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Foreign Investment Network

SUMMER 2022

Central African Republic adopts cryptocurrency as legal tender

Africa's economic diversification gets the support of Central Banks

Davos 2022: Key Lessons for African Leaders

GODWIN EMEFIELE

Nigeria's Economy: Banking on Emefiele's Midas Touch

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AFRICA CASHLESS PAYMENT SYSTEMS CONFERENCE

Theme: BUILDING A CASHLESS AFRICA

Transcorp Hilton Hotel, Maitama, Abuja

8th - 9th September 2022

SPEAKERS (TO BE CONFIRMED)

Prof Yemi Osinbajo
Vice President, Federal Republic Of Nigeria (TBC)

Dr. Ernest Addison
Governor, Bank of Ghana (TBC)

Mr. Godwin Emefiele
Governor, Central Bank Of Nigeria (TBC)

John Alan Kyerematen
Minister of Trade (TBC)

Prof Isa Pantami
Minister, Communications And Digital Economy, Nigeria (TBC)

Dr. Akinwumi Adesina
President, African Development Bank (TBC)

Prof. Benedict Oramah
President And CEO AFREXIM Bank (TBC)

Ursula Owusu-Ekuful
Minister, Communications And Digitalization, Ghana (TBC)

Mrs. Vera Esperanca
Minister of Finance, Angola. (TBC)

Ebenezer Onyeagwu,
CEO/MD, Zenith Bank (TBC)

Yemisi Edun,
MD, First City Monument Bank (FCMB) Limited (TBC)

Mr. Abdulrasheed Bawa
Chairman Of Economic And Financial Crimes Commission, EFCC (TBC)

OBJECTIVES OF THE CONFERENCE

- Strengthen and support the capacities, policies and development of the Cashless Payment Initiatives
- Introduce improved and new technologies use for transactions
- Introduce new and faster electronic payment systems
- Tackle theft in the financial sector and expound on cyber security in Africa
- Tackle digital financial insecurity and data protection.
- Chart ways for curbing illicit financial flow in Africa
- Expose growth strategies for entrepreneurs in a digitized economy.
- Unveil risks and opportunities in a cashless monetary system.
- Expose investment opportunities in cashless financial infrastructure

HIGHLIGHT:

CONFERENCE | EXHIBTITION | NETWORKING | FIN AWARDS

For Registration, Exhibition and Participation

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In this edition

Nigeria's Economy: Banking on Emefiele's Midas Touch

Godwin Ifeanyi Emefiele
Governor, Central Bank of Nigeria

Nigeria's Banking Czar, Godwin Ifeanyi Emefiele CON, is the second longest-serving Governor of the Central Bank of Nigeria (CBN) following the late Alhaji Abdulkadir Ahmed who served 11 years from 1982 to 1993.

Ceteris Paribus, Emefiele's tenure would end in June 2024, having assumed office at the Central Bank of Nigeria on June 5, 2014. But there are pressures on the 11th CBN Governor to resign and run for president in 2023.

The trailblazing achievements of the 60-year-old banker from Agbor, Delta State, who rose from a humble background to the zenith of the Nigerian banking industry, are by no means limited to the length of his tenure at the summit of Nigeria's apex financial institution.

Since he took off like an airplane against the wind on June 5, 2014, Emefiele has weathered many storms navigating through economic recession/stagflation and a debilitating Covid-19 pandemic as he handled interest rate issues, foreign exchange rates, external reserves, financial inclusion, and the gap in the agricultural value chain by introducing various interventions.

Through The Tough Times

Despite heading the CBN at a period of dire global socio-economic challenges, he has proven himself as a most pragmatic, progressive, and dynamic financial wizard. The justifications are not far to seek.

Under Emefiele, Nigeria is ranked as the 27th-largest economy in the world in terms of nominal GDP, and the 24th-largest in terms of purchasing power parity. Nigeria has the largest economy in Africa. The country's GDP amounted to 514 billion U.S. dollars in 2021 recording the highest gross domestic product in Africa.

Prior to his joining the CBN, Emefiele had spent over 26 years in commercial banking culminating in his tenure as Group Managing Director and Chief Executive Officer of Zenith Bank PLC, one of Nigeria's three biggest banks.

Before his banking career, he was a lecturer in Finance and Insurance at two Nigerian universities. He holds degrees in Banking and Finance from the University of Nigeria, Nsukka, and he is also an alumnus of Stanford University, Harvard, and Wharton Graduate Schools of Business where he took courses in Negotiation and Service Excellence, Critical Thinking, Leading Change, and Strategy.

Working the System

Currently, the CBN has 37 intervention funds targeted at stimulating the economy and addressing the issue of unemployment.

A look at some of his key achievements so far revealed that Africa's biggest economy has recorded significant growth in banks credit to the private sector by 92.79 percent year-on-year to N32.64 billion in June 2021 from N16.93 billion in June 2014, when he assumed office.

Also, there has been a huge increase in banks' credit growth driven by the policy of Loan to Deposit Ratio (LDR), which the CBN under Emefiele introduced in September 2019.

Under Emefiele, the Central Bank's development finance initiatives granted N756.51 billion to 3,734,938 smallholder farmers cultivating 4.6 million hectares of land, of which N120.24 billion was extended for the 2021 Wet

Season to 627,051 farmers for 847,484 hectares of land, under the Anchor Borrowers' Programme (ABP); for the Agribusiness/Small and Medium Enterprise Investment Scheme (AGSMEIS), the sum of N121.57 billion was disbursed to 32,617 beneficiaries; and for the Targeted Credit Facility (TCF), N318.17 billion was released to 679,422 beneficiaries, comprising 572,189 households and 107,233 Small and Medium Scale Enterprises (SMEs).

Under the National Youth Investment Fund (NYIF), the Bank released N3.0 billion to 7,057 beneficiaries, of which 4,411 were individuals and 2,646 SMEs. Under the Creative Industry Financing Initiative (CIFI), N3.22 billion was disbursed to 356 beneficiaries across movie production, movie distribution, software development, fashion, and IT verticals.

The CBN under the N1.0 trillion Real Sector Facility released N923.41 billion to 251 real sector projects, of which 87 were in light manufacturing, 40 in agro-based industry, 32 in services, and 11 in mining.

On the N100 billion Healthcare Sector Intervention Facility (HSIF), N98.41 billion was disbursed for 103 health care projects, of which, 26 are pharmaceuticals and 77 are hospital services. Similarly, the sum of N232.54 million was disbursed to 5 beneficiaries under the CBN Healthcare Sector Research and Development Intervention (Grant) Scheme (HSRDIS) for the development of testing kits and devices for Covid-19 and Lassa Fever.

Under the National Mass Metering Programme (NMMP), N36.04 billion was disbursed to 17 Meter Asset Providers, to nine (9) DisCos, for the procurement and installation of 657,562 electricity meters. On the Nigerian Electricity Market Stabilization Facility – 2 (NEMSF-2), the CBN released N120.29 billion to 11 DisCos, to provide liquidity support and stimulate critical infrastructure investment needed to improve service delivery and collection efficiency.

On the Money

In money market development, the net liquidity position and interest rates in the economy reflected the impact of the Bank's liquidity management operations.

In collaboration with key financial institutions, the CBN has deployed several measures aimed at improving access to finance for SMEs to enable greater expansion of their operations. Some of these activities include enabling SMEs to leverage their movable assets to obtain capital from financial institutions, and the development of credit reporting agencies, which would encourage SMEs to maintain good credit ratings to obtain access to credit at a relatively lower cost from financial institutions.

Vice President Yemi Osinbajo during the Micro Small and Medium Enterprises MSME Clinic in Nigeria.

Fresh Outlook

When he assumed office, Emefiele stated that his vision would be to ensure that the CBN is more people-focused, as its policies and programs would be geared towards supporting job creation. Consequently, the bank's development finance interventions have created over seven million jobs according to information from the CBN's corporate communications department.

Over 620,000 direct and indirect jobs were created in two years due to the bank's intervention in the Cotton, Textile, and Garment (CTG) sector.

Smart Money

In the area of financial inclusion, which could be regarded as Emefiele's legacy project, the launch of the eNaira, a Central Bank Digital Currency (CBDC), last year, has set Nigeria firmly on the path to achieving its full target in this regard.

A CBDC is a digital version of cash that can be stored and transferred electronically and is fully backed by the issuing central bank. Many central banks across the world—including 13 in sub-Saharan Africa—are currently exploring the option of using a CBDC to enhance their electronic payment system.

In October 2021, Nigeria became the first country in Africa and the second in the world after the Bahamas to issue a CBDC. Emefiele introduced the eNaira as part of measures to deepen financial inclusion, integrate millions of unbanked Nigerians into the banking system and create a more secure alternative to unregulated virtual currencies sometimes used to perpetrate fraud and other criminalities. Despite the initial pessimism in some quarters, the eNaira app recorded almost 600,000 downloads in less than four weeks of its introduction.

On May 9, while playing host to a delegation of Executive Directors from the Bank of Uganda, that was on an experience-sharing tour of Nigeria's CBDC project, Emefiele disclosed that the nation's current financial inclusion rate is slightly below 70 percent, adding that this would soon rise to as high as 85 percent.

The CBN governor expressed confidence that the acceptance of the eNaira would speed up the rate of financial inclusion in the country.

Emefiele expressed satisfaction that the country's CBDC has recorded success as seen in the rate of integration and security features, enhancing the relationship between mobile banking and e-business as it speeds up the rate of financial inclusion.

The eNaira, being the first of its kind for a large country like Nigeria, was attracting the interests of many countries, including Uganda.

According to Emefiele, Nigeria has deepened its payment system infrastructure, and it is ranked among the best in the world.

He added that CBN was committed to accelerating the rate at which those who were financially excluded could come into the formal banking sector.

The CBN is further planning to allow users without a bank account to open an eNaira wallet with only the national identification number to make it more accessible to the unbanked. Users without bank accounts will however have lower transaction limits to minimize financial integrity risks.

The CBN also plans to allow the Nigerian diaspora to send remittances through the eNaira platform.

The apex bank recently announced plans to include bills payment in the upgraded version of its eNaira.

The CBN said part of measures to increase the use of the digital currency included sensitisation campaigns in major markets across the country.

At a sensitisation campaign on the eNaira held at the Kairo market in Oshodi, Lagos, CBN's Branch Controller, Lagos, Mr. Bariboloka Koyor, disclosed that the bank was working on an upgrade to the eNaira speed wallet app that "will allow Nigerians to do transactions such as paying for DSTV or electric bills or even paying for flight tickets. The USSD code *997# is also out and it is just for more people to be aware of it and begin to use it".

He told the gathering, comprising business owners and market leaders, that the USSD code for the eNaira *997# had been launched to make the onboarding of more Nigerians much easier.

He noted that the USSD code for the eNaira is a project that the CBN has rolled out to reach out to every Nigerian in terms of financial inclusion and in terms of efficiency, reliability, and safety of banking transactions so that people could do banking transactions very easily and safely and those in Nigeria could enjoy the benefit of digital currency.

"It is a new project. The people in the market are excited about the project. They accepted it and we are sensitising people everywhere in the country," he said.

At the event, Secretary of the Oshodi Market Traders Association, Obinna Omeh, said the eNaira would be a relief for traders as it would solve the challenge of unseen alerts, fake alerts and issues of fraud typically experienced by traders.

Keeping the Pace, Winning the Race

In a 2022 CBDC Global Index recently released by PricewaterhouseCoopers, CBN's eNaira and the Sand Dollar of the Bahamas led the retail project indexes of central banks globally.

In the report, titled, 'The Race to Digital Money Is On', PwC analysed and ranked the leading retail and wholesale CBDC projects, as well as evaluated the current stage of CBDC project development.

"Retail projects in the Index are led by the Central Bank of Nigeria (CBN) eNaira, the first CBDC in Africa, and the Sand Dollar, issued by the Central Bank of the Bahamas as legal tender in October 2020, making Bahamas the first country to launch a CBDC," the report says.

Interestingly, it also says that over 80 percent of central banks are considering launching a CBDC or might have done so already.

Likewise, the International Monetary Fund (IMF) has acknowledged the role being played by Nigeria's eNaira in setting a global example for Central Bank digital currencies.

The IMF noted in its April 2022 Regional Economic Outlook (REO) that the CBN digital currency provides a useful example of how CBDCs could work in practice.

IMF says the project has a two-tiered architecture whereby the CBN issues the eNaira and financial institutions directly engage with users for distribution, payment facilitation, dispute resolution, and other roles.

The IMF also believes that because the bank verification number is needed to open a wallet, it helps to identify end-users of the eNaira, makes it possible to comply with financial integrity regulations, and it is commendable.

As at the end of January, over 700,000 wallets have been downloaded and a total of 9 million transfers and payments have been made using eNaira.

The IMF also commended the CBN plans to make it possible to pay taxes through the eNaira platform which could potentially improve revenue collection

President Muhammadu Buhari (m), Vice President Yemi Osinbajo (L) and CBN Governor, Godwin Emefiele during the launching of eNaira.

Nigeria's Bank CEOs said in April that since its launch, in October 2021, the eNaira has seen over 756,000 downloads of the App, and about 165,000 consumer and 2800 Merchant wallets.

"As we all know the future of money is digital and the central bank, having realized this fact, proactively pioneered the central bank digital currency in Africa.

"Most of the other countries are actually still in the research and development stage while two of them are in the pilot phase," Miriam Olusanya, the CEO of GTBank observed after last month's Bankers committee meeting.

She said, "The advantage of the eNaira, which has a legal backing is that, currently, it is at no cost, and the CBN intends to keep it relatively cheaper than other transactional channels.

"The second advantage is that it's pegged to Naira, meaning that the risk of fluctuations is abated. It's in and out at the same rate, the same value as a Naira."

Outlook and Risks

On the potential benefits and challenges of digital currencies, the IMF noted the possibility of fostering financial inclusion, especially in sub-Saharan Africa, where CBDCs could bring financial services to previously unbanked or underbanked people, allowing digital transactions in remote places without internet access at minimal or no cost.

Digital currencies could also help to facilitate cross-border transfers and payments. The average cost of sending remittances to sub-Saharan Africa was 8 percent of the transfer amount in 2020.

"CBDCs could make sending remittances easier, faster, and cheaper by shortening payment chains and creating more competition among remittance service providers. Faster clearance of cross-border payments can help promote trade integration within the region and with the rest of the world," the IMF noted.

Digital currencies could also provide timely and targeted welfare disbursement, according to the IMF, and if the CBDCs are broadly used by the population, including by low-income households, targeted welfare support could be provided directly through such platforms, especially during sudden crises like those triggered by the COVID-19 pandemic or natural disasters.

Rice Pyramids

According to the IMF, "Nigeria's financial sector already has a vibrant market for digital payment instruments such as mobile money. By complementing these existing instruments, CBDC can bring significant positive impacts by providing a cheaper and safer infrastructure for digital fund transfers—for example from customers of one mobile money provider to those belonging to another… Likewise, it may also make remittances from abroad cheaper and easier reaching final recipients."

The success recorded by the CBN with the launching of eNaira in October 2021 is a further testament to Emefiele's foresight and shrewdness.

Experts believe that Nigeria's eNaira will most likely have a positive impact on CBDC development in other African countries where financial inclusion is regarded as an important part of economic development.

The success of the eNaira is yet another proof of the CBN governor's leadership quality, competence, and prescience.

Reflections

According to a public policy analyst, Mr. Innocent Onyeabuchi, the Anchor Borrowers' Programme (ABP) of the apex bank revolutionized rice production, as it currently has over 925, 000 farmers enrolled, with over 10 million jobs created (direct and indirect).

The Investors and Exporters' Forex Window created by Emefiele reportedly attracted over $50 billion in investments into the country within a spate of three years.

Onyeabuchi said that the central bank governor rallied commercial banks' chief executives to support his vision of growing the economy by setting aside five percent of their annual profit to finance agriculture and the real sector to create jobs and wealth.

In what he termed a tripod structure erected by the CBN to enhance financial inclusion strategy, Onyeabuchi commended the bank in his recent article.

By this, the CBN is promoting the Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL). The Bankers' Committee and NIPOST agreed to establish the national microfinance bank in 774 local government areas of the country to make cheap and sustainable credit at single-digit interest rates available to the economically active but poor rural dwellers, particularly the farmers and petty businesses.

Some industry watchers have also concluded that restriction on the 43 items is Emefiele's own protectionist agenda designed to drastically reduce imports, encourage local production, and create jobs, in line with Global economic protectionism like the BREXIT, and in particular, the unending trade war between the United States of America and China.

According to Onyeabuchi, it has encouraged foreign direct investments (FDI) into Nigeria, and importantly,

CA-COVID distributed palliations to states

Emefiele has coined his own brand of economic nationalism – Produce, Add Value, and Export (PAVE).

In agreement with Onyeabuchi, the General Secretary of the National Union of Textile Garment and Tailoring Workers of Nigeria (NUTGWTN), Comrade Issa Aremu, said, "There is the availability of local rice in Nigeria. The argument of CBN concerning the 43 items is tenable. Why should we make scarce foreign exchange available for people to import products that we can produce within the country? For us today, that has protected a lot of jobs.

"I think we should commend the CBN and encourage the apex bank to continue in its good job. We must support CBN because if Nigeria can produce those 43 items locally, our factories will recover. Already, about a 2.8million jobs have been created through the CBN (ABP) interventions.

"I must say that the re-appointment of the CBN governor for a second term is commendable. From the day he assumed office as the governor of CBN, his goal has been to have a monetary policy that will improve productivity and create jobs. For us, you can agree with me that if there are no companies, there will be no workers and if there are no workers there cannot be a union."

As part of efforts to stimulate infrastructural development across the country, the CBN, working with the fiscal authorities also established N15trillion worth of infrastructure development company (Infraco).

In addition, Emefiele was instrumental in the formation of the private-sector-led Coalition Against COVID-19 (CACOVID), which was able to mobilize billions of naira and has immensely supported the country's COVID-19 fight by setting up healthcare facilities across the country as well as in distributing palliatives to states.

The health sector facility provided loans to pharmaceutical companies to expand/open their drug manufacturing plants in the country and for hospitals and healthcare practitioners to expand/build health facilities.

Growing up, the CBN governor said his parents recognized that the only way to brighten his chances for a better future was to provide him with a good education.

I witnessed their toils as they struggled to pay my school fees, sometimes using proceeds from a small palm-oil plantation we cultivated in our hometown. I sympathized with their inability to sufficiently support me through those periods, despite all the luxuries that some of my peers had," he said.

With their relentless reminders, Emefiele remained diligent and determined to accomplish his dream of becoming a leader in his chosen field of finance. He joined the Nigerian-American Merchant Bank, an affiliate of First Bank of Boston, in 1987, and in 1990, joined Zenith Bank as a pioneer staff. It is these same virtues that propelled him to become the Bank's group managing director 20 years later, and then to be appointed by former President Goodluck Jonathan as the Governor of the Central Bank, in June 2014, and reappointed by President Muhammadu Buhari for a second 5-year term in June 2019.

"If anyone had told my parents that the small palm-oil business they were running at our hometown would produce a Central Bank Governor, I am sure they would have laughed the person off," he said.♦

Q2 2022 in Review- Africa’s Fintech and Crypto Revolution

By Linda A. Obi

Africa is the second-most-populous continent in the world, with around 1.3 billion people. Due to harsh economic conditions backed by colonialism, civil wars, and volatile terrains, Africa's economic growth and development are intrinsically linked to infrastructure development; this has made financial services less accessible to a vast majority, leading to around 57% of the population remaining unbanked.

The continent's push-pull relationship with international remittances has become a major driving force for infrastructure development in the region. While all eyes were turned to the US, Europe, and China, Africa was silently growing much faster than anyone anticipated, especially in financial technologies. Africa's demand for financial services—especially as the population remains largely un or under-banked while also being the world's second-fastest-growing payments and banking market—will soon bypass traditional banking systems.

With the rise in cellular and internet penetration and the increasing adoption of emerging digital payment, banking, insurance, and lending services, the continent is home to the largest adopters of mobile money transfer systems, approximately 70 per cent of global mobile money transactions, and two-thirds of the transaction volume by value. Africa leads in the new world of finance.

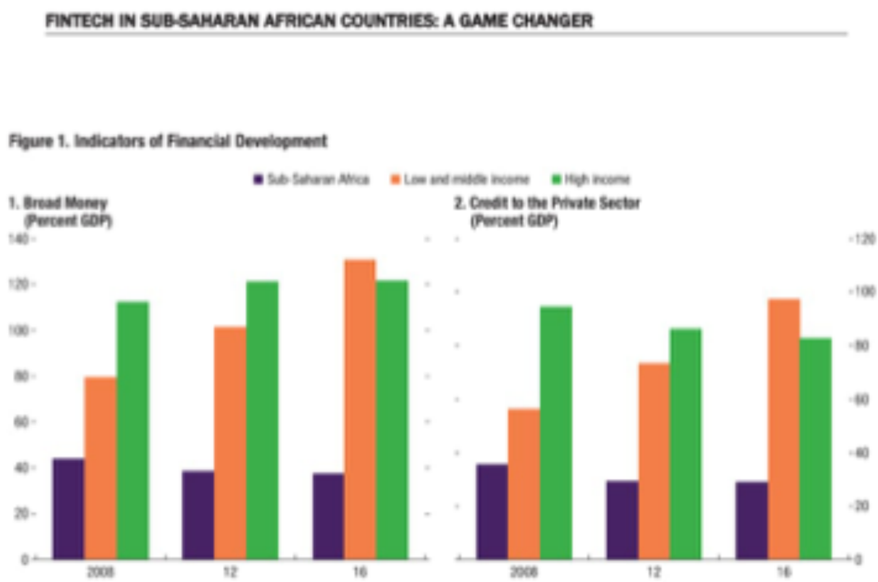
Notably, many of the region's local fintech startups are based in sub-Saharan Africa's tech hubs: Nigeria, Kenya, and South Africa. The ecosystem includes the development and use of cryptocurrencies serving as a faster and cheaper solution to sending money across borders

Over the past year, Africa has been widely reported as the next crypto frontier, helped by a heavily fragmented digital payments ecosystem, making it a strong vector for virtual currencies and crypto-based remittance payments.

Cryptocurrency platforms bypass traditional banking services with the introduction of decentralized peer-to-peer transactions, they help level the economic playing field and expand finance options to underserved customer markets. The potential for bitcoin in Africa is particularly good, with 60% of the world's mobile money already passing through the continent, and Nigeria being the world's second-largest bitcoin market after the USA.

FinTech in Sub-Saharan Africa -Where Does the region Stand?

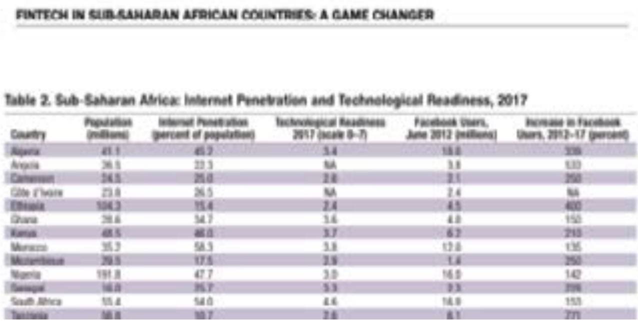
Economic projections show a revenue growth of 40.6% in 2023. Helped by reforms, the depth and coverage of financial systems in sub-Saharan Africa—as measured by the standard indicators of financial development, such as the ratios of private sector credit to GDP and broad money to GDP—have significantly improved over the period 1995 to 2013 (Kasekende 2010). However, on average, countries in sub-Saharan Africa continue to have a shallower financial system than those in other developing regions of the world (Figure 1). In terms of financial inclusion, only 20 per cent of the population has a bank account compared to 92 per cent in advanced economies and 38 per cent in nonadvanced economies (Table 1). Underinvestment, poor infrastructure, and comparatively low levels of financial literacy have contributed to the region being underbanked.



Source: World bank: World bank indicator database.

Key Financial Development Indicators as Sub-Saharan Africa Leads the World in Mobile Money

The widespread use of mobile money has transformed the delivery of financial services in sub-Saharan Africa.2 Sub-Saharan Africa leads the world in mobile money accounts per capita (both registered and active accounts), mobile money outlets, and volume of mobile money transactions (Figure 2). Mobile money account penetration in sub-Saharan African countries recorded a remarkable increase of almost 20 per cent between 2011 and 2014,



FINTECH IN SUB-SAHARAN AFRICAN COUNTRIES: A GAME CHANGER

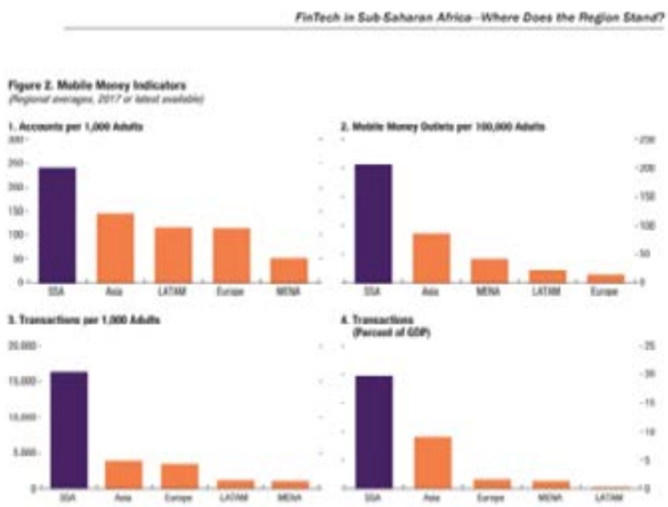
Table 2. Sub-Saharan Africa: Internet Penetration and Technological Readiness, 2017

Country	Population (millions)	Internet Penetration (percent of population)	Technological Readiness 2017 (scale 0–7)	Facebook Users, June 2012 (millions)	Increase in Facebook Users, 2012–17 (percent)
Algeria	41.1	45.2	3.4	18.6	336
Angola	36.5	23.3	NA	3.8	533
Cameroon	24.5	25.0	2.8	2.1	250
Côte d'Ivoire	23.8	26.5	NA	2.4	NA
Ethiopia	104.3	15.4	2.4	4.5	400
Ghana	28.6	34.7	3.6	4.8	150
Kenya	48.5	46.0	3.7	6.2	210
Morocco	35.2	58.3	3.8	12.0	135
Mozambique	29.5	17.5	2.9	1.4	250
Nigeria	191.8	47.7	3.0	16.5	142
Senegal	16.0	25.7	3.3	2.3	206
South Africa	55.4	54.0	4.6	14.8	153
Tanzania	56.8	10.7	2.6	6.1	271

Source: Internet Society 2017

Mobile money is understood as a digital medium of exchange and store of value facilitated by mobile agents. It is stored in mobile money accounts and accessible through mobile phones. Mobile money facilitates low-cost and small-scale transactions, expanding access to financial services beyond those offered by alternative financial service providers, including digital banking.

Mobile money accounts have now overtaken traditional bank accounts in several sub-Saharan African economies. Based on data for 17 sub-Saharan African countries for which both mobile money and traditional bank account data are available, there were nearly twice as many traditional deposit accounts as mobile money accounts in 2012. By 2015, mobile money accounts surpassed traditional deposit accounts in these 17 economies, which include some of the largest in sub-Saharan Africa, such as South Africa, Kenya, and Tanzania



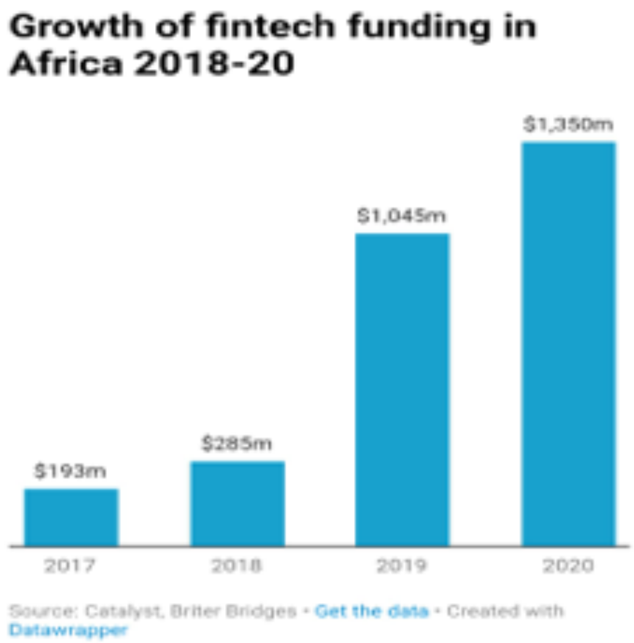
Source IMF

Fintech & Crypto Outlook in Africa:

In 2020, approximately $1.350 million was invested in Fintech in Africa, accounting for 31% of the total inflows into the continent.

In 2021, the interest in African Fintech startups exploded, with Fintech start-ups focused on the continent raising $3.03 billion in disclosed funding rounds. This counted for a massive 62% of the total investment inflows, according to the latest Africa Investment Report, which was published by research and intelligence firm, Briter Bridges.

The attractive valuations of African startup companies encourage foreign investors to invest since other startups particularly in more mature markets tend to have expensive valuations. If the incremental funding for Fintechs in Africa right now is anything to go by, then capital injected into African startups is only likely to increase due to the deepening penetration of mobile usage and the internet across the continent.



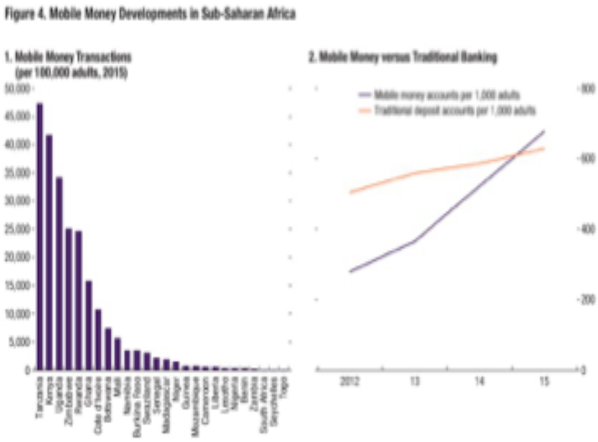
Pure FinTech players are now sharing the market with some banks which provide new, digital-friendly banking services and integrate digital payments, microfinancing, and Robo-advisor services into existing bank accounts.

There is a race to scale unfolding, as entrants look to deploy their funds and acquire customers. In what remains a fragmented market, we are likely to see some consolidation over the coming years as winners (and losers) emerge. One thing is for sure — the outlook remains extremely positive.

African nations share some key similarities and trends. Economic problems, from high inflation rates and volatile currencies to financial issues such as capital controls and a lack of banking infrastructure, create a fertile ground for an alternative to germinate. Intra-African payments often deal with high fees and low speeds.

Each year, tech companies are digging deeper into the financial services value chain and also creating new market structures in underbanked developing countries.

According to World Bank data, in Sub-Saharan Africa, there are over 56% fewer commercial bank branches per 100,000 adults than the world average. This shows that traditional financial infrastructure is not just less efficient, but also less accessible in the region.



Source IMF Advisory Survey

We are still at the earliest stages of true FinTech as the future impact of cloud computing, IoT, artificial intelligence, and blockchain cannot even be estimated yet. Some African countries are scrambling to create new laws to prepare for a possible future where cryptocurrency is the norm.

Nigeria, Africa's biggest economy, is leading the way, having recently issued regulatory guidelines for digital currencies and crypto-based companies, in a similar vein disruptive emerging fintech innovators are working tirelessly to find solutions that spur financial inclusion by solving some of the difficulties experienced by businesses and individuals alike

In the Digital Payments segment, the number of users is expected to amount to 565.23m users by 2026. Total Transaction Value in the Digital Payments segment is projected to US$121.30bn in 2022.

It should also be pointed out that a vast majority of the investments came from the United States of America (62.5%), followed by the United Kingdom (7.5%). The following investors funded the top 20 deals:

1. Endeavour Catalyst
2. One Way Ventures
3. CDC Investment Works
4. Partech
5. Ribbit Capital
6. deci.ens
7. AFRICINVEST
8. SoftBank
9. Accel
10. Avenir
11. Chan Zuckerberg Initiative
12. Apis Partners
13. AllanGray, etc.

All monetary information in the FinTech Outlook refers to the potential transaction volumes of the respective segments and not corporate revenue.

About six years ago, Africa had not a single unicorn, but today, the continent accounts for about seven startups worth over $1 billion.

The following are not included in the current market definition: agency commissions via metasearch engines, for example, in the credit and insurance sector, business-to-business payments, API management, agencies and external credit scoring, cryptocurrencies (including altcoins) and complementary services such as online identification or account management.

Fintech Funding Footprint: What the Numbers Say

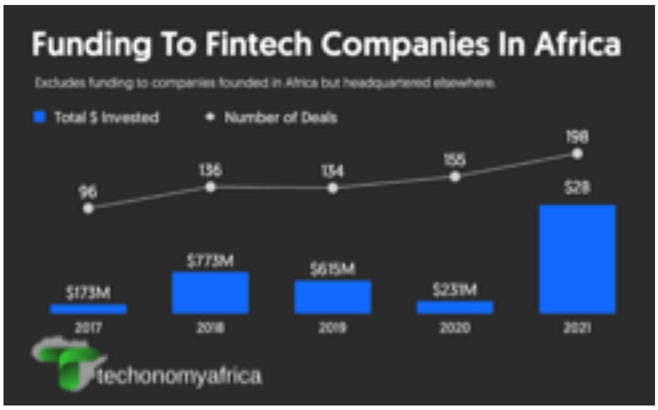
Startups in the following African countries received much of the funds in 2021, Nigeria, South Africa, Kenya, and Egypt. The top 20 deals of 2021 captured 65% of the total funding volume.

Below are some of the startups that raised the most funds in 2021. Each of them raised $100 million and above during single funding rounds:

Nigeria's bustling fintech scene raised more than $600 million in funding, attracting 25 per cent ($122 million) of the $491.6 million raised by African tech startups in 2019 alone—second only to Kenya, which attracted $149 million

Fintech startups received as much as 62% of the funds, with the rest going to other sectors such as health and biotech (8%), logistics (7%), education (5%), cleantech (5%), agriculture (4%), eCommerce (3%), mobility (3%), data & analytics (2%) and others.

In 2021, fintech companies headquartered in Africa raised $2 billion, per CrunchBase data. That contrasts with $230 million raised in 2020. (Worth noting however is that Flutterwave's funding is not included in these numbers since it is technically headquartered in San Francisco much like fellow Africa-operating fintech company Chipper Cash).



They maintained its growth trajectory within the African continent with three more unicorns – Flutterwave, OPay and Andela – joining Interswitch and Jumia as five out of the seven unicorns on the continent

Nigeria is now home to over 200 fintech standalone companies, plus several fintech solutions offered by banks

and mobile network operators as part of their product portfolio. With business models dominantly in lending (23%), savings (15%), infrastructure (13%), crypto (8%) and insurtech (3%).

The market's largest segment will be Digital Payments with a total transaction value of US$121.30billion in 2022. The average transaction value per user in the Alternative Lending segment is projected to amount to US$8.43k in 2022.

FinTech Pioneering Transformational change and use cases tailored for the African Market.

FinTech continues to chart a path in developing value-added solutions and features that can easily be integrated with bank platforms through Application program interfaces. It allows the banks to make efforts for integrating and for streamlining their operational capabilities of the banks. With the globalization of the world economy, which has already restructured the way businesses were conceived, Fintech is relentlessly striving to make it even better utilizing automatizing the delivery and utilization of financial services through technology. With the rapid increase in digitization, technologies have certainly gained the upper hand in the global market segment to influence everything it deems fit.

As society follows a digital transformation, an increasing number of businesses and consumers are adopting digital payments, transfers, mobile banking, marketplace lending, and many other fintech services, driving demand and growth of the fintech market. Its use cases are massively employed to help the diverse sectors of the economy, and consequently the society as a whole. For instance, businesses like commerce, hospitality, or transportation are adopting new technological ways to obviate operational inefficiencies. And in response, these technological breakthroughs are helping these businesses manage their financial operations, processes, and thereby the overall experience of the consumers and the employees alike. By exploiting these sophisticated algorithms disguised as technology through computers and smartphones, businesses have advanced beyond their expected horizons.

As the ecosystem thrives, innovators are seeking to enhance elements along the financial services value chain well beyond mobile money. Start-ups, established players, and central banks are in a process of discovery to design, test and re-purpose new products, services, and regulations.

Underpinning this process is the coalescence of new technologies.

The largest impact will occur in the financial sector with important implications for broader growth. Something to consider would be the channels through which the future financial development of FinTech in sub-Saharan Africa could occur and the policy implications in terms of the trade-offs these technologies would create.

What Becomes the Future of Banking in an Era of Fintech & Digital Asset Disruption?

Globally, digital banking users are expected to cross the 3.6 billion marks by 2024. The statistic isn't completely surprising, and in fact, only reiterates what banks and the world, in general, have known for a while now.

Fintech and blockchain cryptography drive the financial industry to be smarter and more agile, allowing it to make processes faster than ever. Cryptography techniques have long been used in the banking industries to ensure the security of monetary transactions including the security of ATM cards, computer passwords, and electronic commerce.

The convergence of both finance and technology has resulted in a phenomenal change which in further response has heightened the pace of evolution and reshaping of the financial as well as the banking sector. The future is digital, and banking is no exception to that.

Digital banking is a move from traditional banking activities to a digital one where consumers can avail the banking services online through their mobile phones or laptop.

Fintech enables banks to lean in on value propositions with new offers to the prospective customers per their changing needs, building a good relationship with the customers by enhancing the interaction, Griping the existing data and analytics, and enhancing the business with refined operational capabilities. More leverageable value propositions are:

1. Higher Customer Satisfaction: Fintech is rediscovering customer satisfaction and management of the banking business with equal importance. The merging of digital trends with customer expectations has resulted in authorizing the customer digitally. However, the major loophole that remains is that some industry players are rushing on outdated customer-oriented solutions, which is not the demand for customers these days.
2. Facilitating 24*7 Customer Service: Fintech is offering various services to the bank customer, e.g. 24*7 access, social media integration, and other online facilities.

It is also providing a platform where prospective customers can compare and research the offers of the banks.

3. Providing Robust Solutions to Customer: By fathoming the urgent and engrossed needs, Fintech can provide smart and robust solutions to the customers in the banking business. It has started expanding defined and highly effective solutions for banks that have managed to cover all the segments neglected by banks in terms of offerings.
4. Providing Value-Added Services: FinTech is developing value-added solutions and features that can easily be integrated with bank platforms through Application program interfaces. It allows the banks to make efforts for integrating and for streamlining their operational capabilities.
5. Accommodate Partnership: Globalization and increased competition between the banks and financial service providers have resulted in direct partnership across the Fintech ecosystem.
6. Emerging New Banking Models: Fintech is changing the banking industry in a better way by revolutionizing and giving people easy access to financial services.

Fintech Disruption and Regulatory Sandboxes – What, When and How?

The rising sophistication of FinTech solutions is leading to increasing levels of risk. In circumstances where it is unclear whether a new financial product or service complies with existing banking standards, some financial institutions may err on the side of caution, thereby hindering innovation.

Furthermore, every organization is trying to do pilots with dozens of FinTechs and managing the process is becoming very complex. We believe that a FinTech sandbox can help innovators overcome these challenges.

Due to the scope, scale, and dynamism of FinTech, the sector is often regulated by multiple regulators, both within certain types (e.g., multiple government regulators) and across types (e.g., governmental, self-regulators, and market regulators). FinTech and blockchain technology represent a disruptive competitive force that will have a major role in shaping the structure of the financial industry.

FinTech primarily affects market structure by bringing new technologies that (1) reduce the costs of financial services, (2) create market access opportunities for new entrants (nonbanks), (3) broaden access to new segments of the market and customers, and (4) affect the competitiveness of existing incumbents. These changes may potentially create large efficiency gains in an industry that has not experienced major technological and market structure changes in the last decades.

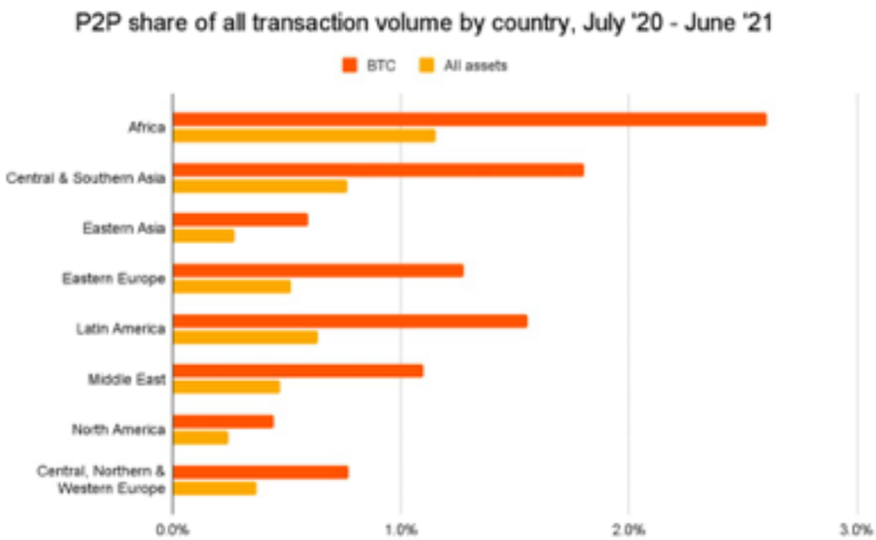
A sandbox acts as a layer between banks, cryptocurrencies and their innovation initiatives and facilitates smooth collaboration between FinTech companies and incumbents. Additionally, banks are relieved of the stress of dealing with multiple data requests (often the first step to solution development) as the sandbox serves as a ready reservoir of process-related information.

Although this approach is most popular among banks, the setup and its benefits can also be enjoyed by digital assets and investment management firms.

Cryptocurrency Growth Footprint: What the Numbers Say

The total crypto value received in Africa has gone from under US$5 billion to as much as US$20 billion, in just one year (between July 2020 to June 2021).

This represents a growth of 1200%. For the period, the total value of the crypto received by the continent stood at US$106 billion, 96% of which was received from foreign sources. Africa had the highest cross-region transfers than any other region in the world.



The overall transaction volume of retail-sized transfers in Africa towers above other regions, at over 7%, compared to a global average of 5.5%. This trend is attributable to a fractured financial system that does not seem to be working well for local populations.

Transfer costs can go as high as 9% in sub-Saharan Africa. Crypto platforms, on the other hand, come in much cheaper at 2-5%.

The numbers out of Africa firmly position it as one of, if not the biggest early adopters of cryptocurrencies and has become a very important market to Cryptocurrency companies.

Are CBDCs & Cryptocurrencies the Key to Unlocking Financial Inclusion in Africa?

Technology is changing money as we know it. Financial technology or fintech as a form of financial innovation has reshaped the financial services industry, particularly in Sub-Saharan Africa. More recently, the advent of central bank digital currencies (hereafter CBDC), presents a transformative opportunity for the global financial sector.

The popularity of cryptocurrencies is increasing each year. They are becoming more understandable to an average person.

With cryptocurrencies gathering momentum, central banks are increasingly open to the idea of digital currencies. A central bank digital currency (CBDC) is simply a digital version of a fiat currency. Thus, most of the features of a potential CBDC are already available within the existing digital payments infrastructure. However, CBDCs would have additional advantages.

It is safe to predict that the cryptocurrency investment spree which started in 2021 will continue. According to Fast Future, the crypto economy capitalization will skyrocket to 7.5 trillion dollars—against 3 trillion dollars the previous year.

Up to date, over 60 central banks are engaged in CBDC development as evidenced by a PwC report.

"Africa will define the future (especially the bitcoin one!)". This was a tweet by Twitter chief executive Jack Dorsey in November 2019, and his optimism is not farfetched: "While much of the focus elsewhere has been on investment, speculation and trading, Africa, more than any other continent, needs the utility of cryptocurrencies."

Crypto by Regions

Between July 2020 and June 2021, Africa received US$105. 6billion worth of cryptocurrency and was positioned as the smallest crypto-economy having a 3% share of global value. Nonetheless, Africa is the third fastest-growing cryptocurrency economy, with a larger share of

transactions made from retail-sized transfers than any other region.

Source Chain analysis

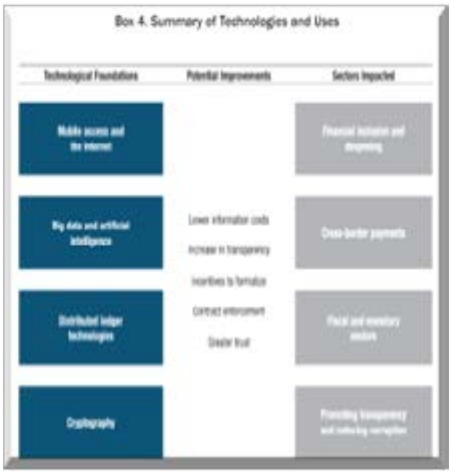
With this low record, the economy is still not considered a helm of praise; the cryptocurrency market in the economy has grown over 1200% by value compared to what was received in the previous year. Kenya, Nigeria, South Africa, and Tanzania have the highest adoption level of cryptocurrency in Africa

Crypto: A Glance at the Market, Contribution to GDP

One of the biggest benefits of cryptocurrencies is that they do not involve financial institution intermediaries. For merchants, the lack of a "middleman" lowers transaction costs. For consumers, there's a tremendous advantage if the financial system is hacked or if the user does not trust the traditional system. For comparison's sake, if a bank's database were hacked or damaged, the bank would be completely reliant on its backups to restore any missing information. With cryptocurrencies, even if a portion were compromised, the remaining portions would continue to be able to confirm transactions.

A retrospective look at the market shows that the crypto market operates on the risk trade-off principle - the higher the risk the higher return, with many high and low trends. In 2021, bitcoin reported a 60% return year-on-year; compared to the preceding year which gave a return of 30%. Other major altcoins also reported a double-digit return. An investment of US$1000 on a Solana coin (valued at N450,000) yielded a return of N64,026,200 (valued at N570) and was mainly due to a change in the value of the naira and an increase in the price of Solana.

The increasing globalization of technology has assumed a role in Nigeria's economy and Africa at large in recent years, the sector outperformed some sectors and was considered a major driver of Nigerian economic growth looking at its performance in 2020.



Will the Consolidation of Fintech and Cryptocurrency be the Future of Modern Finance?

Digital currencies are now worth more than fintech companies. While the combined valuation of the top 100 fintech companies was at circa \$1.82 trillion at the time of research, the total market capitalization of the top 100 cryptocurrencies stood at around $2.44 trillion.

It begs the question: what else might cryptocurrencies accomplish in the future if they can already outpace fintech companies by more than $620billion at such an early stage?

While decentralized finance and blockchain technology is scalable and has been operationalized in other countries and regions, African policy-makers have struggled with how to reconcile cryptocurrencies with their existing monetary system.

Many countries in Africa have overlooked this financial innovation—maintaining crypto exchanges but failing to offer a regulatory framework or begrudgingly allowing trading but not providing their citizens an exchange.

Future generations of people in Africa will hopefully look back on this moment in time as a massive turning point in the future history of their region. For that to be true, not only will these trends need to continue into the long-term future, but there needs to be appropriate infrastructure in place to support this growth

Crypto in Africa promises to usher in financial empowerment and liberty by circumventing the traditional financial system. Local populations are left with little choice apart from buying in, despite the high inherent risks of a crypto-driven economy.

Last year, Kenya was ranked top globally in terms of peer-to-peer crypto trade, while Nigeria saw a meteoric rise in crypto use despite a ban. One in three people has already reported using crypto.

Last week, Lawmakers in the CAR's parliament voted unanimously to pass a bill legalizing bitcoin and other cryptocurrencies, according to a statement from the Presidency. Bitcoin will be considered legal tender alongside the regional Central African CFA franc

The CAR is the second country after El Salvador to embrace bitcoin as legal tender, plagued by a security situation that the IMF describes as fragile, CAR's adoption of the most popular cryptocurrency is likely a result of wanting to try something different to try and address long-standing fiscal challenges.

While no one can predict the future of cryptocurrencies, what we do know is that their novelty requires an equally nontraditional regulatory approach—one as invested in an experimental integration of decentralized and traditional finance, putting an end to the tug-of-war between a historically centralized financial system, and a highly risky (and young) crypto industry.

It is also important to note that foundational support layers like progressive regulatory conversations, transparent government participation, and tech-forward educational programs would determine whether the story is written by Africans or for Africans.

Fintech and Cryptocurrency Growth Pathways – Our Predications

Fintech includes the development and use of crypto-currencies such as bitcoin. Cryptocurrencies are a unique type of fintech with the potential to transform every vertical of the financial sector, from trading and investments to payments or lending. While that segment of fintech may see the most headlines, the big money still lies in the traditional global banking industry and its multi-trillion-dollar market capitalization. What then happens with an integration of financial technology and cryptographical algorithms? Here are four predictions:

Prediction One: The Fintech and Bank Consolidation Arms Race Continue:

Fintech mergers and acquisitions (M&A) are more than ever before, and this trend will continue. According to CB Insights (download required), 43 fintech companies became unicorns by Q3 of 2021, a term that refers to a privately held startup valued at over $1 billion.

Prediction Two: The Battle for The Customer Will Accelerate

We already see this with neo banks like Aspiration for climate-conscious "green" consumers and Stretch for the specific banking needs of those who were formerly incarcerated. As the internet continues to reduce the barrier between consumers and retail banking, as it has done in so many other industries, we will see more focus on digital banking solutions that are uniquely tailored to specific customer segments. Financial services and products are not one-size-fits-all. What works for one person won't work for the next, and the good news is that financial institutions are finally catching on. Customer support will increasingly be seen as a differentiator for all types of financial services.

Prediction Three: Increased Regulatory Scrutiny in Many Aspects of Fintech

With the increased importance of fintech in everyday Africans' lives, there will be increased regulatory scrutiny. I believe this is a good thing for the industry. Within the next few months, there will be new representatives in many of the agencies that look at financial services companies. I expect this will lead to more regulation on fintech, specifically in the emergent areas of crypto.

The importance of being an authentic brand, where the company's business model can be demonstrably aligned with its stated mission and values, will also grow in importance as the fallout from major 2021 financial stories, such as the Robinhood-GameStop controversy, are explored in detail by regulators.

Prediction Four: Every Company Will Become a Fintech

This next prediction has been in the works for years and will only accelerate in 2022. You will see more financial services embedded into non-financial companies, like Uber letting us pay directly through the app or tipping for your pizza delivery on the same form you order pizza, but on a grander scale.

Financial institutions will look to whittle away the banking and payment barrier to offer a more seamless experience for consumers. It started with payments but will extend further into credit in 2022. Consumers won't need to fill out a big form. In the coming years, I anticipate that they will be able to just press a button and have access to credit, which can ultimately make money work better for everyday Americans.

While 2021 has been unmatched when it comes to fintech innovation, 2022 will rise to the occasion as more banks and fintech leverage technology, data and a hybrid model to transform banking for consumers.

Conclusion

The rapid growth and evolution of FinTech created gaps for regulators to address. The rise of FinTech has the potential to create vulnerabilities in the financial system through several channels. First, FinTech should increase competition in the financial system, which could reduce existing financial institutions' solvency by reducing their earnings and promoting higher risk-taking (Keeley 1990).

Secondly, if FinTech firms provide financial services, thereby acting de facto as new banks, supervisors may decide to set asymmetric regulations on capital or liquidity, which could generate incentives for regulatory arbitrage and risk shifting.

Thirdly, many of these new players may enter the market with relevant experience from other industries (for example, retail or telecoms), but much lower experience and expertise in the

FinTech also raises concerns regarding the emergence of new risks related to money laundering and the financing of terrorism.

Country authorities typically use licensing/market entry controls and preventive measures - including customer due diligence—transaction monitoring, record keeping, and obligations to report suspicious transactions to assist in deterring and detecting money laundering and terrorism financing.

Recent technologies such as virtual assets and related financial services have the potential to spur financial innovation and present some AML/CFT solutions, but they also create new opportunities for criminals and terrorists to launder their proceeds or finance their illicit activities (see the Financial Action Task Force (2015 and 2018).

Some innovations may favour the anonymity of users and promote a lack of transparency in the financial system. In addition, cross-border payments may become faster, cheaper, and more efficient, which can also help promote financial flows between international crime networks. All these factors are a cause of concern regarding money laundering and financing of terrorism, cyber-risks, and other associated risks.

Financial regulation plays a role in the emergence of FinTech. When considering new FinTech entrepreneurs that provide financial intermediation services, bank supervisors will need to consider how these new players are going to be placed vis-à-vis the financial regulatory toolkit.

A first consideration that regulators may need to consider is whether FinTech companies should be regulated like traditional banks or whether it would be optimal to set differential regulations based on the proportional application of specific requirements for FinTech companies.

Several tools are intended to increase the safety and soundness of the financial system when banks are in a situation of stress, such as the use of lender of last resort facilities or the existence of implicit guarantees and deposit insurance schemes. Issues related to the supervision and monitoring of cyber-security and other related operational risks or AML/CTF issues are especially relevant. Regulators could also facilitate interagency cooperation to clarify the conduct of existing supervision.

To understand risk without hindering innovation, some jurisdictions are adopting flexible regulatory approaches, such as Regulatory Sandboxes, that is a closed testing environment designed for developing regulatory frameworks for emerging business models such as FinTech. ♦

***Linda Obi is the founder,**
TechonomyAfrica.

TechonomyAfrica is a project-based learn-to-earn platform that teaches Blockchain enthusiasts and students how to leverage blockchain and crypto education for investment, trade and building real products in areas such as NFTs, metaverse, tokens, blockchain, cybersecurity, data science, game development, and programming. All content is organized around projects where learners learn and earn from watching experienced curators, instructors, and developers that teach and build practical products.

TechonomyAfrica is building Africa's largest "learn to earn" Blockchain and Crypto DAO

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How Can France Engage More Effectively In Africa? Lessons For The Future

By Enigma Okoto

A central part of Macron's foreign policy from the beginning of his tenure is his engagement in Africa 2017–2022: actions and results in Africa, which was motivated by his perception that a large number of global challenges with implications for France are concentrated in Africa; such as terrorism, climate change, demography, economic development, health, etc. Macron has drawn on France's foreign policy levers and made many positive announcements, but there hasn't been concrete achievements. Although, he tried to renew France's diplomacy with African states through speeches, visits, summits, public apologies for France's past actions, and declarations. By doing so, he reaffirmed France's changed relationship with African states, which is from former colonial power to equal partners. This was, however, received with disbelief and doubt, especially in former colonies, which was then made worse by gaffes. Macron went further to initiate a reform of France's bilateral development cooperation, a new aid strategy that was endorsed in August 2021, with its main focus on African countries, particularly low-income countries, and an increase of the aid budget, putting it on track to reach 0.7% ODA/GNI by 2025.

Macron was also active on many fronts at the multilateral level, ensuring financing was accessible for African states in need, all of which ushered some progress in some areas which were affected, such as debt suspension during Covid, replenishments of health and education global funds, but was also limited to other areas due to lack of international consensus or because France did not deliver on its commitments. Macron intensified his economic diplomacy with anglophone and lusophone countries as a response to France's collapsed share of trade and investment on the African continent; and also dedicated French resources to support entrepreneurs and SMEs in Africa.

Macron, to a large extent followed the policies of his predecessors in the area of governance or security. France's decision on a non-interference in African domestic politics has contributed to a growing anti-French feeling in parts of Africa, and the desolation of France's influence in countries like Mali and the Central African Republic. Although, France has been faced with limited resources in trying to get the EU to focus more on Africa and to adopt the narrative of equal partnership, with Covid-19 and the Russian invasion of Ukraine becoming considerable obstacles to this effort. With his efforts over the past five years to reshape the France-Africa relationship and build a new, positive narrative yielding limited results.

Going further: how can France engage more effectively in Africa? Lessons for the future. Several lessons emerge from France's engagement with Africa under Macron. To succeed in establishing a partnership targeted at Africa, the need for a clearer strategy that breaks down the different levels of engagement, categories of partners, types of cooperation and different instruments available cannot be overemphasis. Words are not enough to bring about change and convince concerned parties that the stated change is genuine. Words have to be followed by actions with tangible results, which takes time. For a better and more effective partnership driven by mutual interest and benefits, an effective partnership with Africa should focus on issues of mutual interest. Key areas where this should be done is:

- Investing in climate and energy resilience: France should focus its Investment in renewable energy and natural gas in line with commitments made at COP26 to increase energy production in Africa. Also, by contributing to South Africa's International Just Energy Transition Partnership; allowing France to evaluate the success and potential replicability of such an initiative in other African countries and other sectors.

Emmanuel Macron, President of France

- Investing in infrastructure for the future: France's infrastructure target should be on investments in African infrastructure, with a set target, and finding new ways to increase responsible private investment. France should also develop a clear digital strategy for its action in Africa.
- Giving IFIs the means to work more effectively: Leading the push at the multilateral level for a well organized use of development banks' capital alongside the introduction of new options, thus expanding the resources available should be France's aim. It should use the MDB capital adequacy review as an opportunity for this, while exploring with its partners new ways to maximise the financing capacity of domestic public banks.♦

Majestic Coin Making Waves

Majestic Coin is making waves in the financial sector. It is taking the lead as the number one crypto currency in the world per market cap according to Cryptosmarketcap.io.

Cryptosmarketcap.io has been the most trusted crypto listing site in Africa and Asia for the last 7 years. Recently the market cap for Majestic Coin surpassed the 1 trillion mark and it's looking to climb above 2 trillion dollars in the coming days. This is big news considering how new the coin is. But, according to the founder Solomon Mwamba, this is all a perfect plan that has come together at the right time.

Solomon was quoted saying, "Majestic Coin is not a new thing. It is as ancient as our forefathers who once led a coalition to unite Africa through one singular currency. I am carrying the baton of their vision; and after me, a generation will establish it forever."

These bold but true words are what have caused a ripple in the financial fabric we see today; and for the first time, we are witnessing a digital coin that is causing an upheaval of old inefficient ways and a revolution towards sustainable change.

Majestic Coin officially launched its coin on its own blockchain in February, in Dubai, at the Vertex Blockchain Summit. It was three days of panel discussions with the top crypto experts

Mwamba Solomon, Founder of Majestic Coin

globally, and the event was crowned with an Apple-like presentation of the full Eco-System of Majestic Coin.

Mwamba presented the three-layered solution of their blockchain called the Majestic Starchain and exhibited a deep knowledge and solution of how to fix the African financial problem. Many dignitaries from the UAE and abroad were in attendance for this event and took decisive action to work with Majestic Coin for the betterment of the world. At the launch of the coin the price opened at .10 cents, and within one hour all coins were sold out immediately.

We asked Mwamba about the unprecedented success of their launch. He said, "Our team expected nothing less. I repeat that this vision is generational; even if you are able to assassinate the man you cannot assassinate the vision, because the vision belongs to God. We are extremely proud of the recent success, but the job is not done. We have a long way to go until financial peace and justice are realized." From the look of things, Majestic Coin is right on track to be the financial messiah of this generation.

In addition to the coin launch, Majestic Coin launched its own unique exchange called Majestic Swap, and its own wallet called Majestic Wallet. For most companies, this ambition would be too much, but Majestic Coin made a point to provide the best tools from the beginning for all who invest in and believe in the project. To date, the coin has ballooned over 19,000 percent, and the price is expected to rise drastically as multiple countries are in line to adopt the coin officially as its national tender.

We asked Mwamba about plans for mass adoption of the crypto currency. He said, "This is why Majestic Coin exists. We are taking all our assets which account for more than 3/4ths of the world's GDP and giving back first to our mother Africa. We are not a crypto currency really, but we are new money for people tired of old money tied to their colonizers and oppressors.

"Majestic Coin has just struck a strategic partnership with the African Union. Do not be surprised to see a plethora of countries adopt the coin as their new currency this year 2022."

A First for Africa

In other news, Majestic Coin has recently been approved to be the first blockchain company in Africa to build a whole smart city on its blockchain. The Lake Victoria Eco-City project which has an estimated cost of 7 billion dollars has recently come into agreement with Majestic Coin to use the Majestic Coin Starchain for its ultra-luxurious city. This city will rival any major city in the world, and everything will be paid in Majestic Coin.

From houses to hotels, restaurants, and even parking, the Lake Victoria Eco-City will use Majestic Coin for all transactions making it the first of its kind in the world.

Regarding the ground-breaking project, Solomon Mwamba said, "This is a major step forward in the evolution of Africa. To be able to partner with the country of Uganda and IBU Investments is a dream for us and a steppingstone toward our end goal, a free and prosperous Africa."

According to Majestic Coin, this is one of several projects underway in the continent of Africa.

Blockchain and Beyond

In September, Majestic Coin will be hosting its first-ever NFT private auction in the UAE. The auction is expected to raise hundreds of millions as the NFTs that will be auctioned will be rare collectibles from around the world. Their first ever NFT platform will launch the collectors club where only the wealthiest of the wealthy can attend. A major portion of the proceeds will be donated to various charities that help children in underdeveloped countries. One of the foundation recipients of the proceeds will be the Royal House Foundation. The Royal House Foundation has entered a strategic partnership with the Majestic Coin team to help build and launch the very first blockchain University in the world, which will be held at the African Union in Addis Ababa, Ethiopia.

The vision of Majestic Coin for Africa leads one to ask the question: "What is the potential of Africa if they are truly financially free?" One thing is for certain when Majestic Coin fulfils its vision for the continent of Africa, all of Africa will truly be able to dream without fear, progress without debt, and be united once and for all.♦

AFRICA:

What is Africa's outlook for crypto currency as the Central African Republic adopts crypto currency as legal tender?

By Ayo Ayeni

The Central African Republic of the CAR has been in the news quite a bit lately. From the 'Great Recession' to 'The War on Terror', there has been hardly any phase in the history of the world that has not featured the CAR. It's a small landlocked country in Central Africa with a population of about 6.5 million. It is among the poorest countries in the world, with an average annual income of $500 per capita. Its people are forced to live a hand-to-mouth existence due to the persistent conflict and ethnic tensions that have plagued the country for many years. The economy is also highly dependent on the mining of gold and diamonds and the government is trying to double the annual output by 2020. This article explores how the adoption of crypto currencies can help the country overcome its economic woes.

What drives the adoption of crypto currencies?

Some of the major driving factors behind the adoption of crypto currencies in Africa include - A Lack of Bank Services - Most of the population in the African countries is without bank accounts or access to banking services. This has made them dependent on cash-only transactions or the use of unregulated and untrusted money remittance services. Crypto currencies can help the people of the region overcome these challenges by providing them with a reliable, secure,

and cheap method of payment. The adoption of crypto currencies can help in the recovery of the economy by providing an easier and faster way of payment. - Growing Interest in Crypto currencies - The adoption of crypto currencies can also be driven by a growing interest in the technology and blockchain among the people of the continent. This has resulted in a lot of crypto exchanges opening shops in the region.

The Legal Status of Crypto currency in the Central African Republic

The Central African Republic is, for the most part, a country at the heart of Africa, with a population of just over 4 million people. As a member of the African Union, the country is also active in regional integration efforts. This has led to a focus on technologies like blockchain, with the country's president, Faustin Archange Touadéra, recently announcing that the country would become a blockchain hub, with the aim of becoming the "next Switzerland". As a result of this, the legal status of crypto currency in the Central African Republic is less controversial than it would be in many other countries. There is no specific law on the books in the Central African Republic that governs the use of crypto currencies, meaning their use is largely left in the hands of the country's financial authorities.

How Crypto currency is accepted as a Legal Tender in the Central African Republic

In terms of how crypto currency is accepted as legal tender in the Central African Republic, the government has made it clear that it has no plans to ban the use of digital assets or to make them illegal. Instead, the country's financial authorities have decided to embrace crypto and make it a legal tender in the country. This means that crypto currency payments will be accepted by the Central Bank of the Central African Republic and that crypto currency can be exchanged at authorized exchanges. The Central Bank has also said that it would not prohibit financial institutions from opening accounts that would enable them to exchange crypto currencies.

The Central Bank has also confirmed that it will not impose any taxes on the use of crypto currency in the country. This means that individuals and businesses will be able to use crypto currency as legal tender in the Central African Republic with no restrictions.

The Central African Republic's Adoption of Crypto currency as a Legal Tender

The Central African Republic's government has announced that it will adopt crypto currency as legal tender. The move was made during a speech by the country's president, Faustin Archange Touadéra, who stated that the Central Bank of the Central African Republic will issue a crypto currency based on blockchain technology. The crypto currency, which has been named "CBBT," will be issued by the bank as legal tender. This move has been welcomed by many in the country, as there has been a significant push to make the Central African Republic a leading player in the field of blockchain technology in recent years. This effort has been led by the country's president, Faustin Archange Touadéra, who has been proactive in his support of blockchain and crypto currency.

How will crypto currencies help in economic development?

Crypto currencies have the potential to help in the development of a country by providing the following advantages:

Instant Settlement - With the use of blockchain technology, crypto currencies can help in the improvement of the settlement times of financial transactions. This is because the process of recording transactions in a blockchain ledger doesn't involve any third party or central authority. This results in a massive reduction in the time taken to complete transactions. As a result, the population can now trade and conduct business with other countries more quickly.

Secure Transactions - Another advantage of using crypto currencies is that it is a highly secure method of payment. It is nearly impossible for hackers or fraudsters to steal information about the transaction or the sender. With traditional payment methods, the transaction details are usually kept hidden from the public or the authorities.

Low Transaction Fees - The adoption of crypto currencies can also help in the reduction of transaction fees. This is because the use of blockchain technology in the creation of crypto currencies has led to the development of a technology that can automatically calculate fees. This has reduced the cost of transacting money in the country.

Better International Trade - The trade of goods and services between nations has seen a major boost due to the use of crypto currencies. This is because it is now possible to help in the transfer of funds without involving any third party or a bank as a facilitator. This helps in the reduction of the high transaction fees that are charged by the banks.

Crypto Exchanges - Another important aspect that can help in economic development is the development of crypto exchanges. These are the platforms through which crypto currencies are bought and sold. It is hard to imagine a country that lacks such platforms. This can help in the expansion of the use of crypto currencies in the country.

How crypto currencies can help in the development of the Central African Republic

The central African country is often referred to as the 'war-torn nation'. Its citizens have been living in fear of violence and terror for a long time. This has resulted in a significant loss in the country's economy and a large population of people that are unbanked. The adoption of crypto currencies in the CAR, can help in the following ways:

Improved Access to Commerce - The major problem that the people of the CAR face is their lack of access to financial services. This has been the case for a long time and has resulted in many people living below the poverty line. The adoption of crypto currencies can help in the improvement of this situation by providing them with an easy, cheap, and reliable method of payment.

Reduced Terror Threat - Another significant factor that can be helped by the adoption of crypto currencies in the CAR is the reduction in the terror threat posed by terrorist groups. Due to the high cost of transactions, these groups have been forced to put a lot of energy into fundraising. This has now been reduced a bit as people can now easily send and receive funds through crypto currencies.

Rewards for Government Officials - Ambitious government officials in the CAR have often faced the problem of corruption. This has often been a deterrent to their success and has resulted in a poor standard of governance in the country. The adoption of crypto currencies can help in the reduction of this problem by providing them with a transparent way of receiving funds.

Crypto Exchanges - The development of crypto exchanges in the CAR can help in the expansion of the use of crypto currencies in the country. In fact, it can help in the mainstream adoption of this technology by helping the population to trade and buy crypto currencies easily.

Learning from risks investors are facing in El Salvadore since its adoption of crypto currencies

One of the biggest risks faced by El Salvadorian adoption of crypto currencies is the lack of regulation or transparency in the exchange. This doesn't mean that there aren't any regulations or requirements imposed on crypto currency exchanges, but they are often not published. This lack of transparency can lead to high levels of risk in the exchange, since it's impossible to ensure the safety of your assets, except by seeking out reputable exchanges with a good reputation. Furthermore, a lack of transparency in the exchange can make it much more difficult to trace the activity of the exchange. In addition, this can increase the risk of scams and hacks as well. The lack of transparency and regulation in many crypto currency exchanges can make them a high-risk investment, so it's important to do your research and select a reputable one.

In conclusion, The Central African Republic is currently one of the most crypto-friendly countries in the world, with a population that is actively exploring the use of digital assets. They are getting something right. That is, there is no future of money without crypto currency in it. It has come to stay. Better to adopt now and start adjusting and refining the risks now than to become a crypo-dinasour if they ignore the global trend.

Ayo Ayeni is the founder and managing editor at Hot Coffee Books, a literary consulting and publishing house in London. He is also the founder of Goldmind Resourcery, an intellectual property consultancy in London with interests in Africa. He is a World Intellectual Property Organisation (WIPO)/KIPA IP Global Academy Certified IP practitioner obtained in Geneva, Switzerland where he worked with WIPO as a consultant Subject Matter Expert.

He led the team that adapted and customised the World Intellectual Property Organisation's (WIPO) 'Business Series for SMEs' publications in Nigeria. He is a consultant to the Registry of Trademarks, Patents and Designs under the Ministry of Trade and Investments, to train Small and Medium Enterprises in the Use of IP.

He led the Nigerian contingent to the WIPO-Korean Funds-in-Trust (FIT) program for SMEs in Seoul, South Korea where he was trained as a trainer to teach SMEs the best uses of IP. He organises the annual National Workshop on Intellectual Property for SMEs in association with WIPO's SME Division and the Registry of Trademarks, Patents and Designs, in Lagos and Abuja. He is an annual resource speaker and trainer at the British Council Creative Industries Expo and a former columnist with ThisDay Lawyer; the pull-out law magazine inserts in ThisDay newspaper. His column, 'IP and Business,' focused on Intellectual Property Law in Nigeria.

He is a member of the Intellectual Property Awareness Network (IPAN), UK. He is a regular resource person at the IP Masterclasses newly organised by Where Creatives Go Group in London, where people in the creative industries are educated on the smart use of IP for their businesses.♦

Ayo Ayeni

FEMALE THOUGHT LEADERS and why you should follow them

DRC CENTRAL BANK GOVERNOR
Kabedi-Mbuyi is the first woman to be appointed head of the Banque centrale du Congo, BCC (Central Bank of Congo) since its creation in 1961. Her appointment came as a consequence of an in-depth reform of the BCC, driven by a law created in December 2018. The law aims at modernising the bank's structure, resources and operation.

She has worked with the country's authorities and also with the country's teams at IMF headquarters on issues related to macroeconomic policy management, the social situation, and the implementation of structural reforms in the context of IMF-supported economic and financial programmes.

She is responsible for overseeing measures to reinforce the central bank's autonomy under an agreement reached with the IMF in May as part of a three-year, $1.5 billion loan deal. The program's conditions include increased central bank autonomy and reform of its board, as well as an improvement of transparency in the country's mining sector.

Prior to her appointment, she had served as Deputy Division Head and Head of Mission for five countries: Togo (2003-2004), Chad (2004-2005), Burkina Faso (2009-2012), Sierra Leone (2012-2015) and Cape Verde (2018 till her appointment at the BCC). She was IMF resident representative for Benin and Togo in the late 1990s, and also for Cameroon between 2005 and 2009.

As a teacher at the IMF Training Institute (1994-1996), her courses included financial policy programming for officials in Ministries of Finance and Central Banks. The Congolese official was also director of Afritac West – the IMF's Regional Technical Assistance Centre for West Africa – between 2015 and 2018, located in Abidjan, and covering nine countries in the region.

TANZANIAN PRESIDENT
Tanzanian president, Samia Suluhu Hassan, was inaugurated into office on March 19, 2021. As the country's former vice president, Hassan became the constitutionally mandated successor to late president John Magufuli after he reportedly died from Covid-19 in early March 2021.

Under Suluhu Hassan, Tanzania is rapidly opening up to its neighbors. The country ratified the African Continental Free Trade Area (AfCFTA) last year, giving Tanzania access to a market of 1.2 billion potential customers. Just a few months ago, her administration agreed to join the rest of the East African Community in signing a trade deal with the European Union, which Magufuli had previously blocked. Tanzania also recently removed dozens of trade barriers with Kenya. The country is now reaping the benefits of these policy changes.

Exports of manufactured goods from Tanzania to its neighbours have shot up by a third, and the country's national poverty rate fell in 2021, despite the effects of the pandemic. The Tanzanian shilling is also the most stable currency in East Africa. She has held senior leadership roles at the African Development Bank and the World Bank Group.

TOGOLESE PRIME MINISTER
Victoire Sidémého Dzidudu Tomegah Dogbé is a Togolese politician who has served as the Prime Minister of Togo since September 28, 2020. She is the first woman to hold the office.

Before becoming head of government, Tomegah Dogbé was the Minister of Grassroots Development, Handicrafts, Youth and Youth Employment in the Komi Sélom Klassou Government and the Cabinet Director of President Faure Essozimna Gnassingbe.

In 2010, following Gnassingbé's re-election, Tomegah Dogbé was appointed Minister of Grassroots Development, Youth Craft and Youth Employment in Gilbert Houngbo's second mandate. She retained her ministerial functions in the 1st government of Kwesi Ahoomey-Zunu from 2012 to 2013 and the 2nd government of Ahoomey-Zunu from 2013 to 2015. Dogbe has vast experience in governance and administration, and is well positioned to help the country achieve a long-expected economic boom, which has eluded it since independence in 1960.

Dogbe has been deeply involved in the country's fight against youth unemployment and poverty, introducing reforms that have been praised as a local success in her country, according to Togo-First, an online publication in the country. In her recent position, she has spearheaded many initiatives such as the ANADEB, PN-PTFM, FAIEJ, PRADEB, and PAIEJ-SP, all in favour of vulnerable groups, especially youth and women.

ANGOLAN MINISTER OF FINANCE

Mrs. Vera Esperança dos Santos Daves de Sousa is the first woman to be appointed Minister of Finance in Angola. Until her appointment, she was Secretary of State for Finance and Treasury. She has worked as finance technician at Sonangol ESSA, Director of the Products and Research Office in Banco Privado Atlântico, Lecturer in Financial Markets at the Executive MBA promoted by the Catholic Business School Alliance, Lecturer in Public Finance and Economic Integration at UCAN – Business School. From 2014 to 2016, she was the Executive Director of the Capital Market Commission and from September 2016 to October 2017, she was Chairman of the Capital Market Commission.

When she took on the role, she was tasked with restructuring the country's economy, Africa's fifth largest. In March 2020, she announced that the country was in a recession, and that the Finance Ministry was revising the General State Budget due to the impact of the COVID-19 pandemic and in April, she announced all contracts whose funding had not been secured were suspended based on the low price of oil and the impact of the pandemic on public finances.

Angola, like Africa's other oil and gas producers, could be a net beneficiary of the price hikes triggered by the Russia-Ukraine conflict. But Daves de Sousa warns the market is too volatile to allow Angola to relax. Her priority is to build up enough reserves to act as a buffer should the oil price drop again, as it did in 2020 and 2015. She also wants to press ahead with structural reforms to speed up the diversification of the economy away from oil and diamonds.

Daves de Sousa has scored some successes in her efforts to restructure some of Angola's foreign debt, which was among the highest in the region.

Her team agreed to a new arrangement with one of China's banks and took advantage of the G20's Debt Service Suspension Initiative, which allowed it to delay about $3bn in payments in 2020 and 2021.

That helped the treasury to manage its resources and reach the end of 2020 with no fiscal deficit, despite plummeting export revenue. Last year's receipts improved, and the IMF positively reviewed Angola's performance under its $4.5bn aid programme.

ETHIOPIAN PRESIDENT

Sahle-Work Zewde is an Ethiopian politician and diplomat who has been president of Ethiopia since 2018. She is the first woman to hold the office. She was elected as president unanimously by members of the Federal Parliamentary Assembly on October 26, 2018.

Before her election as president, she was elected head of the United Nations Integrated peace-building office in the Central African Republic and in 2018 appointed Special Representative to the African Union and head of the United Nations Office to the African Union at the level of Under-Secretary-General.

Until 2011, Sahle-Work served as Special Representative of United Nations Secretary-General, Ban Ki-moon and Head of the United Nations Integrated Peace-building Office in the Central African Republic (BINUCA). In 2011, Ki-moon appointed Sahle-Work as Director-General of the United Nations Office at Nairobi (UNON).Under Sahle-Work, the Nairobi office became a more important UN hub for East and Central Africa, according to the 2012 Africa Yearbook.

American business magazine Forbes, on its annual edition of the Forbes list of The World's 100 Most Powerful Women, listed Sahle-Work as the 96th most powerful woman in the world, and the highest-ranking African woman on the list.

NGOZI OKONJO-IWEALA

Ngozi Okonjo-Iweala is a Nigerian-American economist, fair trade leader, environmental sustainability advocate, human welfare champion, sustainable finance maven and global development expert.

Okonjo-Iweala has been serving as Director-General of the World Trade Organisation since March 2021. She is the first woman and first African to lead the World Trade Organization as Director-General. She also sits on the boards of: Danone, Standard Chartered Bank, Twitter, Mandela Institute for Development Studies (MINDS), Carnegie Endowment for International Peace, Georgetown Institute for Women, Peace and Security, One Campaign, Global Alliance for Vaccines and Immunization (GAVI), Rockefeller Foundation, Results for Development (R4D), African Risk Capacity (ARC) and Earthshot Prize plus others.

She also serves in the Brookings Institution as a non-resident distinguished fellow with the Africa Growth Initiative in their Global Economy and Development Program. She is a Commissioner Emeritus and Co-Chair of Global Commission on the Economy and Climate. At the World Bank, she had a 25-year career as a development economist, rising to become Managing Director for Operations from 2007 to 2011. Okonjo-Iweala was the first Nigerian woman to serve two terms as Finance Minister of Nigeria; initially, under President Olusegun Obasanjo from 2003 to 2006; and secondly, under President Goodluck Jonathan from 2011 to 2015. Subsequently, from June to August 2006, she served as Minister of Foreign Affairs of Nigeria. In 2005, Euromoney named her Global Finance Minister of the Year.♦

World Economic Forum Davos 2022: Key Lessons for African Leaders

by Ayo Ayeni

The World Economic Forum (WEF) takes place every year in Davos, Switzerland. Davos is a global hotspot for business, politics, as well as for the rich and famous. Over the course of four days, more than 2,500 participants from over 100 countries gather to discuss the latest trends, challenges, and solutions. The discussion around the theme of Davos 2022 is focused on four key areas: the digital economy, inclusive growth, resilient ecosystems, and a fair and sustainable society. African leaders need to know the key points from the World Economic Forum Davos 2022 to help them develop their strategies for growth and prosperity.

The Digital Economy

Over the past few years, digital transformation has been a hot topic. It's the next big thing in business. Corporations around the world have been turning to digital transformation to stay ahead of their competition and deliver better customer experiences. Digital transformation provides an opportunity to upgrade your business systems, create new business models, and generate new revenue streams. The digital economy is an important part of the future. It has the potential to impact all aspects of people's lives, including health care, education, government services, and financial access. Digital transformation can help societies become more equitable and inclusive by improving access to information and services. It has the potential to generate new revenue streams by improving business processes and delivering new services.

Inclusive Growth

Access to technology, open trade, and foreign direct investment (FDI) are linked to digital transformation. All of these factors help economies grow by increasing productivity and access to services. They also help societies become more inclusive by increasing access to information, education, health care, and financial services. Digital transformation also has the potential to increase gender parity through digital communications. This type of transformation can have positive impacts by increasing the productivity of individuals and businesses, helping countries grow, and enhancing access to information and services. Digital transformation also has the potential to foster innovation and creativity by providing new channels for communication and expression. Inclusive growth is about reducing inequalities and enhancing the well-being of all people. It's about promoting social and economic justice at a global level.

Resilient Ecosystems

The ecosystems issue covers how environmental change can affect the future of human existence. It also addresses how to manage and cooperate with other human beings and the natural world. The ecosystems issue addresses how new technologies and global trade may have an impact on global biodiversity, natural resources, and global climate. It also focuses on how to promote sustainable consumption and production patterns. Resilient ecosystems cover the efforts being made to address the challenges associated with climate change, managing water and food supplies, and protecting biodiversity. It is also about promoting sustainable consumption and production patterns.

A Fair and Sustainable Society

Building inclusive growth, resilient ecosystems, and strengthening the digital economy will require global cooperation. This cooperation will also help promote digital transformation and increase access to digital technologies. As economies become more digital and societies more inclusive, governments will have to ensure a fair and sustainable society is in place to address the needs of all their citizens. This includes policies that promote equality and inclusivity while ensuring sustainable development. The WEF Davos 2022 has highlighted the need for governments to

strike a balance between promoting digital transformation and ensuring a fair and sustainable society. Digital transformation can help societies become more equitable and inclusive. It has the potential to generate new revenue streams by improving business processes and delivering new services. It can also help countries grow economically by increasing productivity. But these benefits can only be achieved if governments make sure digital transformation is balanced with a fair and sustainable society.

Africa is a key driver in the global economy. With its vast natural resources, booming services sector, and emerging technology sector, Africa is poised for rapid growth in the decades ahead. African economies are expected to grow at an average of 4% per year through 2022.

Africa is a key driver in the global economy

Africa is the world's second-largest and second-fastest growing region, behind Asia. It represents only 5% of world GDP but 15% of world population making it one of the world's most important regions for economic development. In the past 50 years, sub-Saharan Africa's per capita income has risen by just 6%, while the economy has grown by 24%. This is partly because of Africa's low investment levels, with investments in the continent standing at only 13% of the world average. Additionally, lower productivity levels pose a challenge to building long-term growth, with Africa's gross value added per worker at only 62% of the world average.

Africa: Home to the world's top five free-trade agreements

The African continent is a free-trade ally to the world with agreements in place between 55 countries. These FTAs collectively have a GDP of almost US $3 trillion and in turn create more than a million new jobs by 2025. The US has more FTAs than any other country, with 17 agreements in force. More than half of all FTAs cover only one country. The largest of all is the African Continental Free Trade Area (AfCFTA), which covers all 55 African countries as well as Liberia and the Seychelles. The AfCFTA is expected to boost the GDP of its signatories by 6.7% by 2025.

Africa has the potential to grow its manufacturing sector

As African economies mature, the manufacturing sector is expected to grow and become increasingly competitive with other world markets. In 2017, manufacturing contributed 17.7% to the GDP of African countries, making it the largest sector in the economy. This number is forecast to increase to 29.3% by 2022, driven by rising demand for manufactured goods from the emerging middle class. While the manufacturing sector is an important part of the African economy, it currently makes up only 6% of the continent's value-added sector. This is set to increase to 9% by 2022, as the continent's manufacturing industry moves towards more advanced stages of development.

Africa is well-placed for growth in digital services

Digital services are set to grow in importance on the African market, making up 24% of the continent's services sector by 2022. Most digital investments on the continent are currently being made in the financial services and IT sectors. This is a strong area for investment, with growing demand for both digital financial services and cloud-based infrastructure, such as data centres. Digital technologies are also expanding the role of the government. For example, Kenya's biometric population registration system has been credited with reducing the cost of issuing birth certificates by up to 80%.

Bottom line

The World Economic Forum Davos 2022 has highlighted the key areas for African governments to focus on if they want to build sustainable, prosperous, and inclusive economies. These areas include building digital infrastructures and promoting digital literacy, building resilient ecosystems, and ensuring a fair and sustainable society is in place. These areas will help African governments boost their economies and create employment opportunities for their citizens.♦

The Future of Business in Africa:
How DeFi and NFTs Can Unleash the Potential Of The New World Economy

The past few years have seen a surge in the coverage of Africa's business ecosystem. The continent is emerging as one of the world's fastest-growing markets, and businesses are taking note. Africa is home to the world's second-largest economy, and its population is projected to hit 1.9 billion by 2030. Local start-ups are serving markets from coast to coast and creating new opportunities for companies operating anywhere in the world. This growing business ecosystem is why McKinsey & Company published a report earlier this year that examined what it means for businesses operating in Africa. They cited a few examples of companies investing in the continent, including the following.

Established multinationals are setting up shop

The largest multinational companies are some of the most active investors in the African business ecosystem. The banking and financial services sector is one of the most important sectors in Africa, and multinational corporations with existing businesses in the sector are eager to take advantage of the rising demand and new opportunities created by digitisation and the emergence of fintech companies. Global giants like American Express, BBVA, and Citi are among the companies setting up businesses in the region in order to tap into existing and emerging market opportunities. These companies are learning from their past experiences in emerging markets, and are taking a "play it safe" approach to investing and expanding in the African market.

Fintech is emerging

One of the most promising trends in Africa is the emergence of fintech companies. Fintech is the technology sector that aims to solve problems in financial services through new technologies, such as blockchain. Bitcoin ATMs can be found in many countries across Africa, and in the largest cities like Lagos, Johannesburg, and Cairo. Although the crypto currency is a new phenomenon in the continent, it has appealed to the growing middle class in Africa that wants reliable, regulated financial services. Blockchain technology promises to revolutionise the banking sector and create new opportunities for fintech companies to operate. Blockchain offers the opportunity to eliminate paper and electronic banking, and track assets across the financial system. This could reduce the risk of cybercrime and increase the efficiency of the system.

Shaping the future of travel

Travel and tourism are on the rise in Africa. The industry employs some 23 million people across the continent and is growing fast, especially in countries like South Africa and Egypt where tourism is becoming a major industry. To tap into the growing market, companies are investing in technology to reshape how travel is experienced. This includes improving the customer journey, such as offering real-time flight information and tracking baggage as it travels from origin to destination.

On-demand services and software-as-a-service

As companies expand into new markets around the world, they often learn lessons they can apply to new, adjacent markets. This is what is happening in Africa, where companies like Airbnb and Uber have gained market share and are setting up shop in the region. As demand for digital services grows across the continent, companies are learning to design products that are

simple, accessible, and convenient. The result is a set of African-specific innovations, such as: Kenyan start-up, uNu, which has developed solar lamps that charge phones and send WhatsApp messages, providing light when there is no electricity, Ghanaian company, iHub, which has developed an app that connects patients with doctors and caregivers and Tanzanian company, Moovit, which helps people find transportation options, such as taxis and buses, based on real-time data.

Mergers and Acquisitions (M&As) are booming

The African business ecosystem is proving to be a magnet for M&A transactions. The region is emerging as a major investment destination, and local companies and multinational corporations are partnering in deals that span multiple sectors.

Businesses are also seeing the benefits of partnering with multinational corporations. In recent years, partnerships between technology start-ups and multinational corporations have helped to foster innovation in the region.

Companies are taking a long term view

Many companies see the value of investing in the African business ecosystem over the long term. This includes investing in the human capital of employees and their training, as well as building a strong corporate culture rooted in values like diversity, inclusion, and social responsibility. Over time, companies that engage with the ecosystem will be better positioned to seize the opportunities that will emerge from the growth of digital consumption in the next decade.

The Future of Business in Africa: What's coming?

The future of business in Africa is bright, and will make important contributions to the global economy. Here are a few areas to watch out for: The rise of the middle class - Africa is home to over half of the world's population of millennials, who are coming of age and beginning to shape the continent's future. This demographic represents a huge potential market for companies that can meet the needs of this growing population. The rise of digital commerce - The Internet of Things and digital payments are growing rapidly across Africa. This trend is forecast to generate $1 trillion in revenue by 2030, with digital payments and e-commerce taking centre stage. Growing need for infrastructure - Africa is one of the most infrastructure-challenged regions in the world, and companies that invest in infrastructure improvements will be well positioned to take advantage of the growing needs across the continent.

The future of business in Africa is poised to become a digital universe of its own. Nigeria's Central Bank has rolled out its own digital currency, eNaira, which is a sign that more is coming. The continent is about to experience a digital economy boom that will change the way people work, live, and interact. The new economy is powered by digital finance, also known as digital asset finance or decentralised finance. It is a new form of lending and borrowing that is facilitated by blockchain and digital currency. Here's what you need to know about the future of business in Africa and the rise of the decentralised economy.

What is a DeFi?

A decentralised finance (or DeFi) is a type of crypto currency-based lending and borrowing program that is operated using blockchain and digital assets. It's decentralised, peer-to-peer, and available to the general public without the need for an intermediary. Anyone can lend funds to companies, entrepreneurs, or individuals by creating a digital investment portfolio that tracks the performance of a number of underlying assets. DeFi uses blockchain technology to bring together investors, borrowers, and lenders from around the world. It uses digital assets like Bitcoin, Ethereum, and XRP, as well as other types of digital assets. With a decentralised finance platform, you can invest in loan projects and earn returns on your portfolio through profit-sharing with the platform.

Decentralised Exchanges

A decentralized exchange (or DEX) is a decentralised marketplace that allows people to exchange crypto currencies and tokens. These types of exchanges operate without a central authority, instead using blockchain technology and smart contracts to operate without a middleman. The majority of crypto currency trading is conducted on centralised exchanges like Coinbase, Binance, and Bitfinex. These types of exchanges are vulnerable to hacks, service outages, and regulatory crackdowns. A decentralised exchange is a blockchain-based marketplace. It's decentralised, meaning that no one owns or controls it. Rather, the exchange exists as a network of decentralised autonomous agents (or users), who are all responsible for executing their trades.

Distributed Ledger Technology

Distributed ledger technology (or DLT) is the underlying technology that allows decentralised exchanges to operate. It's the same technology behind Bitcoin, Ethereum, and other crypto currencies. There are many types of decentralised ledger technology. The most common types are blockchain, distributed ledger technology, and distributed data technology. Distributed ledger technology is the foundation of decentralised exchanges. Using a distributed ledger, traders can buy and sell crypto currencies without needing a bank account. Users can set up a virtual wallet that holds digital assets like Bitcoin, Ethereum, and other crypto currencies. Blockchain is a shared record of transactions that is maintained by a network of computers connected to the internet. It's a digital ledger that is completely decentralised with no central authority.

NFTs: The Future of Financial Instruments

A new type of financial instrument is changing the way companies raise money. It's called a notary asset (or notary token). An example of a notary asset is a security token that holds assets, including real estate, stocks, bonds, art, and other priceless collectables. Investors purchase these financial instruments in the same way they would stocks or bonds. The difference is that it's done on a blockchain.

Why NFT and DeFi is the Solution

to Africa's Financial Systems

Over the next few years, the African financial space will undergo a huge transformation. Mobile banking, digital payment platforms and the proliferation of fintech companies will all help make this transformation a reality. Financial services are a key component of commerce in Africa, which means that the continent's financial systems will have to adapt quickly to stay relevant. At the moment, they struggle to reconcile the increasing demand for financial services in local markets and amongst the unbanked millions. The African financial system is fragmented and underdeveloped, making it difficult for users and financial institutions to access different services. Moreover, the low adoption rates of digital financial services make it even harder for African users.

How NFT and DeFi Are Changing Africa's Financial Systems

The rapidly growing popularity of NFT (non-fungible token) platforms has enhanced the usability of blockchain-based financial products. As a result, NFTs are also being used as a bridge to mainstream financial services. In this way, NFTs are helping to reduce the barriers that prevent African users from accessing financial services. By digitising assets such as real estate and artwork, NFT platforms enable users to sell them and buy assets at the touch of a button. On the other end of the spectrum, NFTs are also being used in investing. For example, companies are using NFTs to issue stablecoins. These coins represent a type of digital currency that is pegged to the price of a fiat currency like the US dollar. This factor makes NFTs a promising solution for funding cross-border payments and remittances.

How to Use NFT and DeFi in Africa

As the use cases of NFTs and DeFi (decentralised finance) continue to expand, the demand for these services will rise. This will lead to higher adoption rates of blockchain-based financial products. Moreover, the growing popularity of NFT and DeFi platforms will also pose a challenge to legacy financial institutions. Financial institutions have been slow to adapt to the rise of blockchain technology. This means that legacy financial institutions have been slow in embracing blockchain-based financial products. The growing prevalence of NFT and DeFi platforms will force legacy financial institutions to change their business models. As a result, legacy financial institutions will have to compete with lower costs, better user experiences and broader product offerings.

Top Implementation Challenges for NFT and DeFi

As blockchain technology continues to advance, the implementation challenges of NFT and DeFi will also change. For example, compliance challenges have been a major hurdle for legacy financial institutions. These institutions have to comply with national and international regulations. To do this, they have to invest significant amounts of money in compliance solutions. If the blockchain market continues to grow, legacy financial institutions will face an even greater compliance challenge. This is because legacy financial institutions will want to adopt blockchain-based financial products. Consequently, these institutions will have to grapple with the high costs of implementation.

Conclusion

The rapidly growing popularity of NFTs has enhanced the usability of blockchain-based financial products. As a result, NFTs are also being used as a bridge to mainstream financial services. As blockchain technology advances, we can expect the implementation challenges of NFT and DeFi to change. This will make these platforms even more popular, posing a challenge to legacy financial institutions. Consequently, blockchain-based financial products can help to transform the financial systems in Africa.◆

Furthering Digital Technical Training And
Finding Employment Opportunities Abroad

Technology is the new world's obsession. Its place cannot be undermined as it drives most facets of our world including business, human relationships, communications, education, purchasing, agriculture, banking, harnessing natural forces, and transportation. But with the high growth of technology in the world, especially in Europe, Middle East, America, Asia, and many parts of Africa – seem to be left behind due to limited opportunities available, and poor platforms for young minds to grasp the knowledge necessary to compete with their counterparts in leading tech nations.

As the world endeavors to forge ahead in these troubled times, where remote processes are gradually becoming the new norm, it is important for the government to continue to champion education and capacity-building for the common folk.

It is to this end that Recharge Resource has created this program to enable young Nigerians to have access to the right skills and also get jobs with leading international tech companies. This program will see vibrant young Nigerians with the right mindset get trained, and guided on how to get a suitable job, while they stay in Nigeria.

Recharge Resource is Nigeria's first 100% Digital Learning platform, an innovative community for techpreneurs, created with the sole purpose of up-skilling technical talents in Africa. Our mission is to identify, engage and develop existing indigenous talents to adjust to changing competitive, macroeconomic or technological environments, thereby ensuring safe, secure and sustainable business continuity.

This Digital Platform is in partnership with CTO Council. CTO Council is a leading IT/FINTCECH training and capacity building organization in the Silicon Valley, USA.

SILICON VALLEY: THE GLOBAL CENTER FOR TECHNOLOGICAL CORPORATIONS

Through a modular and flexible training program, our curriculum centers around Low Code Application Development, UI Design, Machine Learning, Front-end Development, and Project Management. Each Module is part of the whole journey and allows each participant to plot individual learning curves:

Module 1: Workshop in Digital Presentation

Module 2: Digital mindset boot camp in cohorts and teams

Module 3: Technical training in the participant's area of specialty, working with cross-functional teams on a live project

Module 4: Deep dive into participant's area of specialty and core projects

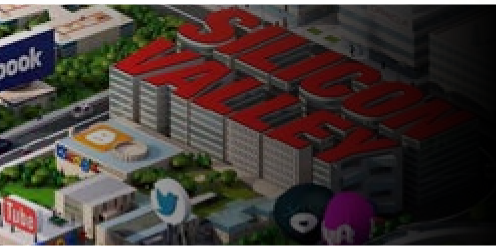
Module 5: Working on fast-paced projects in accordance with global standards and practices

BENEFITS OF THIS PROGRAM

- Learn from industry stalwarts: 'Knowledge is power'. At the Silicon Valley Summer Program, participants will have classes to learn from industry experts with great experiences in entrepreneurship and technology.
- Broaden Perspectives: collaborating with like-minded people from different countries with supervision by seasoned tech experts to complete assignments and share ideas, as means of exposure.
- Establish Relationships: aside from determining one's path, establishing worthy relationships is a fundamental part of growth. The best place to do so is with like-minded individuals who have similar aspirations.
- Learn cyber security, computer coding, internet, electronic data, information technology and software designs.
- Improve employment among the youth.
- Increase Africa's participation in the global tech industry.
- Reduce crime and insecurity as many are upskilled during this period.

WHO CAN ATTEND?

- Representatives of IT companies, agencies and ministries;
- Students above 18 years old with a desire to improve English proficiency in communication, technological capabilities and become employed;
- Representatives from startup companies willing to learn from already established companies. There will room to meet with experts so projects/ideas can be discussed;
- Techpreneurs.



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Why invest in Ethiopia

Lelise Neme, commissioner of Ethiopian Investment Commission- Working towards solving investment challenges in the country in several ways.

Ethiopia is the oldest independent country in Africa and is one of the most stable countries in the region. Ethiopia's peaceful transition of power to a new Prime Minister in 2012, then again in 2018, has proven the stability of its political system and parliamentarian form of government.

Ethiopia underwent unprecedented radical political and economic reform after the coming into power of PM Abiy Ahmed in April 2018

Ethiopian Parliament also appointed its first Female Head of state HE President Sahle-Work, Federal Supreme Court President, and the head of Ethiopia's Electoral Board, with its ministerial cabinet being reduced from 28 to 20 in an effort to create efficiency and a lean government structure.

The Ministerial cabinet is also gender-balanced with 50% of members composed of women, as well as recognizing women as decision-makers in public life.

One of its female leaders is Lelise Neme, commissioner of Ethiopian Investment Commission. Under her administration, Ethiopia has attracted 2.43 billion USD worth of Foreign Direct Investment (FDI) in nine months. The new foreign investors also created 57,451 jobs, of which about 45,000 were women. Ethiopia also earned 156.7 million USD from the export of products obtained from the industrial parks against the 223 million USD, Lelise pointed out.

Ethiopia is a promising country for investment with its large resource potential in several sectors.♦

ROLE OF CENTRAL BANKS IN SUPPORTING AFRICA'S ECONOMIC DIVERSIFICATION – Nigeria is at the Center of Africa's transformation

Godwin Emefiele, CBN Governor and President Muhammadu Buhari

Africa is now the world's second-fastest-growing continent. In this decade of seismic shifts in the global economy, Africa has defied the pessimists, accelerating its economic pulse and seeing significant improvements in its Human Development Indicators. But these positive developments have been tempered by a crisis in jobs, youth unemployment and growing inequality. These are now the challenges.

Sub-Saharan Africa, home to more than **1 billion people, half of whom will be under 25 years old by 2050,** is a diverse continent offering human and natural resources that have the potential to yield inclusive growth and eradicating poverty in the region. With the world's largest free trade area and a 1.2 billion-person market, the continent is creating an entirely new development path, harnessing the potential of its resources and people.

The region is composed of low, lower-middle, upper-middle, and high-income countries, 22 of which are fragile or conflict-affected. Africa also has 13 small states, characterised by a small population, limited human capital, and a confined land area.

In nominal terms, Nigeria is the largest economy in Africa, followed by South Africa and Egypt. These three together account for almost half of the African economy. The GDP of 3rd ranked Egypt is more than double of 4th ranked Algeria. São Tomé and Príncipe is the smallest economy in Africa.

Characteristic	GDP in billion U.S. dollars
Nigeria	441.54
South Africa	418.02
Egypt	402.84
Algeria	164.56
Morocco	131.47
Kenya	109.8
Ethiopia	99.27
Ghana	76.36
Angola	74.5
Tanzania	70.28
Côte d'Ivoire	69.75
Congo, Dem. Rep. of the	57.09
Tunisia	46.48

Out of 54 economies, the GDP (nominal) of 52 economies would increase, and two economies would decrease in 2021 compared to 2020.

Nigeria ($51 bn) and Egypt ($33 bn) and South Africa ($80bn) account for one-third of the increase in the African economy.

Nigeria Economic Outlook

The Economy of Nigeria is a middle-income, mixed economy and emerging market, with expanding manufacturing, financial, service, communications, technology, and entertainment sectors. It is ranked as the 27th-largest economy in the world in terms of nominal GDP, and the 24th-largest in terms of purchasing power parity.

Nigeria's economy entered a recession in 2020, reversing three years of recovery, due to a fall in crude oil prices on account of falling global demand and containment measures to fight the spread of COVID–19. The economic impact of the COVID-19 shock in Sub-Saharan Africa (SSA) has been severe, however economic growth in Sub-Saharan Africa is set to emerge from the 2020 recession and expand by 3.3 per cent in 2021.

East and Southern Africa, the hardest-hit region by the third wave of the coronavirus, is expected to rebound from a 3.0 per cent contraction of GDP in 2020 to a growth of 3.3 per cent in 2021 and 3.4 per cent in 2022.

Growth in South Africa is projected to rebound from -6.4 per cent in 2020 to 4.6 per cent in 2021 and following two consecutive years of recession, economic activity in Angola is projected to rebound from -5.4 per cent in 2020 to 0.4 per cent in 2021. Excluding Angola and South Africa, the sub-region is expected to grow by 3.1 per cent in 2022 and 4.3 per cent in 2024.

Since emerging from its first recession in 25 years, economic growth in Sub-Saharan Africa is estimated at 4% in 2021, up by 0.7 percentage points from the October 2021 projections, and up from -2.0% in 2020. Nigeria however remains the largest economy in Africa with a GDP amounted to 441.5 billion U.S. dollars in 2021, the highest in Africa.

Growth must bring jobs and opportunities for all. That will happen if growth is sustained and leads to the structural change and economic transformation that will enable the continent to join the global value chains. It will do this by closing the infrastructure gap, speeding up economic integration, dealing with conflicts old and new and developing human capital.

Recent macroeconomics and The Role of Nigeria's Apex Bank in financial developments

The central bank in a developing economy performs both traditional and non-traditional functions. The principal traditional functions performed by it are the monopoly of note issue, banker to the government, bankers' bank, lender of the last resort, controller of credit and maintaining stable exchange rate.

The faltering development processes of the economy and the need for concise implementation of economic policy formulation and management justify the call for the Central bank to become actively involved in Macroeconomic matters.

Over the years, the objectives of monetary policy have remained the attainment of internal and external balance of payments. However, the emphasis on techniques/instruments to achieve those objectives have changed over the years. Reforms in the banking sector have become perennial actions in developing and emerging economies of the world, in which Nigeria as a country is not left out.

The reforms in Nigeria have been directed toward financial intermediation, financial stability and confidence in the system (Central Bank of Nigeria, 2012). In Nigeria, the apex bank has the oversight role of managing financial institutions and a dynamic role in manipulating financial related factors in boosting the economy

As the monetary authority and regulatory and supervisory authority of the banking system, the CBN has actively promoted economic growth and diversification, and employment creation. Moreover, the CBN's missions and functions have become increasingly crucial, especially in the aftermath of the recent global financial crisis.

The CBN's monetary policy supports macroeconomic stability in Nigeria which attracts a continuing inflow of foreign investment as it fosters and maintains financial system stability and development through the promotion of financial inclusion, oversight of the payments system and regulation of the banking system.

Several intervention programs backed by the CBN under the leadership of Godwin Emiefele have contributed to the efficient channelling of financial resources for capital accumulation in Nigeria overtime in the last seven years since his assumption of office as the Apex Banks Governor. The intervention schemes by the CBN have helped to stimulate growth and boost gross domestic product (GDP).

It is a strategy that reinforces the choices of the last five years, building on lessons learned and addressing the challenges of tomorrow. It is a strategy that provides a response not only to sustainable growth but also to the sustainable management of natural resources.

Interestingly, the man behind this set of strategies, Godwin Emefiele, has come under tremendous pressure to run for the office of president in 2023. This is what makes the next decade so definitive and decisive. This also makes the Central Bank's Strategy for 2022–2030 so vital.

Eight Years Scorecard: Godwin Emiefele, The Man and his Journey

Governance and Accountability

When Godwin Ifeanyi Emefiele assumed office as the tenth indigenous Governor of the Central Bank of Nigeria (CBN) on June 3, 2014, there was a 60 per cent decline in the price of crude oil, geo-political tensions rose and were widespread along critical global trading routes and the normalization of monetary policy by the United States Federal Reserve System led to acute capital flow reversals, especially in emerging markets such as Nigeria.

During his first term, he supervised an interventionist currency policy at the behest of the presidency, propping up the Nigerian Naira by pumping billions of dollars into the foreign exchange market.

In a bold move to contain rising inflation and cushion the impact of the drop in the supply of foreign exchange to the Nigerian economy,

Governor, Central Bank of Nigeria

CURRENT POSITION	TENURE AT CURRENT POSITION
Governor, Central Ban...	6/2014-PRESENT
PREVIOUS POSITION	**EDUCATION**
CEO/Managing Direct...	University of Nigeria University of Nigeria
BOARD MEMBERSHIPS	**INDUSTRY**
International Islamic Li... Central Bank of Nigeria	–

Education

DEGREE	INSTITUTION
BACHELOR'S DEGREE	University of Nigeria
MBA	University of Nigeria
GRADUATED	Stanford University
GRADUATED	President & Fellows of Harvard College
GRADUATED	Wharton School of the University of Pennsylvania

Career History

TITLE	COMPANY	TENURE
Governor	Central Bank of Nigeria	06/2014-PRESENT
CEO/Managing Director	Zenith Bank PLC	08/2010-05/2014
Deputy Managing Director	Zenith Bank PLC	01/2001-08/2010
Manager	Zenith Bank PLC	05/1990-12/2001
Lecturer:Finance	University of Nigeria Nsukka	FORMER
Lecturer:Insurance	University of Port Harcourt	FORMER

Board Memberships

TITLE	COMPANY	TENURE
Chairman	International Islamic Liquidity Management Corp	12/2016-PRESENT
Chairman	Central Bank of Nigeria	03/2014-PRESENT
Board Member	Zenith Bank Ghana Ltd	04/2005-06/2014
Board Member	Zenith Bank PLC	01/2001-05/2014

Emefiele adopted unconventional monetary policies that he self-described as extraordinary measures needed to tackle extraordinary challenges

Emefiele's second term was approved by Nigeria's Senate in 2019 for another five years, making it the first time that CBN Governor will serve a second term since Nigeria's return to democracy in 1999.

Eyes on Target -Hitting the 10 Point Agenda

1. Pursue a gradual reduction in key interest rates, and include the unemployment rate in monetary policy decisions
2. Maintain exchange rate stability and aggressively shore up foreign exchange reserves
3. Strengthen the risk-based supervision mechanism of Nigerian banks to ensure overall health and banking system stability
4. Build sector-specific expertise in banking supervision to reflect the loan concentration of the banking industry.
5. Due to inadequate trigger thresholds from a macro-prudential perspective, consider and announce measures to effectively address this anomaly
6. Abolish fees associated with limits on deposits and reconsider ongoing practice in which all fees associated with limits on withdrawals accrue to banks alone
7. Introduce a broad spectrum of financial instruments to boost specific enterprise areas in agriculture, manufacturing, health, and oil and gas
8. Establish secured transaction and National Collateral Registry as well as establish a National Credit Scoring System that will improve access to information on borrowers and assist lenders to make good credit decisions
9. Build resilient Financial infrastructure that serves the needs of the lower end of the market, especially those without collateral
10. Renew vigorous advocacy for the creation of commercial courts for quick adjudications on loans and related offences

Focusing on results.

As part of its developmental mandate, the CBN, under Emiefele, since 2014, has also been established, single-handedly or in conjunction with the Bankers' Committee, various other initiatives aimed at creating wealth and putting in place strong policies for creating jobs for the country's growing youth population.

These include:

- The hugely successful Anchor Borrowers' Programme (ABP)
- The Nigeria Incentive-based Risk Sharing System for Agricultural Lending (NIRSAL)
- The National Food Security Programme (NFSP)
- The Paddy Aggregation Scheme (PAS)
- The Agri-Business/Small and Medium Enterprises Investment Scheme (AGSMEIS)
- The Accelerated Agricultural Development Scheme (AADS)
- Youth Entrepreneurship Development Scheme (YEDP)
- The Nigeria Electricity Market Stabilisation Facility (NEMSF)
- The Non-Oil Export Stimulation Facility (NESF) and Export Development Facility (EDF)

Connecting Nigeria to Global Markets

Emefiele refers to himself as a "development central banker" and has used his position to direct vast amounts of state finance to small farming and service sector operations, building a wide-ranging constituency for his policies in the process.

Nigeria's economy has experienced some growth during the last eight years as shown by data despite the global financial crisis. This growth has markedly lifted the living standards of the Nigerian people, with a significant reduction in the poverty rate and rising employment. However, the economy is still based on a few sectors, which mainly rely on external demand.

Therefore, there is a need, generally recognised, to further diversify its economic base to achieve sustainable growth and employment creation in the coming years.

These targeted interventions have so far impacted such sectors as agriculture, power, micro, small and medium-scale enterprises (MSMEs), workers' salary/pensions assistance fund, infrastructural assistance to states, emergency fiscal spending, and improving FX supply and financial inclusion, as well as the health sector. Foreign Direct Investment in Nigeria increased by 1563.64 USD Million in the second quarter of 2021

Two good Terms Deserves Another

It does not come as a surprise that the clamour among senior government officials for Central Bank governor **Godwin Emefiele** to vie for Nigeria's presidency has its roots in his excellent management of the institution and the reach of its policies over the past eight years.

To critical industry stakeholders, this unassuming banking guru certainly deserves kudos for keeping faith and demonstrating uncommon commitment and professionalism in a particularly challenging period of the national trajectory.

Logic and reason reinforce this position. As of June 3, 2014, when Emefiele assumed office, Nigeria's reserves had fallen from a peak of US$62b in 2008 to US$37b. But following the sharp drop in crude oil prices, the nation experienced a plummeting of the CBN's monthly foreign earnings from as high as US$3.2 billion to as low as US$700 million monthly. To avoid further depletion of the reserves, the CBN took many countervailing actions including the prioritisation of the most critical needs for foreign exchange.

When it comes to economic and

financial strategy, Emefiele is in the driving seat and enjoys the robust support of President **Muhammadu Buhari** and his colleagues in the Villa at Aso Rock.

The 64 trillion naira question is whether Buhari's backing for Emefiele's policies will extend to his endorsing the governor for the presidential nomination of the ruling All Progressives Congress (APC).

It Is important to state that Implementing multiple tools in a complex framework can be very challenging, too, and expanding the set of policy options may subject central banks to political pressures.

Forbes New York has honoured the governor of the Central Bank of Nigeria, CBN, Mr Godwin Emefiele, with the Forbes Best of Africa Lifetime Achievement Award.

In its letter of award to Emefiele and signed by the President, Customs Solutions Media for Forbes Media, Mr Mark Furlong, Forbes disclosed that it decided to honour the CBN governor on the grounds of his remarkable performance and pace-setting achievements at the apex bank.

Nigeria on the Move under Emefiele – Operationalising Strategy: An Adoptable template for Africa

A key development challenge in Nigeria revolves around economic growth, which has had a limited impact on reducing poverty and building shared prosperity. The realisation of inclusive growth is the underlying objective of the government's economic program, the Economic Recovery and Growth Plan (ERGP).

To achieve more inclusive growth and reduce poverty, the government and people of Nigeria must meet the challenges of creating opportunities for gainful employment for the growing population and enhancing human capital to take advantage of these opportunities. This calls for private sector-led growth, combined with a more active government role in human capital investment.

Cognisant of this, the government has listed job creation and human capital development among its development priorities. To foster inclusive growth, it will need to intensify its efforts to address the sources of the country's fragility by adopting measures to improve security, social inclusion, public service delivery, and the sustainable use of natural resources, while continuing to undertake initiatives to realise greater transparency and eliminate corruption.

A set of draft operational protocols is very much needed of scale growth in Nigeria and Pan-Africa. The Proposed structures can be reviewed and adopted and developed by other African states to boost their economies by borrowing a leaf from Nigeria Frequently referred to as the Giant of Africa

Proposed Core operational Priorities – Things hoped for: What Africa must do to realise its vision.

1. Promote international monetary cooperation through a permanent institution
2. Promote exchange stability and avoid competitive exchange rates depreciation
3. Assist in the establishment of a multilateral system of payments in respect of current transactions between members and eliminate foreign exchange restrictions that hamper the growth of world trade.
4. Review the policies around ease of doing business Intra-Africa
5. Support emerging technologies in the African tech startup ecosystem.
6. Breaking the oil dependency
7. Building human capital
8. Bridge the north-south divide
9. Promote private sector-led growth
10. Rebuilding social contracts
11. Promote public and private sector investment activities intended to advance AU Member State regional integration
12. Utilise available resources for the implementation of investment projects contributing to the strengthening of the private sector and modernisation of the rural sector activities and infrastructure
13. Mobilise resources from capital markets inside and outside Africa for the financing of investment projects in African countries
14. Provide technical assistance as may be needed in African countries for the study, preparation, financing and execution of investment projects.
15. Review, scale and tweak all current intervention schemes in line with the times.

Africa's development is so closely tied to nature, and economic growth is not sustainable without preserving the continent's natural capital, land, water, marine, forests and energy resources.

To drive sustainable growth, Africa must develop and manage its vast natural resources sustainably. African countries must put in place frameworks to attract the necessary investment and expertise and to install the right governance structures. They should ensure that substantial benefits go to local populations and national economies through safeguarding the environment and providing basic social services.

If Africa does all these things, it can be the next global emerging market.

The Impact of the Russia-Ukraine War on the African Economy

The ongoing conflict between Ukraine and Russia has had repercussions far beyond Europe. The two countries are major trading partners for many African nations, and their strained relations have crippled trade and raised concerns about the future of investment in the region. These implications will continue to affect Africa's economy in the long-term and may even lead to changes in current foreign policy strategies of certain African nations. This article explains how the Ukraine-Russia conflict is affecting Africa's economy, particularly for Ethiopia, Tanzania, Kenya, Ghana, and Nigeria.

Russian-Ukraine Conflict's Impact on Africa

The economic impact of the Russia-Ukrain war is significant for Africa. The decline in the value of the Russian rubble has made it more expensive for African countries to import goods from Russia. Many countries have responded to this by replacing Russian imports with goods from other countries. For example, Ethiopia has replaced imports of Russian wheat with purchases from other major wheat producers such as Australia, Brazil, and the United States. Decreased Russian imports combined with increased import costs have slowed economic growth in African countries that rely heavily on Russia for trade. In particular, Tanzania and Nigeria have both reported significantly slower economic growth in the past few years. This is expected to continue for the near future, as the countries have yet to find new trade partners to replace Russian imports.

Russia and Ukraine, both often referred to as the world's breadbasket, are major players in the export of wheat and sunflower to Africa. North Africa (Algeria, Egypt, Libya, Morocco, and Tunisia), Nigeria in West Africa, Ethiopia and Sudan in East Africa, and South Africa account for 80 per cent of wheat imports. Wheat consumption in Africa is projected to reach 76.5 million tonnes by 2025, of which 48.3 million tonnes or 63.4 per cent is projected to be imported outside of the Continent.

The sanctions imposed on Russia by Western countries will further exacerbate commercial flows between Russia and Africa due to the closure of vital port operations in the Black Sea. Russia is one of the world's biggest exporters of fertilizers.

Concerns are growing that a worldwide shortage of fertilizer will lead to rising food prices, with knock-on effects for agricultural production and food security.

Russia is also the world's third-largest oil producer behind the United States and Saudi Arabia. The disruption of oil prices on the world market is expected to lead to an increase in fuel prices and higher costs of food production.

Some regions, including the Horn of Africa and Sahel region, are at greater risk of food insecurity due to country-specific shocks, climate change, export restrictions, and stockpiling, especially if rising fertilizer and other energy-intensive input costs will negatively impact the next agricultural season as a result of the ongoing conflict.

Russia and Africa: The Effects of Western Sanctions

With the U.S., EU and other Western nations sanctioning Russia over its aggression against Ukraine, the impact of these measures on Russia's relations with Africa must be considered because it is likely to have a long-term impact on Russia's relations with Africa and what risks these developments pose for African countries which have close economic ties with Russia. These include Angola, Sudan and Zimbabwe.

What risks does Russia's current situation pose for Africa?

If the sanctions are not lifted, and if Russia is unable to mitigate their impact, the Russian economy could suffer a major decline. If this happens, it is likely to have major implications for all of Russia's relations with the U.S. and Western Europe, including its relations with Africa. If a major decline in the Russian economy leads to a reduction in investment in Africa, this could result in a decline in the economic activity of African companies which are heavily dependent on Russian companies. If the decline in the Russian economy leads to a reduction in demand for African commodities, this could result in lower prices for African exports and a decline in African export earnings.

Strategies for African countries in light of the above

If the sanctions remain in place, African countries which export commodities to Russia could be at risk. These include Angola, Sudan and Zimbabwe. If the Russian economy continues to decline, these countries could be hit by a reduction in demand for their commodities and by lower prices for these products. As a result, they may need to find other markets for their goods. - Angola: Angola is Russia's third largest trading partner in Africa, and Russia is Angola's third largest trading partner globally. If the sanctions remain in place, there is a risk that the Russian economy will decline, with corresponding consequences for the Angolan economy. If this happens, Angola's exports of oil and other commodities could decline, which could have a significant impact on government revenues. If this happens, the Angolan government could face reduced capacity to finance its ambitious infrastructural development programme. - Sudan: Sudan is a major exporter of oil, gum, gold and other commodities, with most of these products being exported to Russia. The majority of Sudan's exports to Russia are carried out by companies controlled by the state-owned National Oil Corporation. If the sanctions remain in place, the Russian economy could decline, with corresponding consequences for Sudan's export earnings. If this happens, the Sudanese government's capacity to implement infrastructure projects could be reduced. If this happens, Sudan could lose the opportunity to develop its economic potential by developing transport links between the Red Sea and Lake Chad. - Zimbabwe: Zimbabwe is a major exporter of tobacco, which is the country's single most important export. Over three-quarters of Zimbabwe's exports of tobacco are sold to Russia. If the sanctions remain in place, the Russian economy could decline, with corresponding consequences for Zimbabwe's export earnings. If this happens, the Zimbabwean government's capacity to pay for social programmes could be reduced. If this happens, Zimbabwe could lose the opportunity to diversify its exports away from the tobacco industry, which has been experiencing declining incomes in recent years.

The sanctions imposed by the U.S. and EU on Russia could have a significant impact on Russia's relations with Africa, particularly if the Russian economy declines. If the sanctions remain in place, a decline in the Russian economy could result in lower demand for African commodities as well as a reduction in Russian investment in the region. If this happens, it could result in lower incomes for African commodity exporters and less investment in African infrastructure. For African countries which export commodities to Russia, it would be prudent to diversify their export markets as quickly as possible in case the sanctions remain in place or the Russian economy declines.

Ethiopia: A Major beneficiary of Russia-Kenya Trade Relations

Ethiopia has benefited significantly from increased trade between Russia and Kenya. In 2020, Kenya imported \$1.6 billion worth of goods from Russia, up from \$1.3 billion in 2019. Ethiopia has become a major exporter of agricultural products and has benefited greatly from this rise in trade between Russia and Kenya. Ethiopia's major exports to Russia include coffee, tea, and flowers, while Kenya exports fish and flowers to Russia. The increase in trade between these countries has helped Ethiopia recover from losses during the decline in the Russian ruble.

Tanzania: A Dependent on Ukrainian Goods

Tanzania has become almost completely dependent on the import of Ukrainian goods, particularly agricultural products such as wheat and other grains. Tanzania currently imports 90% of its wheat from Ukraine, and the ongoing conflict has created major disruptions in the supply of these products. The cost of importing these goods has also risen due to the decline in the value of the Russian ruble. However, Tanzania is currently working to diversify its supply of wheat from other countries. The decline in the Russian ruble has made it more expensive for Tanzania to import oil and natural gas, its two major sources of energy. Tanzania has responded by reducing the amount of oil it uses for electricity generation. This has impacted the country's economy, particularly the East African region. East Africa relies heavily on hydroelectricity generated in Tanzania. The decline in hydroelectricity has caused power outages in Kenya and Uganda, among other countries. This has impacted businesses and the daily lives of many people in the region.

Kenya: Its Economy is at Risk Due to the Conflict

Kenya's economy is at significant risk due to the Ukraine-Russia conflict. Kenya has been heavily dependent on imports from Russia, particularly of oil and natural gas. The decline in the value of the Russian ruble has made these imports more expensive, and Kenya has responded by reducing the amount of energy it uses for electricity generation. This has impacted the country's economy and caused energy shortages throughout Kenya. Kenya's economy is expected to continue to suffer from the decline in value of the Russian ruble, particularly since the conflict is unlikely to come to an end any time soon. This can be expected to have a significant impact on Kenya's economy, which is already struggling due to rising inflation.

Ghana: The Importance of Ukraine as a Trading Partner

The decline in the value of the Russian ruble has played a major role in Ghana's mixed export earnings for the past few years. Ghana's main exports to Russia include cocoa and petroleum products, while petroleum products and fertilizer are the country's main imports from Russia. The decline in the value of the Russian ruble has made Ghana's exports to Russia less valuable, while the cost of importing from Russia has increased. However, the decline in the value of the ruble has not had a significant impact on Ghana's economy. This is due to the fact that Ghana does not depend on Russia for trade as much as other countries in the region.

Nigeria: Currently Stable but at Risk in the Long Run

Nigeria's economy has remained largely stable throughout the Ukraine-Russia conflict. Nigeria has not imported as much from Russia as other countries, and it has been able to replace Russian imports with goods from other countries. Nigeria currently imports only $3.7 million worth of goods from Russia, while it exports $29.8 million worth of goods to the country. However, Nigeria's economy is at risk in the long run due to the decline in the value of the Russian ruble.

Conclusion

The ongoing war between Ukraine and Russia has had major economic repercussions for many African countries. The decline in the value of the Russian ruble has made it more expensive for African countries to import goods from Russia. The decline in trade between Russia and other major trading partners such as the U.S. has also led to slower economic growth in African countries that rely heavily on trade with Russia. The decline in trade between Russia and other countries has also hurt the economies of African countries that export goods to Russia. Although the conflict has not yet been resolved, it is important for African countries to diversify their trade partners to minimize the risk of future economic decline.

To avoid future food price shocks caused by rising oil and gas prices on the global market, African countries must improve their oil and gas production and exploration capability to fill any gaps that may occur as a result of supply chain disruption among the major global producers.

African countries that produce fuel and gas such as Algeria, Angola, Cameroon, Republic of Congo, Egypt, Equatorial Guinea, Libya, Mozambique, Nigeria, Senegal, Sudan, and Tanzania should explore boosting production and filling the gas and oil gap within the continent and beyond to alleviate fuel price shocks, which could contribute to lower food costs.

In addition, African governments should invest in or attract greater international investment in oil and gas exploration, particularly in countries where subterranean oil reserves are believed to exist but have yet to be explored.♦

DeFi, NFT and The Blockchain.

An interview with:

Tunde Awe, Pentrust Ltd (Crypto Wealth Managers) &
Ajibola Lawal, Practice Lead at Kaicho Capital

By Sadiq Williams

Q: Who are the growing and key players in the DeFI sector in Nigeria today?

A: There are two ways to approach the question. In the first instance, from the perspective of the global DeFi platforms that Nigerians are using. And the answer to that is easy. Nigerians are using the same top global platforms everyone around the world uses, which include Aave, Compound, Yearn Finance; on the fully Decentralised side, as well as Nexo, Voyager and BlockFi on the Centralised DeFi end.

The difference between both options just refers to whether the users funds are fully managed themselves, or they are managed by a private entity on behalf of customers. More locally, there are a few emerging protocols; some in stealth and currently being built, the others on the verge of being launched. It may be worth the time to look out for these Africa focused Decentralised Finance Platforms in the near future.

Q: What is DEFI and what does this mean for the creative industry and other traditional industries?

A: Decentralised Finance, known in short as DeFi, simply refers to an alternate system of financial primitives that puts users/customers in the driver's seat of the control of their finances from end to end. Very simply, it means that users themselves perform the core functions of a bank, directly, without intermediaries. These functions range from providing lending opportunities to entities in need of that liquidity, and performing currency exchange functions.

Prior to the rise of DeFi, being able to perform these functions have been the exclusive preserve of regulated financial institutions and intermediaries. The removal of these institutions and intermediaries unlocks a new layer of value that isn't captured by monolithic entities but is delivered straight to individual retail investors.

Q: How do we get to learn about it, are there magazines, online portals and NGO outreaches?

A: There are several disparate sources of information about Crypto currency and Decentralised Finance. As of now, it is difficult to find singular repositories of such information, and this speaks to how nascent the space is. However, good places to start learning about and gathering information on DeFi include, Chairman's DeFi Primer, Darren Lau's How to DeFi book, and for news updates and articles about the industry, we have, The Block, Coindesk and Arca.

Q: When can we expect to see DEFI operators like banks franchise, private bureau de change operators, and finance houses?

A: Already, major entities like Goldman Sachs in America and Societe Generale – the third largest bank in France – are already making concerted forays into the Decentralised Finance space through the use of DeFi platforms like Aave and Maker Protocol. In this instance, not as DeFi service providers but as institutional users seeking Alpha and Capital Efficiency.

At a second level, we also have crypto-native asset management Firms like Jump Trading and Alameda Research – with assets under management mirroring those of on-par Traditional Hedge Funds – becoming heavily involved in the DeFi space.

In essence, it is not a question of expectation of when the big players will get involved. It is a question of how much further these players and other stakeholders will entrench their participation.

Q: Where do you see this emerging DeFi trend going and which, sectors given global and local frameworks and politics, can DeFi be applied to?

A: The emerging DeFi revolution will be more encompassing than any individual – without a functioning crystal ball – can truly begin to imagine. A good analogy would be to compare the promise of Decentralised Finance to knowing as of the time Twitter launched that it would be deeply instrumental to the Arab Spring revolutions witnessed in the early 2010s.

The best we can all do is prognosticate. And in the service of that, we are likely to see the improvement in the fairness of global financial markets, we will see Financial Inclusion grow in leaps and bounds, the speed of international remittance and settlement will far outpace its current levels. International trade will also become far more efficient than it is today. It is within the milieu of these economic and capital efficiency gains that an explosion of wealth is created and redistributed.

Q: Why are we also seeing a concurrent rise in certain aspects of the blockchain, crypto and metaverse on a global scale i.e. DAOs, NFTs et al. Also from these trends, what do you predict the future of DeFi is, especially especially as it concerns Africa and Nigeria?

A: The answer to this question is easy. It is the same way that we saw the explosion of business innovation and the creation of new jobs, paradigms and businesses with the introduction of the internet. The same thing is happening at the behest of Blockchain Technology and the possibilities offered by distributed ledger technologies – that underpin all of cryptocurrency and DeFi. Prior to the advent of Crypto and DeFi, there was no internet-native payments infrastructure in existence. ♦

Babatunde Awe is the CEO, Pentrust Business Solutions Limited and Co-owner of Crível Watches, both started off in 2019.

Prior to this, he was a dedicated member of the Sterling Bank Nigeria Ltd team for over 11 years, a period in which he gained meaningful experience in Treasury, Wealth Management, Trade, Marketing, Information Technology and Project Management.

Since branching out to kick off his own enterprise, he has been involved a number of diverse portfolio briefs, within his skillset base, in various sectors across the Nigerian economic landscape and recently began developing niche financial solutions in the visual arts space with leading artists and curators like Ayoola Gbolahan and Mr Burns Effiom.

He is now also venturing into aspects of DEFI analytics and consults for artists and creatives alike in the blockchain- Metaverse- NFT space, with an agency in the UK called Gold Mind Resourcery.

Ajibola Lawal is the Practice Lead at Kaicho Capital. He is a decentralised finance specialist with extensive cross-industry experience across commodities trading and gaming.

He works extensively with discerning private investors and institutions looking to explore opportunities for consistent, reproducible, risk adjusted returns within the nascent crypto currency space.

At Kaicho Capital he manages a multi-million dollar digital asset portfolio across the entire digital asset spectrum from liquid assets, to derivatives and blue-chip NFTs