

**“Making Finance Work for Africa” Conference
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FINANCIAL CAPABILITY & CONSUMER PROTECTION

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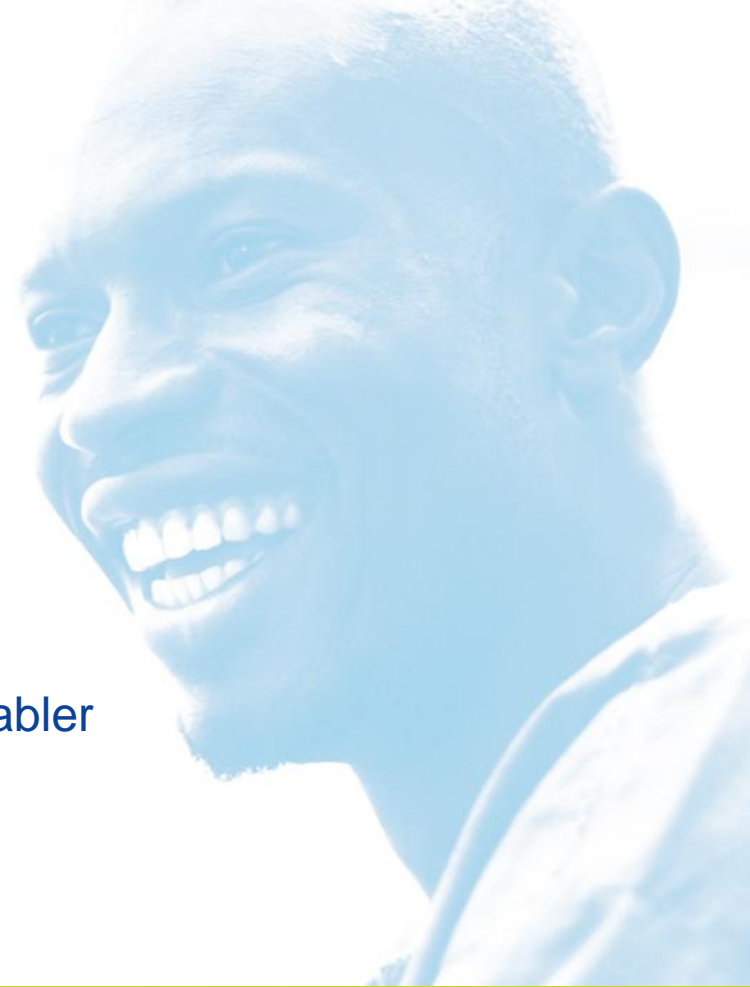
Financial Capability – issues ???

- General Literacy
- Financial Literacy
- Bankability – being marketable to the provider
- Choosing the right products
- Negotiating terms / bargain
- Availability of tools to manage finances
- Poverty reduction & Wealth creation
- Financial inclusion – from informal to formal
- Capability building costs
- Who pays the costs??



Consumer Protection – issues ???

- **Who is the consumer??**
- **Rights of the consumer??**
- **Supply/ availability of products**
- **Wide Vs narrow product choices**
- **Access to products / services**
 - + accessibility (qualifying criteria, language etc)
 - + convenience (proximity, manual/ tech etc)
 - + affordability (pricing, structure)
- **Policies, framework**
- **Regulation, Standards**
- **Monopoly Vs Competition**
- **Public Vs private sector roles – player or enabler**
- **Sector development / deepening**
- **Capacity building / skills development**
- **Delivery platform / network**
- **stakeholders**



Africa – challenges / Score Card

- Low literacy level
- Low financial literacy level
- Narrow product choices
- Weak consumer finance and microfinance – little more advanced in east and south Africa
- Financial systems still developing
- Very low penetration rate - high un-banked & un-served population
- Lack of competition in consumer and MSME segments
- Inadequate delivery network
- Poor infrastructure
- Paucity of tools to manage finances
- Poverty reduction & Wealth creation
- Financial inclusion – from informal to formal
- Skills gaps

Africa – Opportunities/ prospects

- Better literacy / financially savvy people
- Poverty reduction and better welfare
- Financial inclusion
- Healthy Economic Growth
- Deeper Financial system
- Higher financial security
- Higher economic activity, more jobs, more income

possible choices for stakeholders???

Governments

- Formulate Financial Capability policy & strategy as in UK etc
- Encourage private sector participation – as investor & provider
- Move from “player” to “enabler”
- Encourage competition – incentives and relaxed licensing regime
- Encourage FIs to play in the consumer and MSME segments – incentives (guarantees, funding allocations etc)

Financial Institutions

- Focus on this markets as bankable and growth sectors
- Collaborate with governments and DFIs etc to enhance bankability of target clients

DFIs and Development Partners

- Work more closely with government for policy & capacity development
- Work directly with more providers – funding, risk sharing, capacity, tool kits

Ecobank - Cases

Ecobank – USAID :

- Regional SME partnership (SS & DD solution)
- Credit funding – Ecobank; Credit Risk sharing – Ecobank & USAID
- Capacity Building for customers & bank's officers - USAID

Ecobank – IFC :

- Regional SME funding & capacity support
- Credit funding – Ecobank & IFC
- Credit & SME customers management support – training & tools for the bank – IFC

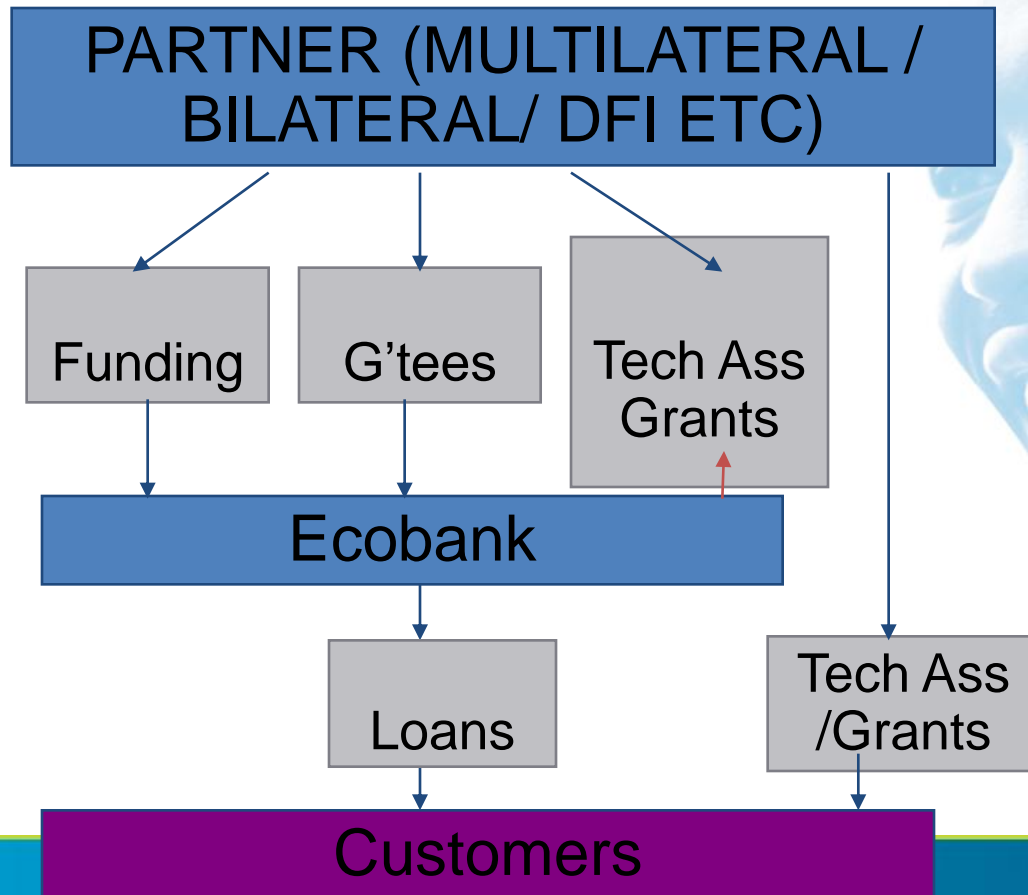
Ecobank – DFI:

- Centre of Excellence – Web-based training & tools for both the customers and for the bank
- Credit funding – Ecobank & DFI ;Credit risk sharing – Ecobank & DFI

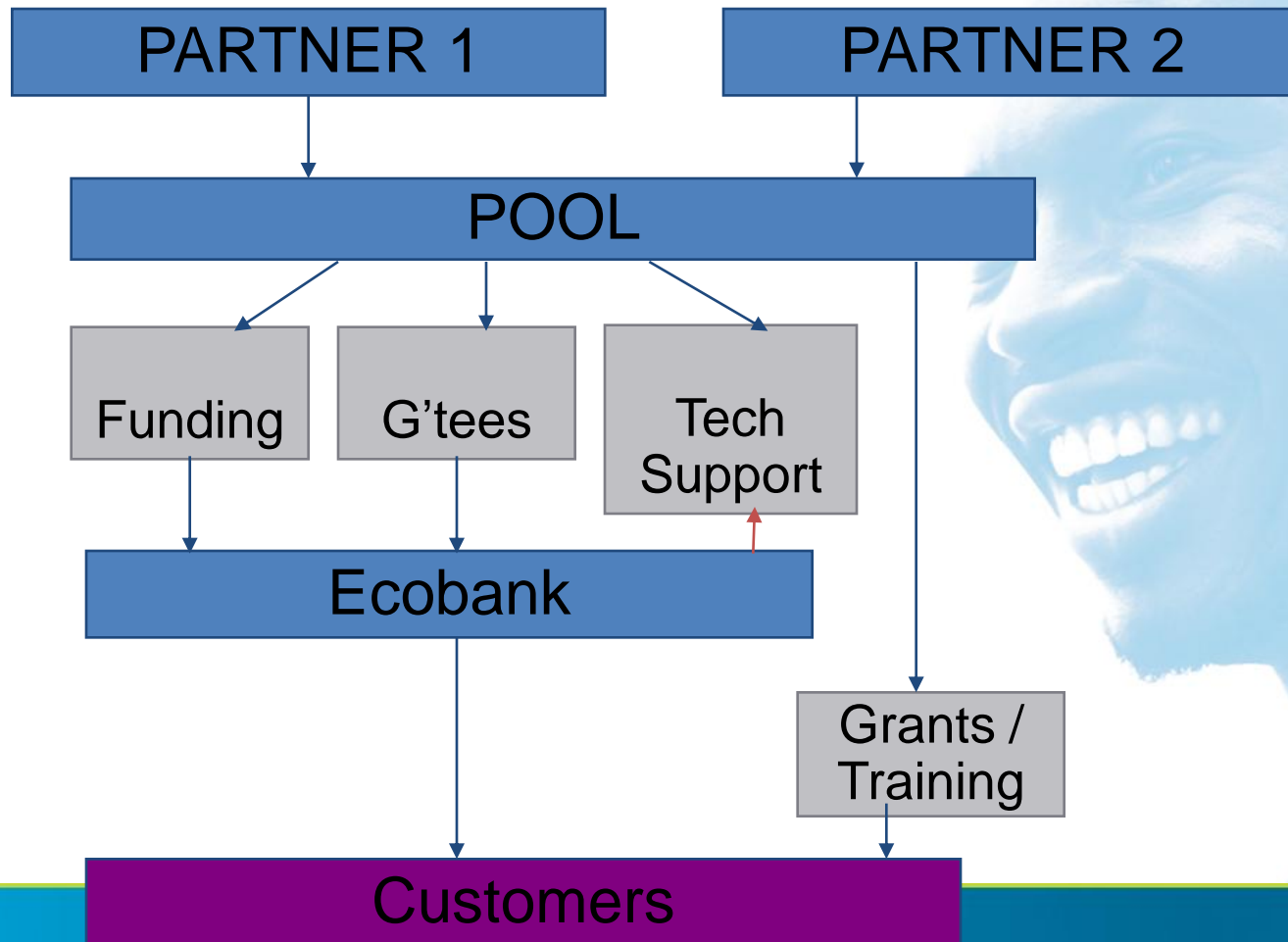
Ecobank – ACCION:

- Setting up Microfinance Banks across Africa– ACCION as technical partner
- Technical asst funded by IFC, CGAP, Gates etc

Collaboration – 2 PARTY MODEL



Collaboration – Multi-Party Model



Thank you!

Merci!

