

African Development Institute (EADI) and Political Economy Research Institute (PERI)
Capacity Building Workshop for African Policy Makers

Nairobi, Kenya, 14-18, 2016

Theme: Inclusive Finance for Equitable and Sustainable Economic Development

Access to finance is an important prerequisite for sustainable development and improvement in the living standard of the majority of the population. Today, a large fraction of the African people does not have access to modern means of savings, credit, and long-term investment finance. Less than 30 percent of the African adult population have an account at a formal financial institution. Under this measure, access to finance ranges from less than 2% in Nigeria to 80% in Mauritius. Despite recent gains due partly to penetration of mobile banking technology, the gaps in access to finance remain large especially in the rural area and in the informal sector generally. Moreover, even when they are accessible, financial services remain onerous, which discourages private sector activity and may even expose households to financial distress.

To facilitate a policy discussion on this important topic, the African Development Institute of the African Development Bank and the Political Economy Research Institute (PERI) organized a workshop for senior African policy makers on “Inclusive Finance for Equitable and Sustainable Economic Development” in Nairobi, Kenya from November 14 to 18, 2016. The workshop provides African policy makers with an opportunity to share their experiences on progress made as well as challenges encountered in their countries in promoting financial inclusion as a driver of inclusive economic development. The discussion explores strategies to manage and regulate the financial system (the banking sector and non-bank institutions) to increase access to finance, improve the allocation of investment capital into high-growth and employment-generating activities, and enhance the role of the financial system in economic transformation, growth, and poverty reduction.

The following themes were discussed in the workshop:

- Module 1: Access to finance in Africa over time and relative to other regions
- Module 2: Inclusive finance and poverty reduction
- Module 3: Financial inclusion, domestic investment and employment creation
- Module 4: Financing small and medium size enterprises, youth- and women-owned enterprises
- Module 5: Legal and regulatory framework for financial inclusion
- Module 6: National development banks and financial inclusion

Module 7: Development central banking and financial inclusion
Module 8: Inclusive finance and green growth