



# Electronic and Cross-Border Payments Infrastructure for Improving Intra-African Trade

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# Outline

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## Current State of Intra-Africa Trade

Global, Africa context,



## Payments - Use case for Intra-Africa Trade

Payment methods, Trends, Acta, PAPSS, Cross-border payments,



## Governments, Private Sector & Technology

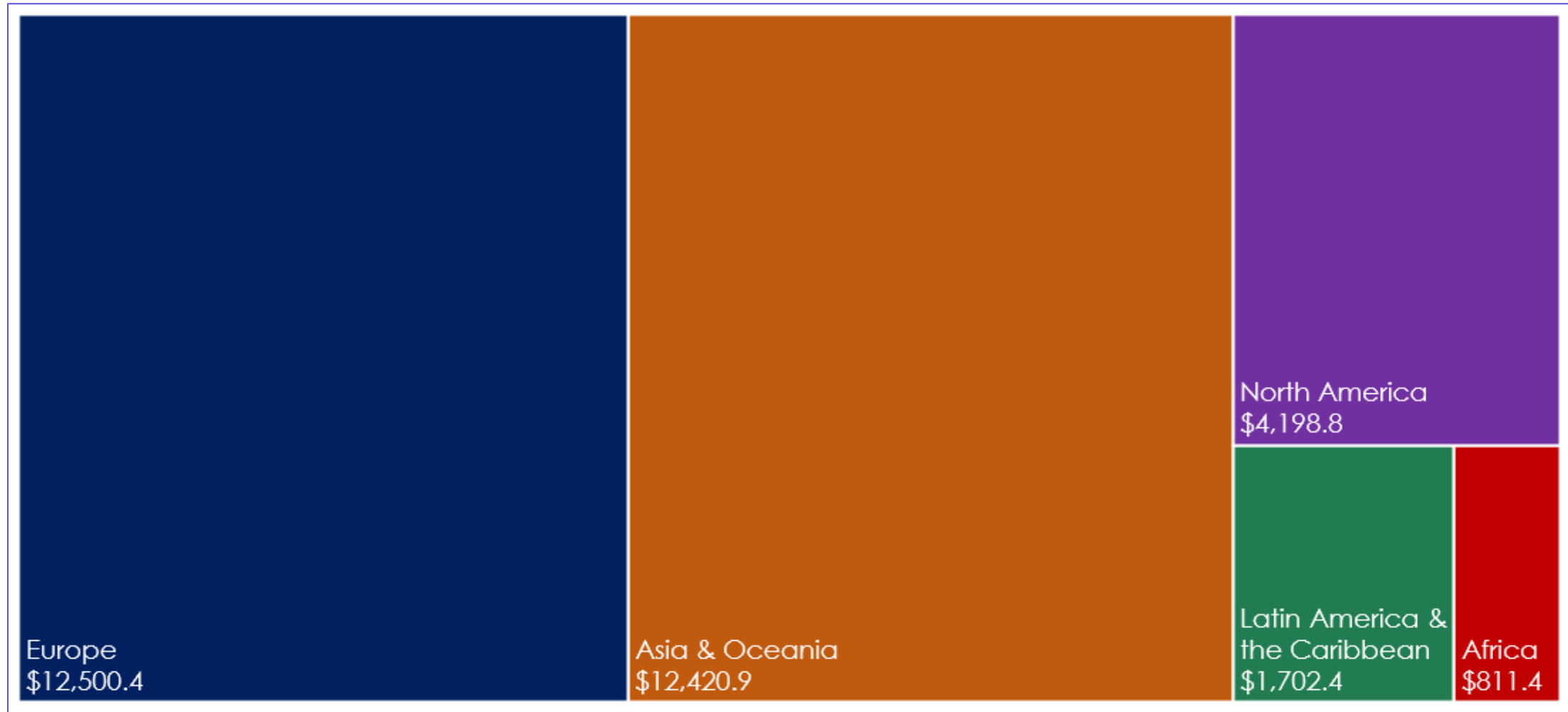
Regulation, Blockchain, AI, Unified payment infrastructure



## Call To Action - Final Words

Next steps – Short term, Long term

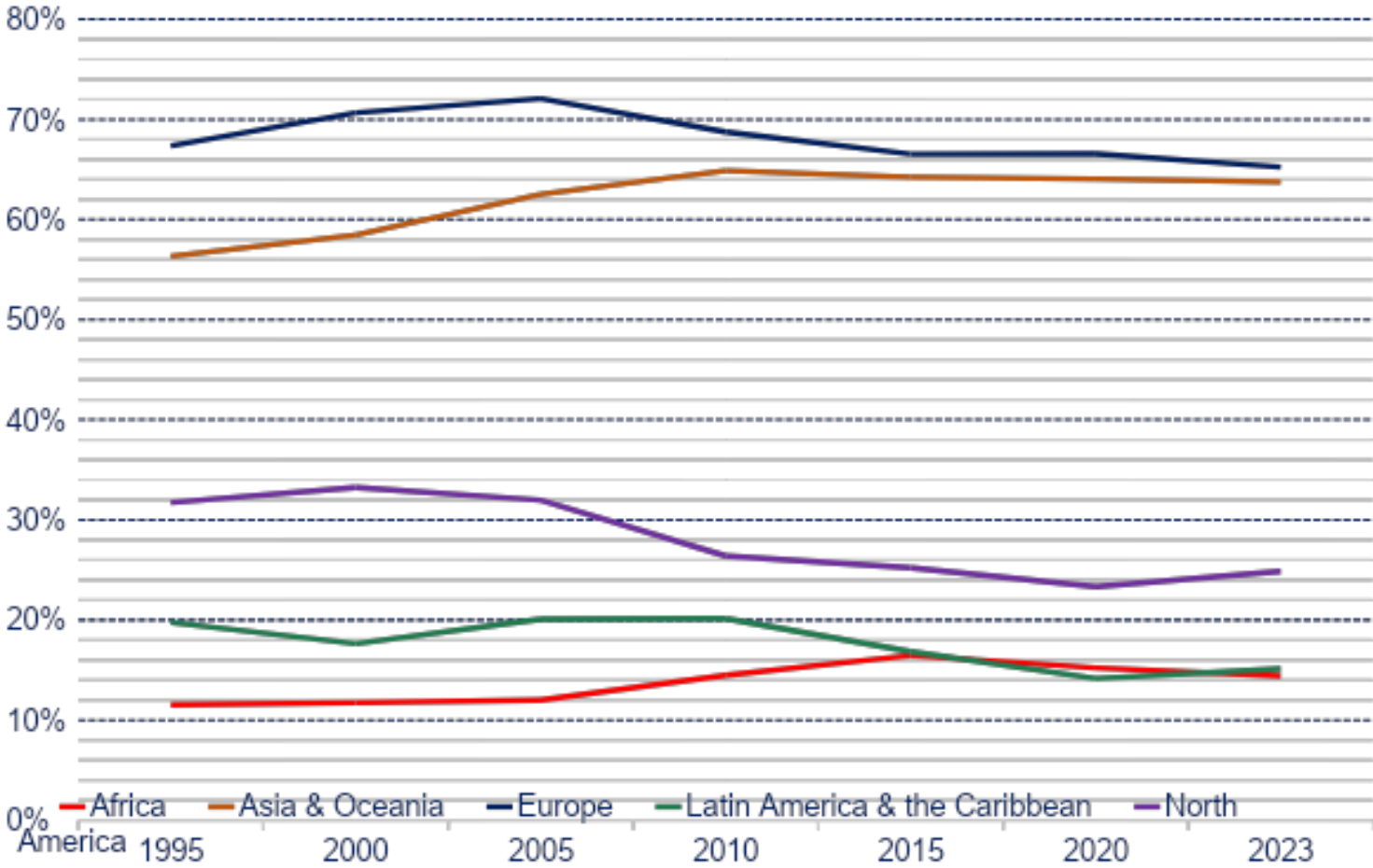
# Africa contributes only 3% to global trade...



Source:  
UNCTADStat.; WTO  
World Statistical  
Review

- ❑ Globally, B2B payments are valued at \$127 trillion annually, with 20% being cross-border payments
- ❑ 95% of cross-border payments handled by banks, contributing to slow, costly transactions.
- ❑ 51% of Africa's trade carried out by the top 5 countries – South Africa (17%), Egypt (11%), Morocco (9%), Nigeria (8%), Algeria (7%)

# Intra-African trade is also low in Africa compared to other regions...

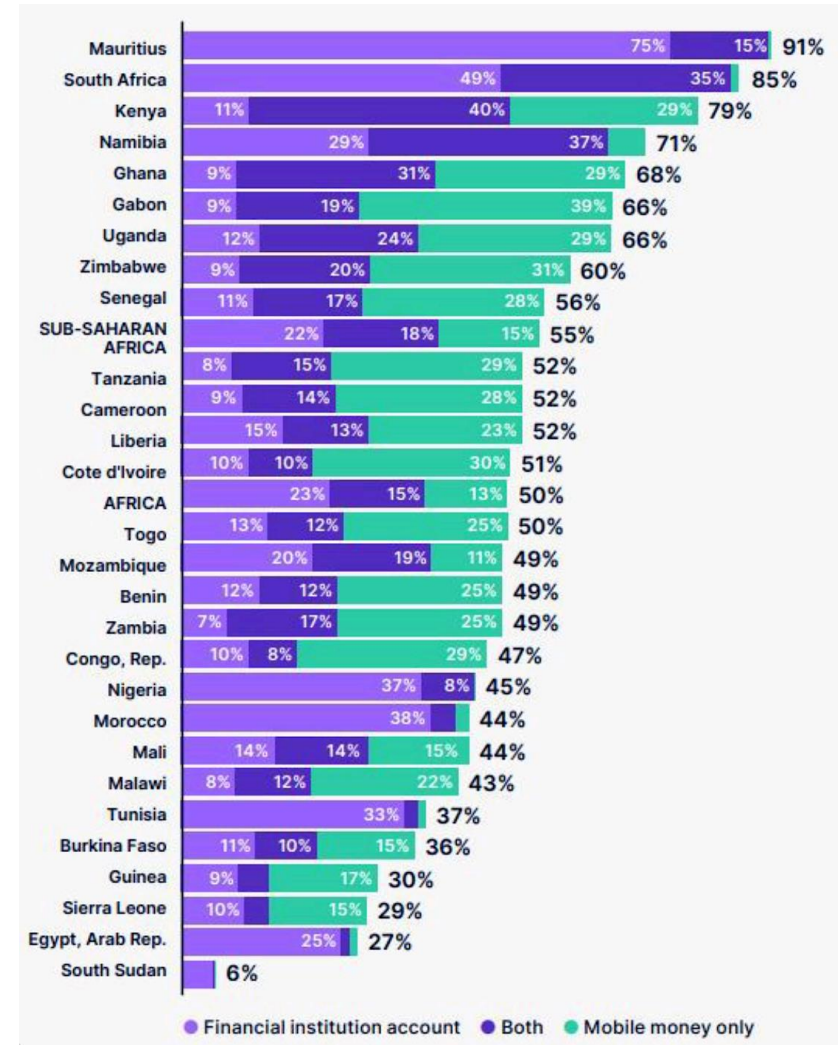


- ❑ Intra-regional merchandise trade represented 14% of Africa's world trade in 2023, the lowest amongst the major world regions. The highest was for Europe (65%).
- ❑ The Global Financial Crisis dampened global trade; only Asia & Oceania and Africa regions have more intra-trade in 2023 than they did in 2007.
- ❑ Southern Africa is the main driver of intra-African trade, accounting for over 44% of total intra-African trade in 2021.
- ❑ Africa's top trading countries all have non-African countries as their most important trading partners.

# Intra-African payments landscape...

## Digital Divide

Differences in digital payment adoption across Africa; East Africa's dominance in mobile money (e.g., M-Pesa) vs. reliance on traditional banking in other regions.





# Challenges of cross-border payments infrastructure in Africa

01

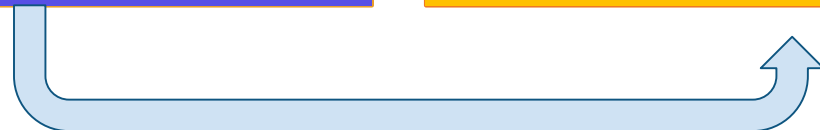
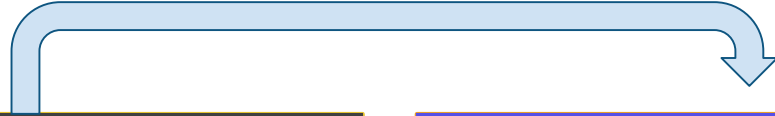
**Regulatory Barriers:** Different financial regulations across countries hinder seamless transactions.

02

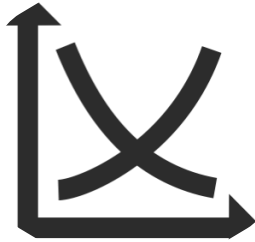
**Currency Exchange Issues:** Unstable exchange rates and dependence on foreign currencies (e.g., USD) for trade.

03

**High Transaction Costs:** Reliance on intermediary banks inflates costs.



# Why electronic payment infrastructure matters



## **Economic Growth**

Faster, cheaper payments drive trade, enabling businesses to scale across borders



## **Financial Inclusion**

Digital payments help integrate SMEs into the formal economy, boosting intra-African trade.



## **Transparency and Accountability**

Digital payments gives credence to underserved communities and expands their access to other services such as credit, etc.



# Key trends in digital payments in Africa

**Payments**

Merchant Focused (Processing / Acquiring / Gateways)

Moniepoint flutterwave Fawry Pay network Interswitch Chipper mnt halan VISA FUNDAMO stripe

iKholha Flash AMAN Group paymob paystack TPAY Ukheshe Cellulant itex TymeBank network BEYN dt Naps Carry1st peach Chapa yoco zapper Xnomba Standard Bank JUMIA copia gastpesa pesapal selcom SnapScan Kopo Kopo We CashUp pagar

**Payments Infrastructure**

onafriq flutterwave Moniepoint network HPS Interswitch adumo PAYLOGIC TapTap Send paycorp CAPITAL APPRECIATION wizz zone teya tutuka vantagepay Cellulant eversend

**Cross-Border Payments**

mukuru Korridor CAB PAYMENTS AZA FINANCE ZEPZ SENDWAVE nala hellopaisa dash gastpesa LEMPA pagar suregifts haperone wizz Mama Money Mlangwee

**Blockchain-Powered Payments / Infrastructure**

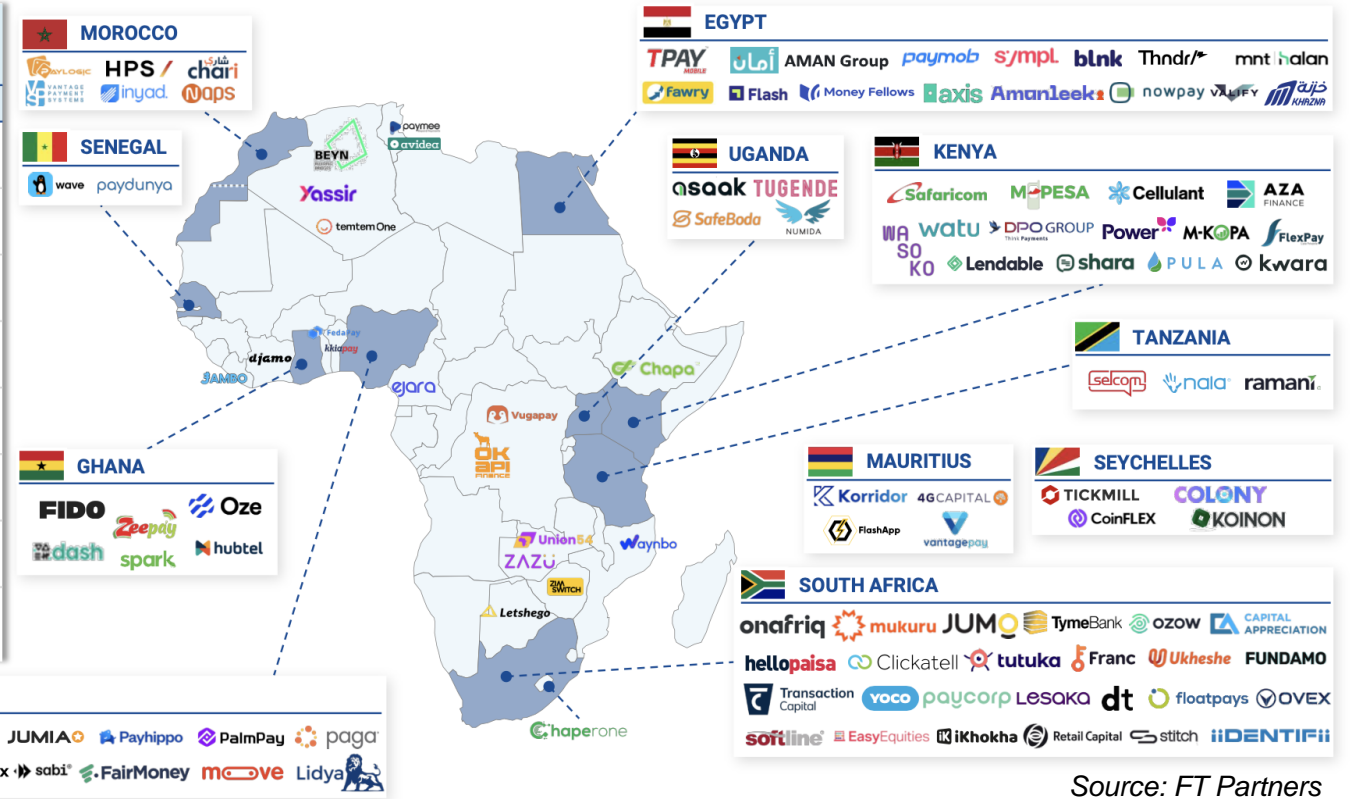
XEND Finance JAMBO Sca BVNK GRIDLESS AZA FINANCE EMTECH OVEX DuniaPay zone KOINON COLONY

## Africa's FinTech Landscape

Geographic Landscape <sup>(1,2)</sup> – Selected Companies

FINANCIAL TECHNOLOGY PARTNERS

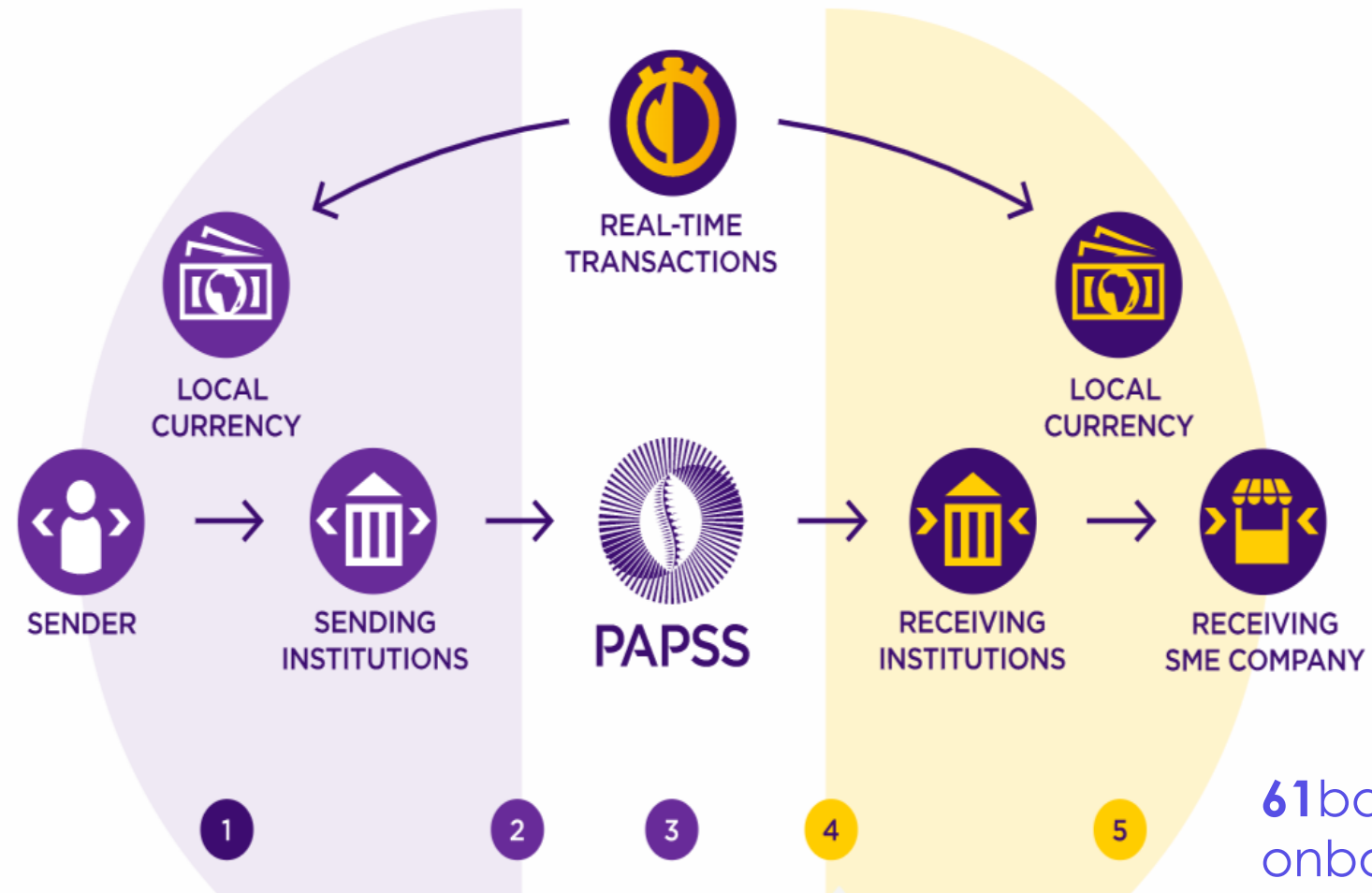
Non-Africa Headquartered FinTech Companies		
Company	HQ	African Presence
BIMA	Sweden	GHA, SEN, TZA, MUS
branch	USA	KEN, TZA, NGA
Chipper	USA	GHA, TZA, NGA, ZAF, UGA, KEN, RWA
CAB PAYMENTS	UK	ETH, GHA, KEN, MOZ, NAM, NGA, RWA, SLE, ZAF, TZA, ZMB, ZWE
flutterwave	USA	NGA, GHA, KEN, ZAF, UGA, TZA
migo	USA	NGA
TALA	USA	KEN
Yellow Card	USA	KEN, RWA, TZA, UGA, CIV, GHA, NGA, SEN, CMR, COD, GAB, COG, BWA, MWI, ZAF, ZMB



Source: FT Partners

# Case study: PAPSS and cross-border payment networks

- ❑ The Pan-African Payment and Settlement System (PAPSS) enables the efficient flow of money securely across African borders.
- ❑ PAPSS works in collaboration with Africa's central banks to provide a payment and settlement service to which commercial banks and licensed payment service providers.
- ❑ PAPSS was officially launched on January 13, 2022



61 banks onboarded.

Source: Duplo



# Leveraging technology for payment efficiency



Improves transparency, security, and speeds up cross-border transactions

Improve cross-border payment accuracy, reduce transaction times, and detect anomalies.

Platforms including mobile wallets, real-time payment gateways, and cross-border payment infrastructure that can handle various currencies and offer instant transactions

# The private sector's role in payment innovation

**onafriq** 

 **Blaaiz** 



**Developing and implementing innovative payment solutions/Value Added Services (credit check, cash flow forecast, etc)**

**Collaboration between fintechs and traditional financial institutions**

 **Cellulant**  **UBA**  
United Bank for Africa

 **Flutterwave** +  **Standard Bank**  
Also trading as Stanbic Bank



**Ensuring data privacy and security**

# Call to action



**Governments:** Push for regulatory harmonization and investment in digital infrastructure. Push for continent-wide adoption of interoperable systems like PAPSS



**Private Sector:** Invest in scalable, cross-border fintech solutions that align with AfCFTA goals



**Regional Bodies:** Promote the adoption of PAPSS across Africa.

# Next steps



**Short-Term Actions:**  
Encourage early AfCFTA adoption and PAPSS implementation.



**Long-Term Vision:** Develop an integrated African payment network for a unified trade ecosystem.

# In case you missed it

## Importance of electronic and cross-border payments

Electronic and cross-border payments are essential for boosting intra-African trade by reducing transaction costs, increasing efficiency, and enhancing financial inclusion



## Key components of a robust infrastructure

Robust infrastructure requires interoperable national payment systems, secure cross-border payment corridors, mobile money, centralized payment clearing, and strong data privacy.

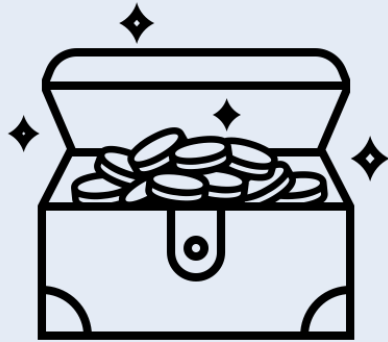


## Role of governments and the private sector

Governments should create a conducive operating environment that enables the development of innovative payment solutions







## Prosperity and trade participation

Per capita income in low- and middle-income economies increased 191% as their share of global trade grew from 21% to 38% between 1995 and 2023.



## Economics of scale and industrialisation

Reduced trade costs led to more trade within the EU, which increased the GDP of the Netherlands by 3.1% and, almost 80% of Dutch trade benefits.

## Mitigant against adverse external shocks

Deeper intra-regional and intra-African trade ties helped the East African Community absorb the global output shocks of the 2007 global financial crisis, more than any region on the continent.

## Political cooperation and stability

According to the economic peace theory, when countries are economically intertwined, they have more to lose from a war, such as trade, investment, and jobs. This mutual economic interest can act as a deterrent to aggression and conflict



**thank you**