



Financial Inclusion NEWSLETTER

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Contributors and Appreciation Message:

The Financial Inclusion Newsletter initiative would not have been possible without the continued support and guidance from the Governor of Bank of Sierra Leone, Prof. Kelfala M. Kallon, Deputy Governors, Dr. Ibrahim Stevens and Sheikh A.Y Sesay.

Additional thanks to all the different Directors at the Bank of Sierra Leone for their input and participation to the FI Newsletter and financial inclusion efforts. Special thanks also to the Alliance for Financial Inclusion (AFI) and UN Capital Development Fund (UNCDF) and Overseas Development Institute (ODI) for their continued support to the FSDU and the BSL over the years.



Photo courtesy of CAFOD, Sierra Leone; Poster pictured created by New Salone Woman Design



- BSL workshops to advance financial inclusion
- BSL continues to partner with CAFOD – financial literacy sessions for women savings groups
- BSL’s participation in key private-public dialogues to advance sustainable finance
- State of the Digital Financial Services Market in Sierra Leone – read the latest report on digital finance trends in the country
- “New Year, New Habits” – 5 easy tips on learning to save
- Sierra Leone Collateral Registry – learn about the Collateral Registry and how it can improve access to finance for MSMEs
- Creating an enabling regulatory environment – updates on new regulations and guidelines to support financial inclusion
- Looking forward – upcoming financial inclusion news

Financial Inclusion Newsletter encourages its readers to send article contributions based on their experiences in the sector.

For inquiries, comments and/or suggestions on the Newsletter, please email: fkamara@bsl.gov.sl

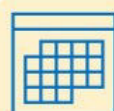


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CREATING AN ENABLING REGULATORY ENVIRONMENT FOR FINANCIAL INCLUSION

Key regulations and guidelines that were revised or published in 2022.

- **National Payment System Oversight Regulations, 2022**
Ensures that the National Payment System of the country is safe, reliable and efficient, and that the users of Payment Services and instruments are protected.
- **Currency Redenomination Technical Guidelines**
Promotes a common understanding of the country's currency redenomination process, including roles and responsibilities of different stakeholders
- **e-KYC Guidelines, 2022**
Enhances the customer onboarding and verification process through digital means
- **Mandatory use of National Identification Number (NIN) for e-KYC**
Banks and non-bank financial institutions are now required to use the NIN for identify verification when opening accounts for both nationals and non-nationals, and for the use of the Bank of Sierra Leone Credit Reference Bureau
- **Revised Prudential Guidelines for Commercial Banks, 2022**
Ensures that each institution maintains a level of capital in accordance with the Banking Act, 2019 to promote stability and protect deposits and creditors



UPCOMING FINANCIAL INCLUSION ACTIVITIES

- **Launch of Financial Consumer Protection Guidelines Awareness Campaign**
A sensitisation program will take place early 2023 for FSPs to raise awareness on the new Financial Consumer Protection Guidelines that were issued in 2022.
- **Launch of the National Payment Switch**
Keep an eye out – we are expecting to launch the first phase of the National Payment Switch by early 2023, that will make finance more inclusive.
- **Updates on Geospatial Mapping of Financial Access Points**
An update on the financial access points in country will be shared in 2023, along with an interactive dashboard to help understand the state of financial access in Sierra Leone.
- **Financial inclusion technical working group meetings**
Technical working groups under of the new Strategy will continue to move forward on 2023
- **Financial literacy sessions for NGOs and civil society organizations**
BSL is looking to provide NGOs with financial literacy trainings to educate and promote on key regulations and financial education topics.
- **Strengthening the Fintech sector in Sierra Leone**
BSL looks to work with key stakeholders and fintech organizations in the country to promote innovation in the digital finance sector
- **Formation of the Gender Inclusive Finance Forum**
The BSL is looking forward to increasing the participation of women in the formal financial ecosystem through the formation of a gender inclusive finance forum



BSL EVENTS: PROMOTING FINANCIAL INCLUSION

Implementation of the financial inclusion strategy makes a strong start with the establishment of technical working groups



Under the new National Strategy for Financial Inclusion, the Financial Inclusion Secretariat held in orientation workshops and trainings on the implementation of the new strategy. These workshops brought together key stakeholders to form technical working groups and develop action plans for 2023.

We are glad to announce that 3 technical working groups were formed, and all held their inaugural meetings by the end of 2022. We look forward to sharing more progress and outcomes from these Technical Working Groups in 2023 and beyond.



Working with financial service providers to ensure greater consumer protection

With the recent launch of Financial Consumer Protection Guidelines in April 2022, the BSL, in partnership with UNCDF, has been working closely with all financial institutions, to ensure a successful implementation of these guidelines. In November 2022, the BSL held various workshops with key staff from banks and MFIs to review their consumer protection policies and guidelines. The workshops ensured that FSPs were following the details of the Guidelines and guided them to develop their own internal policies and procedures. The Financial Consumer Protection Guidelines have been designed to protect the rights of consumers by allowing for transparency, fair pricing, fair treatment, complaints and redressal systems and cooling-off period.

For more information on the Financial Consumer Protection Guidelines, visit www.bsl.gov.sl and download the latest issue of the Guidelines.





BANK OF SIERRA LEONE CONTINUES TO COLLABORATE WITH CAFOD TO IMPROVE FINANCIAL LITERACY



BSL and CAFOD continued their collaboration in the promotion of financial inclusion and financial literacy. This was done through a series of sessions held in Kambia, Port Loko, and Kenema Districts during November 2022. The sessions involved financial champions from the various women savings groups under CAFOD, and discussed topics on redenomination, tiered know-your-customer guidelines, and consumer protection. These financial champions are now tasked with sharing this knowledge with others in their savings groups and communities.

BSL looks forward to working with more NGOs to provide additional workshops to NGO staff and community leaders, particularly those that interact with savings groups, Osusus and VSLAs.



UNCDF, ORANGE MOBILE FINANCE, MOSABI AND EMPIRE SOLUTIONS PROMOTE DIGITAL FINANCE TO STRENGTHEN FINANCIAL INCLUSION FOR WOMEN

In November 2021, the United Nations Capital Development Fund (UNCDF) partnered with Orange Mobile Finance in a consortium that included, Mosabi education platform and Empire Solutions Micro Finance to improve the distribution of digital financial services in Sierra Leone. The project leveraged innovative agent models and financial and digital literacy to improve access to digital credit. The project was successfully completed in December 2022.

Under this partnership, over 2,000 new women agents have been recruited and trained. Over 10,000 customers have also to be trained in financial and digital literacy and over 500 of the trained customers have benefited from an enhanced digital credit product.



SIERRA LEONE COLLATERAL REGISTRY: IMPROVING ACCESS TO FINANCE FOR MSMEs



WHAT IS THE COLLATERAL REGISTRY?

The Sierra Leone Collateral Registry (SLCR) is a BSL-led initiative with support from the World Bank through its Sierra Leone Economic Diversification Project (SLEDP), to improve access to finance particularly for Micro, Small and Medium-Sized Enterprises (MSMEs). The Collateral Registry, which was originally established under Part II of the Borrowers and Lenders Act 2014, has seen a face lift after the enactment of the new Borrowers and Lenders Act 2019.

The SLCR is a web-based system that allows lenders to search for any registrations relating to prior pre-existing security interests over movable and immovable assets provided as collateral. The Collateral Registry facilitates the use of movable and immovable property as collateral that may remain in possession or control of the borrowers and thereby improves access to secured finance, particularly for MSMEs. Through the system, lenders are now able to register and view any existing collateral that is being used for other loans and helps provide a fair balance between lenders and borrowers.

How does the SLCR improve access to finance and foster financial inclusion?

Due to stringent collateral requirements, which primarily focuses on immovable assets such as land, it made it very difficult for business and individuals to get a loan. This is even more true for women. However, with the new SLCR and Borrowers and Lenders Act, 2019, movable assets can now also be used as collateral. Movable assets can include vehicles, kitchen appliances, inventories and crops, accounts receivables, etc. This allows for farmers, women entrepreneurs, and others to unlock significant sources of capital with assets that would otherwise not be looked at by lenders as potential or traditional collateral.



PUBLIC SENSITATION OF THE SLCR NOW UNDERWAY

In November 2022, BSL officially launched the public sensitization campaign of the SLCR. The launch highlighted the upgrades made to the Collateral Registry – which was originally launched a year ago as part of ongoing financial sector reforms and financial inclusion efforts. The campaign will take the form of radio and TV discussions, townhall meetings, jingles, and handbills and posters. The Governor of BSL also noted the importance of educating the public on the collateral registry and its advancements.


For more information on the Sierra Leone Collateral Registry visit www.slcg.gov.sl.


FINANCIAL INCLUSION EXPERT'S CORNER:
INSIGHTS & RESOURCES


“New Year, New Habits”: 5 Tips to Save Money in the New Year


With the new year upon us, now is a good time to start thinking about saving money. An easy way to think about savings is “putting money away over time with the intention for it to grow so you have it available in the future for consumption (e.g., to buy things, emergencies, etc.)”.


Here are 5 tips on how you can save money in 2023. While this is not a complete list of tips to save money, they serve as a guideline on how to position yourself to save better.

- 1  *Fɔ sev mɔni fɔ bi di tin we yu fɔ put fɔs – Have the right mindset*
First and foremost, you must have the mindset to save. Saving must be a priority for you and a goal for your new year. See savings as a must!

- 2  *Plan aw yu de spend – Make yourself a budget*
A budget helps you outline all your income and expenses over a given time frame (most commonly a month) to help guide your spending habits. Start with all your sources of monthly income, and then your monthly expenses. First budget your mandatory expenses (your needs, such as rent, etc.). Then budget your discretionary spending (your wants, such as entertainment, etc.) The most important thing about a budget is sticking to it.

- 3  *Set klia gol fɔ get mɔni ɔ fɔ sev mɔni – Set clear financial/savings goals*
Having a goal keeps you motivated. Savings goals can be defined by a specific amount (e.g., saving 500 NLe a month) or by an activity (e.g., saving to buy a car, or house, or for a wedding, etc.). Think about your budget to see how much you can realistically save every month.

- 4  *It smɔl sev smɔl – Save before you spend*
It is best to view savings as a “mandatory expense” when creating your budget. Try to immediately put away 10-20% of your income as savings before your start spending.

- 5  *Kip yu mɔni na bank – Open a savings account*
It can be tempting to spend your savings. It is best to open a savings account at a formal financial institution (e.g., commercial or community bank, deposit-taking microfinance institution, or mobile money account) to ensure that your money is safe and protected. Do your research to identify the best savings account for your needs. This will also allow you to earn interest and keeps your money safe.

BSL'S ACTIVE PARTICIPATION IN PUBLIC-PRIVATE
DIALOGUE FOR SUSTAINABLE FINANCE, DIGITAL
ECONOMY AND REDOMINATION

In September 2022, BSL participated in a PPD hosted by Invest Salone on Sustainable Finance that discussed the way in which Sierra Leone must move forward for sustainable financing and green finance.

- BSL's Deputy Governor, Monetary Stability Dr Ibrahim Stevens spoke about the importance of appropriate sustainable finance regulatory frameworks.
- Breakout sessions were then held to focus on sustainable financing principles for financial institutions and efforts to develop direct lending or guarantee schemes for green/sustainable initiatives.
- BSL continues to work with Invest Salone to find appropriate methods and initiatives to promote sustainable financing in Sierra Leone.



In October 2022, BSL was invited by the Ministry of Trade and Industry and UNDP to facilitate a multi-day PPD that focused on the African Continental Free Trade Agreement, the Digital Economy and Redenomination.

- BSL shared with both the formal and informal sectors what the “Digital Economy” is and the future of Sierra Leone when it comes to technological advancements.
- Highlights from the discussion include sharing the key elements of a digital economy (e.g., digital infrastructure, digital financial services, digital platforms, skills development, etc.) and the core benefits of progressing towards the digital economy (e.g., security, information, transparency, etc.).
- The public was also informed on various advancements and initiatives that both the BSL and the broader government are undertaking to transition to the digital economy.
- BSL staff presented and discussed its redenomination efforts as an opportunity to further educate the public on the new Leone.

BSL'S PARTICIPATION IN GLOBAL CONFERENCES
RELATED TO FINANCIAL INCLUSION

AFI's Global Policy Forum (GPF) 2022, Jordan

In September 2022, a BSL delegation, headed by Deputy Governor, Financial Stability participated in AFI's Annual GPF organized hosted by the Central Bank of Jordan. This GPF brought together a wide range of global stakeholders, including member countries, donors and international partners, on financial inclusion beyond the pandemic. The GPF explored financial inclusion and sustainability under four pillars; Livelihood, Green, Social and Innovation.

From left to right: Momoh L. Sesay, Princess Kanu, Sheikh A.Y Sesay (DGFS), Fatmata Kamara and Beresford Taylor



African Regional Technical Assistance Centre (AFRITAC) 2022, South Africa

IMF's AFRITAC, the Monetary and Capital Markets and Legal Departments as well as the South African Reserve Bank organized a 5- day hybrid seminar on "Digital Money, Balancing Innovation and Regulation for a New Frontier". This seminar was attended by member countries from AFRITAC South, East and West 2 – of which Bank of Sierra Leone is a member.

From left to right: Momoh L. Sesay (Sierra Leone), Euphemua G.T. Swen'l-Monmia (Liberia), Alexis Brito (Cabo Verde), Halima Singhateh (The Gambia), Clarence Blay (Ghana), Gani Geiguii (AFRITAC West 2).

PROMOTING FINANCIAL INCLUSION WITH THE EXPANSION OF
MOBILE MONEY SERVICES

The expansion of mobile money has helped deliver financial services to the people of Sierra Leone; especially in remote areas and underserved communities.



Orange Money opened its new headquarters in Hill Station, Freetown; the establishment of the new office is to deepen its drive of improving financial inclusion in the country. The Governor Prof. Kelfala Kallon was invited to celebrate this milestone and took part in the tape cutting.

Afrimoney successfully opened new point-of-sales in underserved communities, including Bo, Waterloo, Mile 4 and Mile 55; and deployed its agent network nationwide.



FINANCIAL INCLUSION DATA & INSIGHTS

Latest State of the Digital Financial Services published by UNCDF and BSL

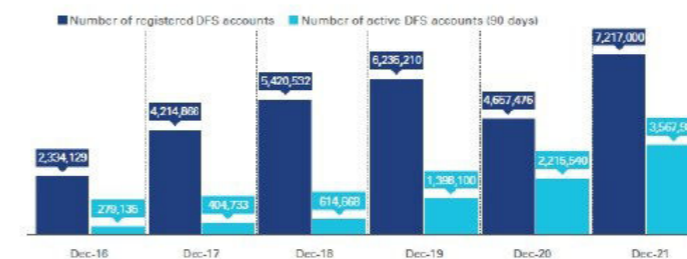
KEY FIGURES FOR 2021

DFS ACCOUNTS NUMBER OF REGISTERED	7,217,000
DFS ACCOUNTS NUMBER OF ACTIVE 90-DAY	3,567,986
AGENTS NUMBER OF ACTIVE	13,540
AGENTS NUMBER OF MERCHANTS	668
DFS NUMBER OF PROVIDERS IN THE MARKET	13

For the fifth consecutive year, the United Nations Capital Development Fund (UNCDF), in partnership with the BSL and with support from the Joint SDG Fund, is pleased to publish the 2021 report on the State of the Digital Financial Services Market in Sierra Leone. This report presents the findings from the Annual Provider Survey, a data collection exercise conducted between June and August 2022.

The full report will be made available on both the BSL and UNCDF website!

Number of registered and active DFS accounts



DFS account activity rates



Source: UNCDF, Annual Provider Survey, 2021; State of the Digital Financial Services Market in Sierra Leone, 2021

Implementation of updating geospatial
mapping of financial access points in
Sierra Leone

In Q4 2022, the BSL began implementation of updating the 2017 Geospatial Data and Mapping Exercise of Financial Access Points (FAPs), supported by the World Bank. The geospatial mapping of FAPs is critical because it helps assess the state of financial inclusion and the proximity of financial access points to the population. All BSL-regulated access points will be included.

2021 Financial Stability Report published

In December 2022, BSL published financial stability reports for 2019 – 2021. The financial stability reports present a thorough assessment of the financial system. The 2021 report shows that the banking sector remains relatively sound despite the number of global economic challenges. This demonstrates that the financial system is generally stable and resilient to any adverse shocks.