

Claessens, S. (2006). Access to financial services: A review of the issues and public policy objectives. *The World Bank Research Observer*, *21*(2), 207-240.

Cote d'Ivoire (2019). Stratégie Nationale D'inclusion Financière. Available online: https://apif.finances.gouv.ci/images/app/publications/17/livre-snif.pdf (Accessed 24th June 2022).

Cruz, M., Foster, J., Quillin, B., & Schellekens, P. (2015). Ending extreme poverty and sharing prosperity: Progress and policies. *Policy Research Note*, *15*(03).

Demirgüç-Kunt, A., & Klapper, L. (2013). Measuring financial inclusion: Explaining variation in use of financial services across and within countries. Brookings Papers on Economic Activity, 2013(1), 279–340.

Demirguc-Kunt, A., & Klapper, L. F. (2012a). Measuring financial inclusion: The Global Findex Database (World Bank Policy Research Working Paper, (6025)).

Demirguc-Kunt, A., Klapper, L., Singer, D., & Ansar, S. (2018). *The Global Findex Database 2017: Measuring financial inclusion and the fintech revolution*.

Eswatini (2017). National Financial Inclusion Strategy For Swaziland. Available online: https://www.afi-global.org/sites/default/files/publications/2018-01/Swaziland%20National%20Financial%20Inclusion%20Strategy%202017%20-2022.pdf (Accessed 24th June 2022).

FinScope (2014). FinScope Consumer Survey Mauritius 2014. Available online: https://www.tralac.org/images/docs/6384/finscope-consumer-survey-mauritius-2014.pdf (Accessed 31st August 2023).

Hategekimana, U., Kigabo, T. R., & Ruhara, C. (2019). Financial Inclusion in Rwanda: Achievements, Challenges and Prospectives. Evidence from Umurenge Saccos. Available online: 51-961-ICBME17.pdf (dpublication.com) (Accessed 31st August 2023).

IFC (International Finance Corporation). (2017). *MSME Finance Gap: Assessment of the Shortfalls and Opportunities in Financing Micro, Small, and Medium Enterprises in Emerging Markets*. World Bank.

Jima, M. D., & Makoni, P. L. (2023). Financial Inclusion and Economic Growth in Sub-Saharan Africa—A Panel ARDL and Granger Non-Causality Approach. *Journal of Risk and Financial Management*, *16*(6), 299.

Kim, Jong-Hee. 2016. A Study on the Effect of Financial Inclusion on the Relationship between Income Inequality and Economic Growth. Emerging Markets Finance and Trade 52: 498–512.

Lesotho (2012). Inclusive Finance Strategy of Lesotho. Available online: https://www.centralbank.org.ls/images/Financial_Stability/Financial_Inclusion/Inclusive_Finance_strategy_Final_201.pdf (Accessed 24th June 2022).

Madagascar (2012). Strategie Nationale de la Finance Inclusive. Available online: https://www.findevgateway.org/fr/etude-de-cas/2012/12/strategie-nationale-de-la-finance-inclusive-snfi-2013-2017 (Accessed 24th June 2022).

Malawi (2010). Malawi National Strategy for Financial Inclusion. Available online: https://dfsobservatory.com/sites/default/files/Malawi%20National%20Strategy%20for%20Financial%20Inclusion.pdf (Accessed 24th June 2022).

Mauritania (2013). Financial Sector Development Strategy and Action Plan. Available online: https://openknowledge.worldbank.org/server/api/core/bitstreams/95c9c5b7-0cc5-5b4e-8046-e59c81fc9d27/content (Accessed 24th June 2022).

Mozambique (2016). National Financial Inclusion Strategy. Available online: https://www.bancomoc.mz/en/areas-of-expertise/financial-inclusion/conceptual-framework-for-financial-inclusion/#:~:text=In%202016%2C%20the%20Government%20approved,27). (Accessed 24th June 2022).

Namibia (2011). National Financial Sector Strategy. Available online: https://www.bon.com.na/CMSTemplates/Bon/Files/bon.com.na/e7/e7e69c6d-b02b-4109-8d3d-5b41a79f9d89.pdf (Accessed 24th June 2022).

Nanda, Kajole, and Mandeep Kaur. 2016. Financial Inclusion and Human Development: A Cross-country Evidence. Management and Labour Studies 41: 127–53.
Park, C. Y., and Mercado, R. (2015). Financial inclusion, poverty, and income inequality in developing Asia. *Asian Development Bank Economics Working Paper Series*, (426).

Niger (2015). Stratégie Nationale de la Finance Inclusive. Available online: http://www.finances.gouv.ne/index.php/actualites/publications-du-ministere/file/287-strategie-nationale-de-la-finance-inclusive-2015-2019 (Accessed 24th June 2022).

Nigeria (2012). National Financial Inclusion Strategy. Available online: https://www.afi-global.org/wp-content/uploads/publications/mfg-en-paper-national-financial-inclusion-strategy-oct-2012.pdf (Accessed 24th June 2022).

Revoltella, D. (2018). Banking in Africa: Delivering on Financial Inclusion, Supporting Financial Stability. *European Investment Bank.* Available online: https://www.eib.org/attachments/efs/economic_report_banking_africa_2018_en.pdf (Accessed 16th March 2022).

Sahay, M. R., Cihak, M., N'Diaye, M. P., Barajas, M. A., Mitra, M. S., Kyobe, M. A., ... &

Sebudde, K. R. (2017). In Uganda, greater financial inclusion is the key to unlocking rapid growth. *World Bank Blogs*. Available online: https://blogs.worldbank.org/africacan/in-uganda-greater-financial-inclusion-is-the-key-to-unlocking-rapid-growth (Accessed 31st August 2023).

Senegal (2022). National Financial Inclusion Strategy. Available online: https://www.afi-global.org/publications/senegals-2022-2026-national-financial-inclusion-strategy/ (Accessed 24th June 2022).

Sierra Leone (2017). National Strategy for Financial Inclusion. Available online: https://bsl.gov.sl/SL%20FI%20Strategy%202017%20-%202020.pdf (Accessed 24th June 2022).

South Africa. (2017) financial sector regulation act. Available online: https://www.gov.za/sites/default/files/gcis_document/201708/4106022-8act9of2017finansectorregulationa.pdf (Accessed 24th June 2022).

Tanzania (2018). National financial inclusion framework. Available online: https://www.afi-global.org/sites/default/files/publications/2017-12/NFIF%202018-2022.pdf (Accessed 24th June 2022).

Uganda (2017). National Financial Inclusion Strategy. https://www.mfw4a.org/publication/republic-uganda-national-financial-inclusion-strategy-2017-2020#:~:text=The%20National%20Financial%20Inclusion%20Strategy,digital%20infrastructure%3B%20iv)%20Deepen%20and (Accessed 24th June 2022).

Yousefi, M. R. (2015). *Financial inclusion: can it meet multiple macroeconomic goals?*. International Monetary Fund.

Voica, M. C. (2017). Financial Inclusion as a Tool for Sustainable Development. *Revista Romana de Economie*, 44(1).

World Bank (2013). Universal Financial Access Is Vital to Reducing Poverty, Innovation Key to Overcoming the Enormous Challenge, Says President Jim Yong Kim. Available online: https://www.worldbank.org/en/news/press-release/2013/10/11/universal-financial-access-vital-reducing-poverty-innovation-jim-yong-kim (Accessed 16th March 2022).

World Bank (2015a). World Bank Group and a Coalition of Partners Make Commitments to Accelerate Universal Financial Access. Available online: https://www.worldbank.org/en/news/press-release/2015/04/17/world-bank-group-coalition-partners-make-commitments-accelerate-universal-financial-access (Accessed 16th March 2022).

World Bank (2015b). Overview: National Financial Inclusion Strategies. Available online: https://www.worldbank.org/en/topic/financialinclusion/brief/national-financial-inclusion-strategies (Accessed 16th March 2022).

World Bank (2015c). How to Measure Financial Inclusion. Available online: https://www.worldbank.org/en/topic/financialinclusion/brief/how-to-measure-financial-inclusion (Accessed 16th March 2022)

World Bank (2018). UFA 2020 Overview: Universal Financial Access by 2020. Available online: https://www.worldbank.org/en/topic/financialinclusion/brief/achieving-universal-financial-access-by-2020 (Accessed 18th July 2022).

World Bank (2022). The Global Findex Database 2021: Financial Inclusion, Digital Payments, and Resilience in the Age of COVID-19. Available online: https://www.worldbank.org/en/publication/globalfindex/Report (Accessed 18th July 2022).

Zambia (2017). National Financial Inclusion Strategy. https://www.boz.zm/National-Financial-Inclusion-Strategy-2017-2022.pdf (Accessed 24th June 2022).

Zimbabwe (2016). National Financial Inclusion Strategy. Available online: https://www.rbz.co.zw/documents/BLSS/FinancialInclusion/National-Financial-Inclusion-Strategy.pdf (Accessed 24th June 2022).

Zins, Alexandra, and Laurent Weill. 2016. The determinants of financial inclusion in Africa. Review of Development Finance 6: 46–57

Appendix

A1: List of 37 Sub-Saharan African Countries in the study

No.	Country	No.	Country
1	Angola	**20**	Mauritius
2	Burundi	**21**	Malawi
3	Benin	**22**	Namibia
4	Burkina Faso	**23**	Niger
5	Botswana	**24**	Nigeria
6	Cote d'Ivoire	**25**	Rwanda
7	Cameroon	**26**	Sudan
8	Capo Verde	**27**	Republic of Congo
9	Chad	**28**	Senegal
10	Eswatini	**29**	Seychelles
11	Gabon	**30**	Sierra Leone
12	Guinea	**31**	South Africa
13	The Gambia	**32**	South Sudan
14	Kenya	**33**	Togo
15	Lesotho	**34**	Tanzania
16	Madagascar	**35**	Uganda
17	Mali	**36**	Zambia
18	Mozambique	**37**	Zimbabwe
19	Mauritania		