



THE GAMBIA

NATIONAL FINANCIAL INCLUSION STRATEGY

2021 - 2025

CENTRAL BANK OF THE GAMBIA

DEVELOPMENT & TECHNICAL SUPPORT PARTNERS IN NFIS FORMULATION



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TABLE OF CONTENT

EXECUTIVE SUMMARY.....	3
SECTION 1: INTRODUCTION.....	4
1.1 Gambia’s Financial Sector.....	4
1.2 NFIS Mission.....	5
1.3 NFIS Vision.....	5
1.4 Financial institutions.....	6
1.4.1 Commercial Banks.....	6
1.4.2 Non- Bank Financial institutions.....	9
SECTION 2: FINANCIAL INCLUSION.....	10
Financial Inclusion in the Gambia.....	10
Constraints To Financial Inclusion.....	13
SECTION 3: THE NATIONAL FINANCIAL INCLUSION STRATEGY (NFIS)....	14
Rationale for the NFIS.....	14
Vision and Objectives of the NFIS.....	16
NFIS formulation process.....	17
Primary NFIS Targets.....	19
Structure of the NFIS.....	19
A. Strategic Enablers of the NFIS.....	21
Strategic Enabler 1: Enabling Regulatory & Policy Landscape.....	21
Strategic Enabler 2: Financial Capability and Empowerment.....	23
Strategic Enabler 3: Digital Inclusion.....	26
Strategic Enabler 4: Financial Services Data & Analytics.....	27
B. Strategic Pillars of the NFIS.....	27
Strategic Pillar 1: Access, Quality and Usage.....	27
Strategic Pillar 2: Enabling Financial Infrastructure.....	30
Strategic Pillar 3: Financial Innovation.....	32

Strategic Pillar 4: Consumer Protection.....	33
Key Performance Indicators (KPIs).....	34
SECTION 4: Governance Structure for NFIS.....	38
SECTION 5: ANNEXES.....	44
Annex 1: Structure and Size of The Gambia’s Financial Sector.....	44
Annex 2: Products and Services Offered Through Mobile Money.....	44
Annex 3: Key Stakeholders and Roles.....	45
Annex 4: Coordinating Framework & Committees.....	49
Annex 5: Finscope Survey - The Gambia 2019	50
Annex 6: Desired Financial Education.....	51

TABLES

1. Commercial Banks Outreach and Projections.....	6
2. Financial Landscape & Inclusion Levels.....	7
3. Sectoral Distribution of Credit.....	8
4. Financial Institutions - Products & Services.....	9
5. Mobile Money Indicators.....	9
6. NFIS Supports CBG Objectives.....	15
7. NFIS Targets.....	19
8. Remittances Flows 2018-2021.....	25
9. Key Performnce Indicator.....	35
10. Working Groups.....	39
11. NFIS Action Plan.....	41

FIGURES

1. Definitions & Dimensions of Financial Inclusion.....	10
2. Financial Inclusion Landscape.....	11
3. Rural/Urban Access to Finance.....	12
4. Access Strands by Geography & Gender.....	12
5. Peer Country Comparison.....	12
6. NFIS Formulation Process.....	17
7. Financial Inclusion Pillars.....	20
8. Quarterly Volumes of Forex Transactions.....	25
9. Financial Access, Quality & Usage – Pillar 1.....	29
10. Enabling Financial Infrastructure – Pillar 2.....	31
11. Payment Infrastructure.....	32
12. Financial Innovations – Pillar 3.....	33
13. Consumer Protection – Pillar 4.....	34
14. NFIS Governance Structure.....	34

EXECUTIVE SUMMARY

The Central Bank of The Gambia and key stakeholders in the financial sector are committed to implement a National Financial Inclusion Strategy (NFIS) that targets to reduce the percentage of adult financially excluded Gambians from 69%¹ in 2019 to 30% by 2025. The number of Gambians included in the formal sector will increase from 19% in 2019 to 70% by 2025.

To fast-track financial inclusion in The Gambia, the availability of a well-developed financial infrastructure underpinned by digital capabilities that leverage on technology to enable seamless transactions at affordable costs is crucial. The development of the payment systems for efficient financial transactions will be a key element to improve infrastructure. Access to quality financial services should also be supported by the development of both supply and demand side conditions for financial intermediation. To ensure responsible financing targeting the most vulnerable segments of the population - women, youth and the poor, adequate responsible financing through consumer protection and empowerment are significantly important in the financial inclusion blueprint. This is further buttressed by building the financial capabilities of consumers to increase awareness and uptake of financial services, particularly in consideration of the characteristics of the financially excluded segments of society.

Through this strategy, the goal of greater financial inclusion will be pursued through a broad range of coordinated interventions of high priority that are structured across four pillars;

- i. Access, Quality and Usage
- ii. Enabling Financial Infrastructure
- iii. Financial Innovation
- iv. Consumer Protection

These are accompanied by common activities running across the pillars, which are structured as cross-cutting enablers that include;

- i. Enabling Regulatory & Policy Landscape
- ii. Consumer Protection
- iii. Digital Inclusion
- iv. Financial Services Data & Analytics

¹ Finscope 2019: https://finmark.org.za/system/documents/files/000/000/147/original/-FinScope-Gambia_Pocket-guide-28-11-2019_Final.pdf?1594135120

SECTION 1: INTRODUCTION

The Gambia is the smallest country on mainland Africa with a GDP per capita income of \$812 in 2020. With a population of 2.4 million², the country has a growing youthful age structure of largely under 25 years at 60% and a gender diversity of male to female at 48% to 52% respectively.

The country is mostly agrarian with majority of the population subsisting on small scale and largely unmechanized agriculture. Despite about two-third of the population are employed in the agricultural sector, formal employment remains low, with the majority self-employed.

Education albeit its growth in past years due to the past regimes universal free access to primary education, the level of youths educated remains largely at the primary level (28%), without any formal education (49%), secondary education (18%) and vocational training and tertiary at 1% and 5% respectively.

The Gambia has a long history of both internal and international migration. The Gambia is also a destination country for immigrants, mainly from Senegal, and a transit country for migrants travelling through to Northern Africa and Europe. Formal international remittances account for 47% of the Gambian economy and have been growing 9% year on year since 2015 with an estimated 26% of families relying on them.³ Its importance of the Gambian economy cannot be over-emphasized in terms of consumption, education, health, building and construction, agriculture, among others.

While significant progress has been made in terms of financial sector reforms, the sector remains largely underdeveloped. Banks have not made meaningful headway in onboarding the informal sector and providing access to financial services to the majority of the population who are to a large extent relying on Non-Bank Financial Institutions (NBFIs) and informal finance providers. Access to financial services including savings, loans, insurance, remittances and payment services is crucial to the financial and economic development of The Gambia. These will go a long way to enable viable investments, increase household and national savings, as well as optimization of risk mitigation mechanisms

Capital City:

Banjul

Population:

2,416,664 (2020)

HDI: 171 out of 189 (2019)

GDP: US\$1.826 billion (2019)

Remittance per cent of GDP:

47 % (2020)

Banked Population:

19 per cent Adult population (Finscope 2019)

² <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=GM>

³ IFAD 2021, The Gambia remittance country diagnostic: <https://remitscope.org/africa/gambia>

The low level of financial inclusion in The Gambia can be attributed to a host of factors including unemployment, low incomes and poverty, limited access to financial services, low level of education and literacy, inadequate financial infrastructure, limited financial capabilities (knowledge and awareness of financial services), limited digital literacy a dearth of financial access points in rural areas and a largely informal economy.

1.1 GAMBIA'S FINANCIAL SECTOR

Established under the CBG Act 2005 (amended in 2018), the Central Bank of The Gambia is custodian of the country's financial system and responsible for regulation and supervision of the financial sector. The CBG is mandated to ensure a sound and vibrant financial system in the country, licensing and regulating all financial institutions in the country under provisions of the Financial Institutions Act, 1992 (amended as Banking Act 2009), NBFIs Act 2016, the Central Bank Act (CBG) 2018 and the corresponding Guidelines.

Through the past years, CBG has embarked on number of regulatory and policy initiatives to strengthen the financial sector, including the following:

- i. A strengthening of the banking sector by amendment of The Banking Act 2009,
- ii. The Basel Core Principles for Effective Banking Supervision to align with the Banking Act, 2018
- iii. A new corporate governance framework,
- iv. Outsourcing policies,
- v. Risk-Based Supervision,
- vi. Development of a Deposit Insurance Scheme to culminate into a National Deposit Insurance Corporation,
- vii. Establishment of the Financial Intelligence Unit created and nurtured by the Bank and as an independent entity collaborates with the Bank in AML/CFT regulation guided by AML Act 2012 and FIU 2016 Guidelines.

1.2 NFIS MISSION

“To increase financial inclusion in The Gambia through the application of innovative financial technologies to improve access, usage, quality and welfare of our people”.

1.3 NFIS VISION

Our Vision is to create a “**financial system that promotes inclusive economic growth and empowerment of all Gambians**”. The Gambia is committed to the Maya Declaration of reaching 70% of adult population to increase access to a broad range of quality, innovative, and affordable financial services from formal financial institutions by the year 2025. The NFIS is closely aligned with SDGs and the government’s national development priorities.

1.4 FINANCIAL INSTITUTIONS

The Gambia’s financial sector is developing with strong and sound banking industry and the establishment of a capital market at advanced stages. The sector consists of 12 Commercial Banks (including 1 Islamic Bank) and 208 Non-Bank Financial Institutions (NBFIs) comprising of Finance Companies, Foreign Exchange Bureaus, VISACAs, Money Mobile Operators (MMO), Insurance companies, Credit Unions and Gambia Postal Services (Gampost).

1.4.1 COMMERCIAL BANKS

Commercial Banks dominate the formal financial sector and indicators showed that the sector remains safe and sound which is vital for financial inclusion to work and create impact. The banking sector landscape is relatively concentrated, with 3 of the largest banks accounting for 52.6% of the sector’s total assets as at end December 2020.

The total customer base is 681,830 customers and 551,170 active accounts with 86 branches, 127 Automated Teller Machines (ATMs) and 90875 Debit Cards. These are expected to increase better in 2022 premised on upsurge in digitalization, mobile money and agency banking.

Table 1: Commercial Bank Outreach and Projections

	2017	2018	2019	2020	2021	2022 (Projected)
Total Customers	616,915	542,416	645,699	681,830	735,000	800,000
Active deposit Accounts	532,223	518,634	610,381	551,170	624,000	700,000
Bank branches	87	86	86	86	88	90
ATMs	109	117	115	126	128	135
Debit Cards	70,415	85,745	88,676	90875	95689	117,998
Agency Banking	67	95	242	277	300	360
Loan to deposit ratio	18.58%	20.38%	20.98%	17.5%	16.9%	35%

Source: Central Bank of The Gambia

Table 2: The Financial Landscape and Inclusion Levels, December 2020

Banks		Non-Bank Financial Institutions						
Commercial Banks	Insurance Companies	Finance Companies	NACCUG	Fiduciary Financial Institutions	VISACAs	Mobile Money Operators	Foreign Exchange Bureaus	
12 banks	11 companies	5 companies include 2 Islamic Micro finance	64 Credit Unions – 12 directly regulated by CBB	1 in principle	60 VISACAs 23,450 members	2 MMOs	153 bureaus	
681,830 customers active at 551,170	2 Takaful companies	112 branches across the country banking MSMEs, women, youths	Offer deposit and loans, also remittances	Social Development Fund (SDF) issued license in principle	These are village-based financial institutions	852 MM Agents, 87,000 accounts.	833 branches	
80 branches	10 brokerage firms	Take deposits, loans, forex & remittances	Work-based and community based – mainly rural producer cooperatives		Offer deposit and loans to members	P2P payments, air time top-up, payment of utilities	Provide FX services – buy and sell of forex	
140 ATMs	130 insurance agents	Reliance is the largest MFI reaching 27,000 clients	76,570 savings accounts		Many are dormant with plans to revive 20 on a pilot phase	Mobile wallets, transfers, payment system	money transfer services either as agents of MTOs or direct	
57,000 Debit Cards	116,409 Underwriting policies	Finance Companies act as agents with MMOs, MTOs			Help to drive financial inclusion	International remittances	Agents of banks in agency banking	
Offer core banking services to their customers		Attract a customer base of 195,474			Plans to introduce equity shares			

Despite the high financial safety and soundness, the banks are still averse to lending to Micro, Small and Medium Enterprises (MSMEs) and agriculture due to the perceived credit risks of these sectors.

The gross loans of commercial banks continue to increase albeit a slow-down in the rate of growth due to the Covid-19 pandemic and general averse to lending due to several factors. Access to credit by the productive sector is limited at an average of 20% in the banking sector premise on lack of collateral, high interest rates, lack of detailed business plans, bankable projects, limited financial capacity of borrowers. Despite agriculture contributing over 24% to GDP, employer of almost 2/3 of the population, puts food on the table and where everybody is a stakeholder, credit to the sector remains miniscule and largely for crop harvest financing instead of financing the entire value and supply chains. In December 2020, with a gross loan of D7.4 billion, only 4% or D276.43 million was lent to agriculture and this was an improvement from the preceding year with only 2% or D140.83 million disbursed to agriculture from gross loans of D7.35 billion (CBG 2020).

Table 3: Sectoral Distribution of Credit to the Private Sector

Banking Industry	December 2020	
	Monthly Loans	
	Value '000	%
Agriculture	276,427	4
Fishing	2144	0
Manufacturing	71652	1
Building & Construction	2,041,422	28
Transportation	565,017	8
Distributive Trade	1,733,582	23
Tourism	416,001	6
Financial Institutions	190,284	3
Other Commercial Loans & Advances	1,000,588	14
Other Loans & Advances	1,105,119	15
Gross Total	7,402,236	100

Source: Central Bank of The Gambia

1.4.2 NON-BANK FINANCIAL INSTITUTIONS (NBFIS):

In April 2016, the National Assembly ratified the Non-Bank Financial Institutions Bill for the regulation of non-bank financial institutions by the Central Bank of the Gambia (CBG). The Bill aimed at deepening the financial sector with a range of financial products and services to promote financial inclusion, growth and development and provides the operational, institutional and supervisory frameworks for the functioning of microfinance institutions, credit unions, insurance companies, foreign exchange bureaus, home finance companies, mobile money operators (MMOs).

Table 4: Financial Institutions Products and Services

	Transaction account	Savings account	Loans	Insurance	Remittances	Other payment services
MFI	X	X	X		X	
Credit Unions	X	X	X		X	
Insurance companies				X		
FX bureau					X	
MMOs	X				X	X
Gampost		X			X	X

Table 5: Mobile Money Indicators

No.	Description	Jun-20 GMD	Sep-20 GMD	Dec-20 GMD	Mar-21 GMD	Jun-21 GMD
1	Total Number of Active MM wallets	36,083	35,144	29,728	51,714	32,063
2	Number of Agents	827	689	871	3,807	4,100
3	Total Electronic value held in Agent Wallet	15,831,499	16,155,413	30,674,470	36,115,649	37,344,589
4	Total Value of cash-in transactions	38,492,969	45,928,461	70,117,716	64,883,640	67,602,347
5	Total value of cash-out transactions	15,779,408	21,244,710	47,103,792	39,686,320	43,084,532
6	Total electronic value in customers wallet	16,172,032	19,138,929	30,674,470	37,285,791	39,334,061

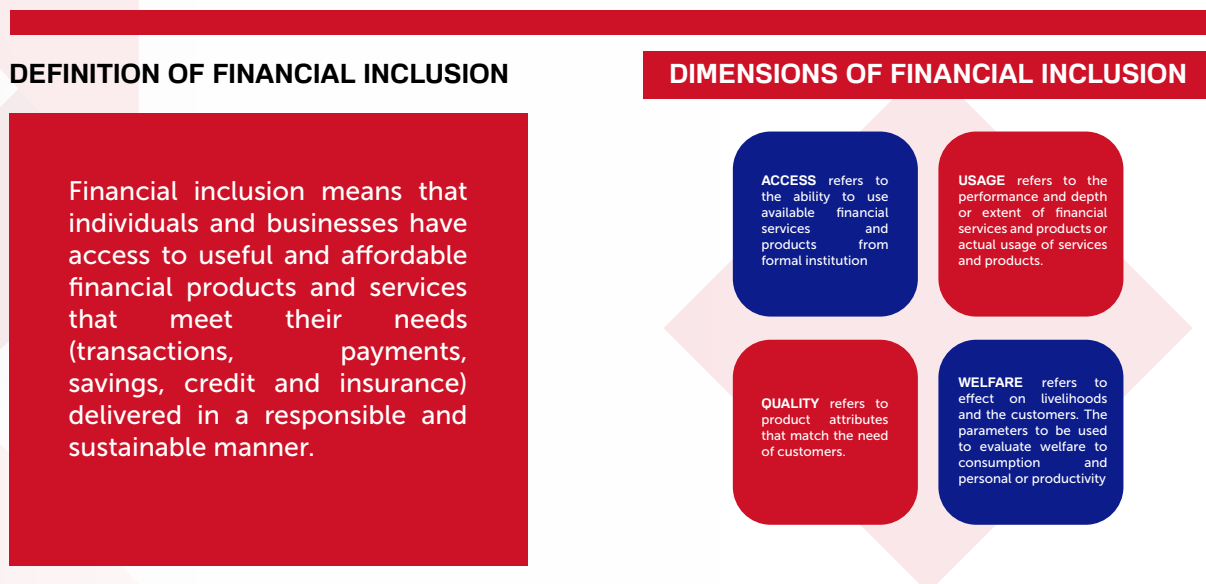
Source: Mobile Money Operators

SECTION 2: FINANCIAL INCLUSION

This Strategy adapted the World Bank’s definition of financial inclusion as **“individuals and businesses have access to useful and affordable financial products and services that meet their needs delivered in a responsible and sustainable manner”** (World Bank 2006). The services include, but are not limited to, **payments, savings, credit, insurance, remittances, and pension products.**

To ensure a holistic perspective in its approach, CBG views financial inclusion through four key dimensions, namely Access, Usage, Quality and Welfare boost not only access to finance but also inclusive and sustainable growth and development.

Figure 1: Definition and Dimensions of Financial Inclusion



i. Financial Inclusion in The Gambia

According to the Finscope Survey 2019, there is a total adult population (15years+) of 1.3 million with 57% residing in rural areas. Only 19% of Gambian adults have access to formal financial services, 12 % to informal finance and 69% are financially excluded. This inclusion rate is extremely low when compared to peer countries in Sub-Saharan Africa: Ghana (55% 2015), Nigeria (48% 2015), Kenya (75% 2016), Togo (45% 2016), and Liberia (35.7% 2017).

Figure 2: Financial Inclusion in The Gambia

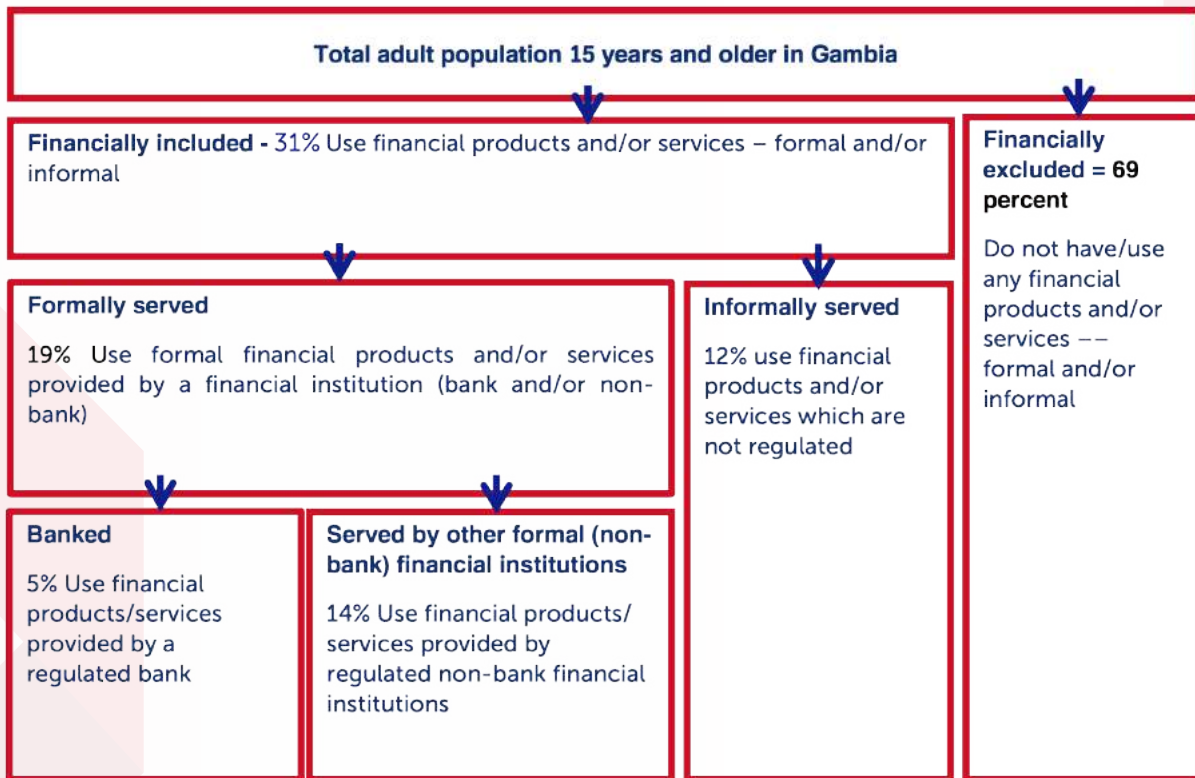
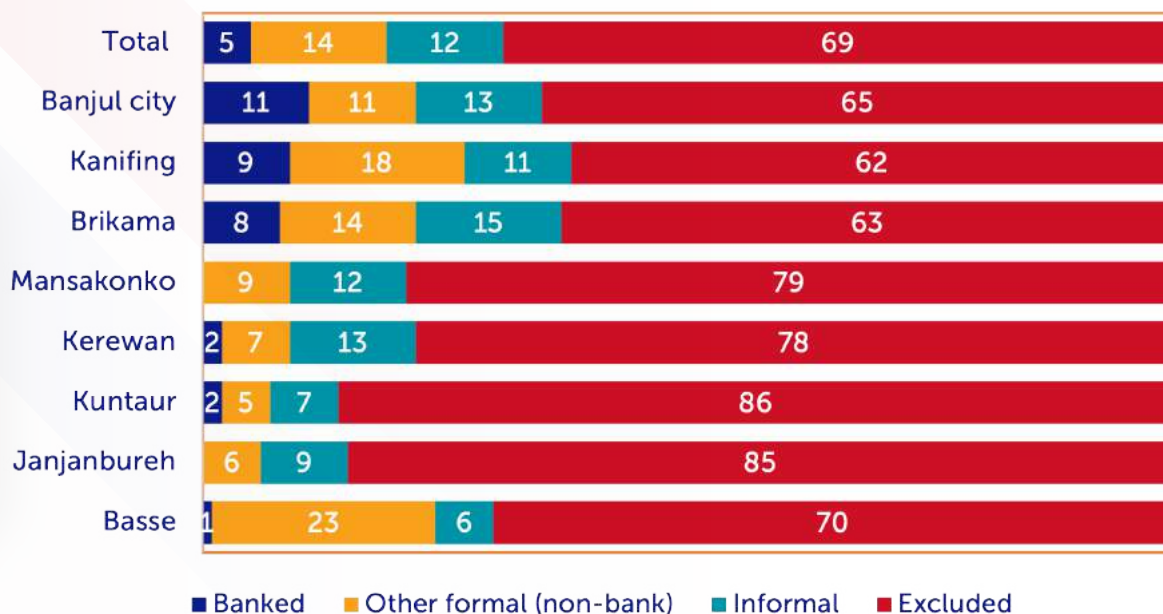


Figure 2: Finscope Survey 2019

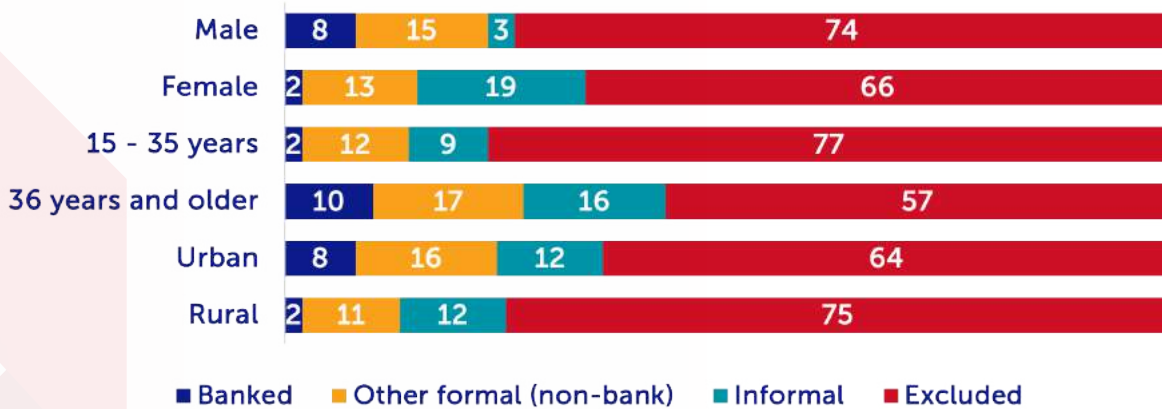
Furthermore, the level of financial inclusion in The Gambia shows that it varies regionally with a rural - urban variation of 13% to 24% respectively. Highest is Kanifing (27%), Basse (24%), Banjul City (22%), Brikama (22%), Mansakonko (9%), Kerewan (9%), Kuntaur (7%) and Janjangbureh (6%).

Figure 3: Urban / Rural Access to Finance



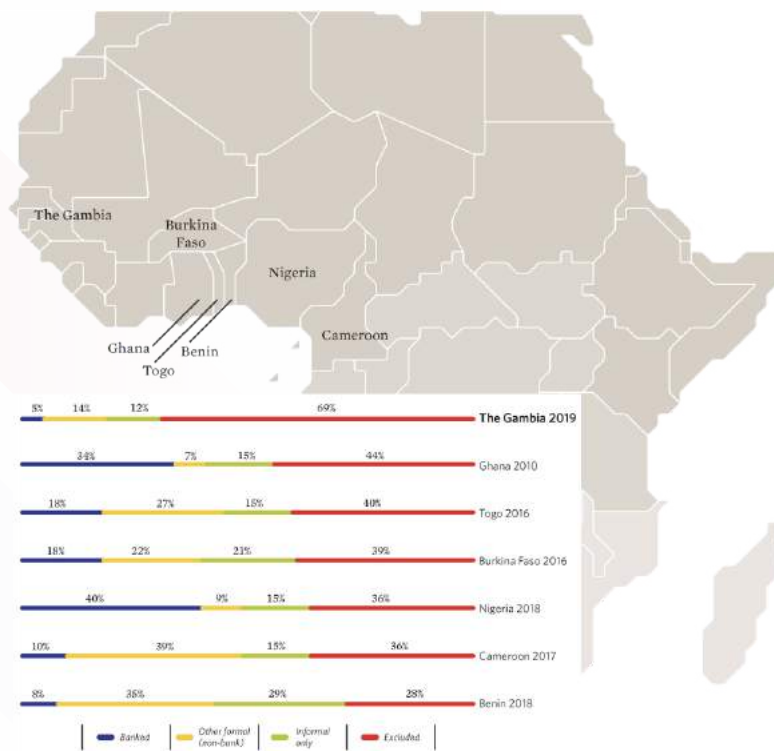
Similarly, financial inclusion by demographics reported access to formal finance with a gender gap of 8% between male (23%) and female (15%). Vulnerable groups including women and youths, the poor and rural population scored below the national average of 19% for formal financial inclusion.

Figure 4: Financial Access Strand by Gender



Similarly, insurance penetration in the Gambia is low at 1% of GDP with less than 10% of the insurable public having insurance. In the case of insurance industry, financial inclusion focuses on allowing low-income group of the society to gain access to the products that enable them to protect their lives, health, and assets, through the savings and loss compensations by insurers.

Figure 5: Peer Country Comparison



CONSTRAINTS TO FINANCIAL INCLUSION

The barriers to financial inclusion in The Gambia can be grouped into three categories.

i. Regulatory

- a. Absence of a national financial inclusion strategy to guide as a roadmap and especially for digital finance operations
- b. Restrictive KYC requirements
- c. Inadequate consumer protection framework
- d. Low capacity to monitor digital finance
- e. The absence of policy regulating the cash withdrawal and deposits
- f. Inadequate data to inform decision making
- g. Inconsistencies in collecting and receiving reports from FSPs
- h. Weak coordination between public and private sector

ii. Supply Side

- a. Weak credit information system
- b. Poor infrastructures in the rural areas including electricity and reliable internet connectivity
- c. Low institutional capacity for rural and microfinance institutions
- d. Non-Interoperability of the mobile service providers
- e. High cost of digital service delivery (POS terminals)
- f. Low customer centric products and services
- g. Low interagency cooperation and collaboration
- h. Low uptake/scale of Digital Financial Services in the country
- i. Inadequate data collection

iii. Demand Side

- a. High level of unemployment and poverty
- b. Very low incomes
- c. Inadequate information on financial services and products
- d. High illiteracy level in the rural areas and low financial / digital literacy
- e. Negative perception of the poor toward financial institutions
- f. Low level of awareness and financial literacy
- g. Difficulty in usage of DFS by majority of the population
- h. Reluctance to change

SECTION 3: THE NATIONAL FINANCIAL INCLUSION STRATEGY (NFIS)

The National Financial Inclusion Strategy (NFIS) is a comprehensive public document formulated at the national level to systematically coordinate and accelerate financial inclusion in The Gambia.

It's a critical step towards increased financial inclusion, shared prosperity and reduction of poverty in The Gambia. The availability of affordable credit and saving facilities can lead to greater income security, smoother consumption, investment and ultimately, poverty reduction. The NFIS provides an effective instrument to chart a clear and coordinated path towards improving financial inclusion.

RATIONALE FOR THE NFIS

As per the Finscope diagnostic survey of 2019, 69% of The Gambia's adult population are financially excluded and did not use any financial products or services. Furthermore, of the 31% of the financially included Gambians, only 5% use financial services from a regulated bank and 12% rely on informal financial service providers. Even more alarming is the fact that a very high proportion of the youth (77%) are financially excluded compared to seniors (57%) and among women, they remain marginalized and face high-levels of unemployment and poverty. Similarly, access to finance was also cited as the main business environment obstacle for firms⁴ and those engaged in the informal sector. The role of Government in financial literacy, digitalization of the economy and consumer protection are important steps to boost access and usage of financial services.

The low financial inclusion is driven by high poverty, and low incomes, limited awareness and low financial literacy levels. Additional barriers in way of access to formal financial services include proximity, infrastructure, affordability and low levels of financial education.

Financial inclusion is crucial to achieving the country's overall economic development objectives and CBG's mandate. Not only, mitigating against financial crisis by spreading risks, but it also broadens the benefits of the financial system to augment shared prosperity leading to greater prosperity of the population. Therefore, enhancing access and usage of formal financial services can help stimulate economic development, reduce poverty and inequality.

⁴ 2018 Enterprise survey

The NFIS in The Gambia has been developed to compliment the main strategic pillars of the Gambia Government National Development Priorities⁵ and SDGs, with strategies to increase Access and Usage of quality affordable financial services that will ensure poverty reduction and fast track inclusive growth and development.

The main strategic pillars of the National Development Objectives are:

- i. Stabilizing, stimulating growth and transforming the economy
- ii. Making the private sector the engine of growth transformation and job creation
- iii. Reaping the demographic dividends through gender and youth empowerment

As financial inclusion is seen as an enabler for achieving eight of the seventeen UN Sustainable Development Goals (SDGs), the Gambia's NFIS is consciously aligned with these objectives. These eight goals are as follows:

- a. SDG1 on eradicating poverty;
- b. SDG 2 on ending hunger- achieve food security and promote sustainable agriculture;
- c. SDG 3 on profiting health and well-being;
- d. SDG 5 on achieving gender equality and economic empowerment of women;
- e. SDG 8 on promoting economic growth and jobs;
- f. SDG 9 on supporting industry, innovation, and infrastructure; and
- g. SDG 10 on reducing cost of remittances and inequalities
- h. Additionally, SDG 17 on strengthening the means of implementation there is an implicit role for greater financial inclusion through greater savings mobilization for investment and consumption that can spur growth⁶.

Furthermore, under a robust regulatory and supervisory framework, increasing financial inclusion frontier will considerably support CBG in achieving its core mandate in the following ways:

Table 6: NFIS Supports CBG Objectives

Objectives of CBG	How NFIS Supports CBG Objectives
Achieve and maintain domestic monetary and price stability	To better influence savings, investment and consumption behavior through interest and exchange rate changes, a direct result of private sector increased participation in the formal financial sector

⁵ The National will be extended until the new development plan is in place

⁶ UNCDF: Financial Inclusion and the SDGs <https://www.uncdf.org/financial-inclusion-and-the-sdgs>

Promote and maintain stability of the local currency in The Gambia	Increased penetration of digital platforms and cashless efforts to reduce the cost of cash handling to reduce cost of issuing legal tender
Maintain external reserves to safeguard the value of the Dalasi	Increased access to finance (savings and credit) for MSMEs will help enhance productivity, exports/forex earnings, which will stabilize the value of the Dalasi
Direct and regulate the financial system in the interest of economic development	Financial inclusion will help the development of a stable financial system that is robust and provides adequate cushion against external shocks
Support general economic policy of Government to promote economic growth	The CBG will be better able to advise the government on the importance of financial inclusion as it impacts on the economy
Promote efficient utilization of resources through the efficient and effective operation of the financial system	Broader financial inclusion will enhance price, exchange and economic stability.
Promote sustainable economic development	Greater financial inclusion by getting majority of the population on the financial platform will promote and sustain economic development.

VISION AND OBJECTIVE OF THE NFIS

The formulation and the implementation of the NFIS is led by the Central Bank of The Gambia with the mission of setting the national vision and framework for advancing financial inclusion in the country.

The NFIS lays out the Vision, Priorities, Action Plan and Target Outcomes for financial inclusion in The Gambia with the vision to create a **financial system that promotes inclusive economic growth and empowerment of all Gambians**. The Strategy places a particular focus on youth, women, small-holder farmers, rural communities, along with micro, small and Medium Enterprises (MSMEs).

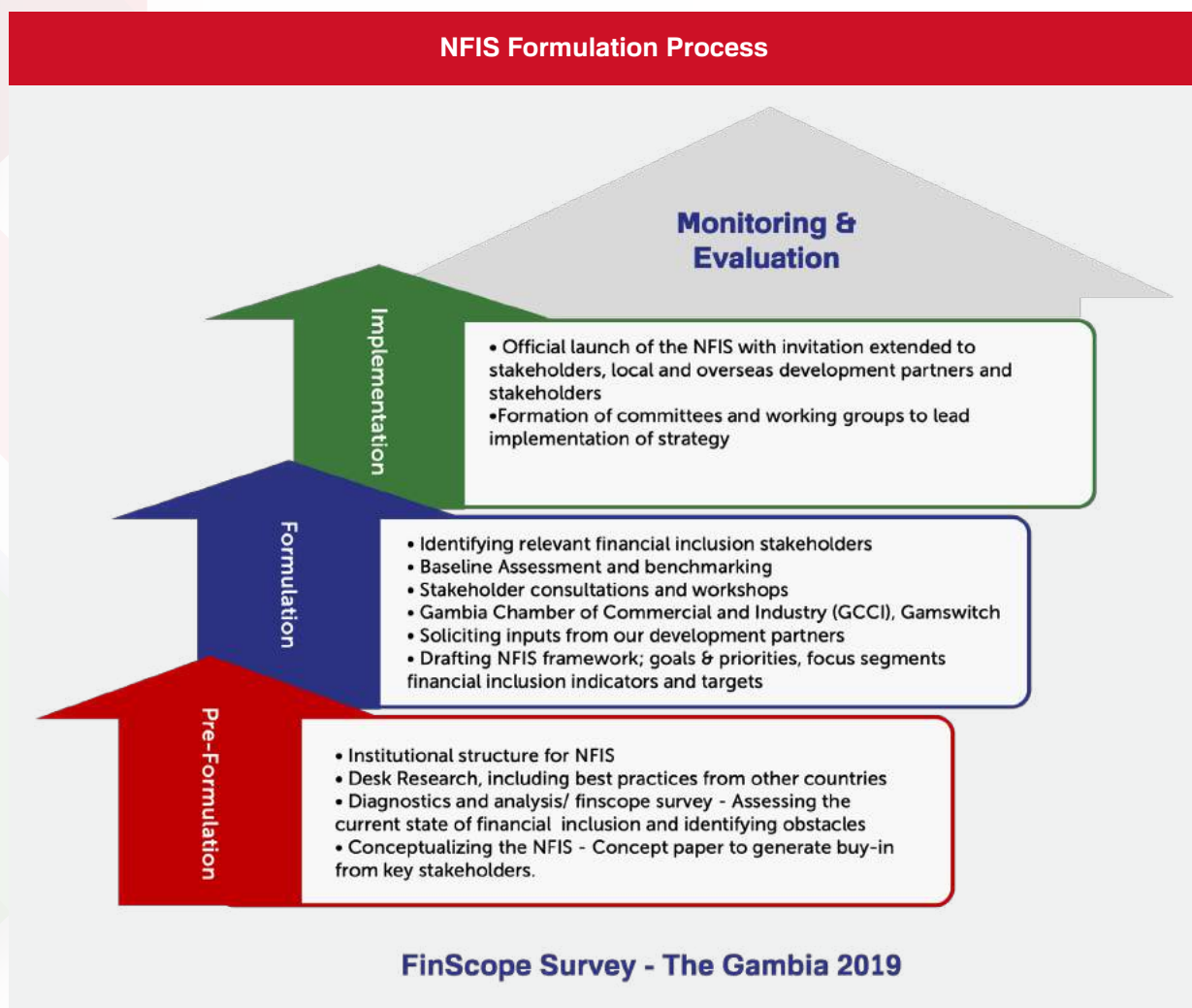
This NFIS's objective is underpinned by the Country's commitment to the Maya Declaration, which aims to provide 70% of adults with access to a broad range of quality, innovative and affordable financial services from formal financial institutions by the year 2025. The evidence based NFIS also supports sustainable socio-economic development and the welfare of all citizens by being closely aligned with the government's The National Development Objectives and the UN SDGs.

NFIS FORMULATION PROCESS

The FinScope Gambia 2019 diagnostic survey, conducted through UNCDF's support on the financial inclusion landscape in The Gambia complemented CBG's initiatives to develop the NFIS. The research serves as a credible baseline that provides benchmarks on level of financial inclusion to guide targeted and focused financial inclusion strategies using empirical evidence. Subsequent process of developing the NFIS was segmented into four phases namely **Pre-Formulation, Formulation, Implementation and Monitoring & Evaluation** of the Strategy.

The pre-formulation phase focused on creating the necessary institutional structure and mechanisms needed to undertake formulation of the NFIS. The CBG with support from development sector partners (UNCDF and World Bank) examined the extent of financial inclusion in the country, along with the relevant national policies and multisectoral initiatives. Overlaying the findings to global best-practices, a Concept Note was prepared for feedback from broader industry players on the proposed strategy's vision and key priorities.

Figure 6: **NFIS Formulation Process**



The formulation phase included identifying broader industry stakeholders for consultations to validate the financial inclusion vision, along with identifying priority activities and effective implementation approaches. The phase concluded with the drafting of the NFIS, in-line with overarching national priorities and commitments. The strategy includes an implementation framework with measurable targets to track progress through each of the identified pillars and enablers for financial inclusion.

The implementation phase commences with the official launch of the NFIS, with invitation extended to industry players, development partners and other relevant stakeholders within and overseas.

Once launched, focus will shift on creating the necessary mechanisms to oversee and guide its implementation. The NFIS governance structure will primarily be composed of the NFIS Secretariat, Sub-Committees and Working Groups, which will function under clearly documented mandates that include roles, authorities and accountabilities.

Inclusiveness is at the center of the NFIS and the strategy's multi-sectoral stakeholders will place a special focus on mainstreaming women, youth and other marginalized segments through implementation.

These will jointly monitor progress against measurable targets and disaggregated data indicators through duration of the Strategy. Evaluation efforts will include assessing the various activities to ensure alignment with the strategy's overall vision, along with recommending alterations in response to the evolving challenges, risks and opportunities in the country's financial inclusion landscape.

PRIMARY NFIS TARGETS

in line with CBG's priorities and border national development goals, the NFIS sets a clear agenda for significantly advancing financial inclusion by 2025.

Accordingly, the NFIS identifies number of Key performance indicators (KPIs) to measure the strategy's overall implementation and outcomes at a high level. Based on the core dimensions of financial inclusion, these KPIs provide quantitative measures and targets for key variables, such as increasing access and usage of quality and affordable financial services.

Table 7: **NFIS Targets**

NFIS Targets		
Key Performance Indicators	Baseline	Target (2025)
% of adults using formal accounts	19%	70% of adults
% of adults using DFS wallet (MM)	2%	50%
% of adults using formal savings products	3%	55%
% of adults using formal credit products	3%	60%
Access points per 100,000 adults	19%	70% of adults

It is important to note that these KPIs are complemented with a number of supporting demand and supply-side indicators designed to track progress of specific priority activities at a further disaggregated level.

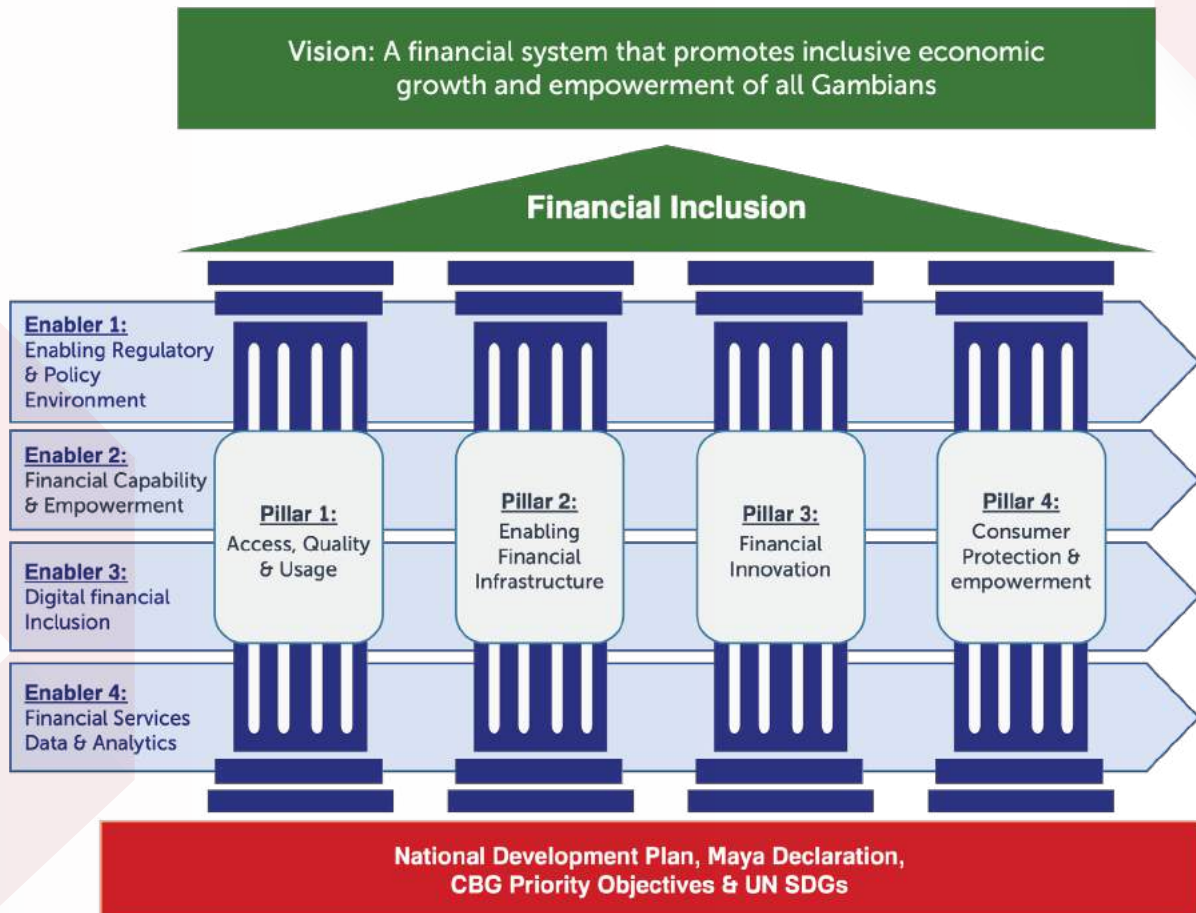
STRUCTURE OF THE NFIS

The NFIS not only encapsulates CBG’s vision of creating a financial system that promotes inclusive economic growth, development and empowerment of all Gambians, but also encompasses the objective of providing 70% of adults with access to a broad range of financial services by the year 2025.

To ensure effective and aligned implementation, activities crucial to increasing financial inclusion have been embedded within four strategic pillars that hold-up the vision for financial inclusion. These activities are to be implemented and monitored through measurable performance indicators for increasing the level of financial inclusion development in The Gambia.

The NFIS also draws upon four strategic enablers that are cross-cutting accelerators for activities across the pillars.

Figure 7: Financial Inclusion Pillars



A. STRATEGIC ENABLERS OF THE NFIS

The NFIS has been crafted to leverage strategic enablers that are cross-cutting accelerators for activities identified across the strategy’s pillars. These enablers will not only help integrate the work across pillars, but also help scale results.

Policy and regulations will be used to create an environment that is complementary to the NFIS’s activities. Consumer protection is another key cross-cutting focus area for CBG, that will not only be strengthened across the pillars, but also used to build trust and increase financial inclusion. Inclusiveness will hold particular focus across all the pillars to ensure the benefits are equitably shared by all Gambians, particularly the marginalized segments that include youth, women, small-holder farmers, rural communities and MSMEs. The NFIS also seeks to leverage financial services data and analytics will be used as a strategic enabler in implementation of the strategy, driving decision and policy making.



Strategic Enabler 1: Enabling Regulatory & Policy Environment

CBG with key stakeholders intend to leverage its policy and regulatory tools to create an environment conducive for activities across NFIS's pillars, through effective regulation, supervision and enforcement of market conduct.

CBG in collaboration with the Gambia's development partners will undertake a comprehensive regulatory assessment to examine supply and demand-side constraints that limits financial inclusion through policy and regulatory interventions. The assessment would examine legal and regulatory solutions for enhancing financial inclusion (eg. allow youth (ages 15-17) to open accounts), and also help identify barriers and opportunities for enhancing the financial landscape.

The NFIS is designed to have a far-reaching impact on The Gambia's regulatory and policy landscape to enhance CBG's regulatory approach to prioritize financial inclusion and innovations. In doing so, CBG will maintain a flexible adoption approach, while being vigilant and prepared to mitigate its potential risks. Where the planned regulatory assessment will provide insights into the complete set of revisions, some priorities identified during the stakeholder consultation from the formulation stage include the following;

- a. Enabling access to basic bank accounts and mobile wallets by adopting a risk-based approach (RBA) and establish tiered Know-Your-Customer (KYC) and simplified customer due diligence (CDD) requirements.
- b. Issue regulations that support agent banking and digital finance with a view to extending services to rural areas
- c. Enable FSPs to offer customer-friendly interfaces for products and services (e.g. USSD, websites, mobile apps) in local languages
- d. Provide a regulatory framework that promotes innovations, i.e. accommodative regulations for innovation (regulatory sandbox)
- e. Legal and regulatory enhancements that protect individuals against fraud and over-indebtedness, avenues for redress, protection and privacy of their data and personal information
- f. Provide regulations for Credit Union operations and enforce oversight and capacity building for NACCUG and its affiliate CUs to ensure safety and soundness of their operations.
- g. Increase access to finance for agriculture by formulating a national agricultural finance policy and requisite regulatory guidelines.
- h. Develop a Market Conduct Framework including AML/CFT
- i. Address challenges to allow for improved access to formal remittances

Principles For Enabling Policy And Regulatory Environment For Innovative Financial Inclusion

A conducive policy environment designed to spur innovation for financial inclusion while protecting Financial Stability and Consumers must be created to make a financial innovation successful in the long-run: To this end, the G20 Financial Inclusion Experts Group—Access Through Innovation Sub-Group (ATISG) Report identified nine basic principles to help create an enabling policy and regulatory environment for innovative financial inclusion. These are:

1. **Development** of technological Leadership through a broad-based government commitment to financial inclusion to help alleviate poverty.
2. **Diversity:** Implement policy approaches that promote competition and provide market-based incentives for delivery of sustainable financial access and usage of a broad range of affordable services (savings, credit, remittances, payments and transfers, insurance) as well as a diversity of service providers.
3. **Innovation:** Promote technological and institutional innovation as a means to expand financial system access and usage, including addressing infrastructure weaknesses.
4. **Protection:** Encourage a comprehensive approach to consumer protection that recognizes the roles of government, providers and consumers.
5. **Empowerment:** Develop financial literacy and financial capability.
6. **Cooperation:** Create an institutional environment with clear lines of accountability and coordination within government; encourage partnerships and direct consultation across government, businesses and other stakeholders.
7. **Knowledge:** Utilize improved data to make evidence-based policy, measure progress, and consider an incremental “test and learn” approach acceptable to both regulator and service provider.
8. **Proportionality:** Build a policy and regulatory framework that is proportionate with the risks and benefits involved in such innovative products and services based on an understanding of the gaps and barriers in existing regulation.
9. **Framework:** Consider the following in the regulatory framework, reflecting international standards, national circumstances and support for a competitive landscape: an appropriate, flexible, risk- based, Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) regime; conditions for the use of agents as a customer interface; a clear regulatory regime for electronically stored value; and market-based incentives to achieve the long-term goal of broad interoperability and interconnection.

Strategic Enabler 2: Financial Capability and Empowerment

The financial capability survey also indicated that 64% of the adult population have low rate of financial capability compared to only 16% with high rate and 20% with moderate. These has been one of the major impediments of access to finance, business development and growth of MSMEs.

The objective for financial empowerment is to enable consumers to make informed financial decisions via the provision of information, education and effective avenue for redress. Empowering users will not only accelerate objective of financial inclusion through increased uptake, but also drive outcomes around financial health and resilience, particularly for the marginalized segments - smallholder farmers, women, youth, and micro enterprises. In doing so, the enabler also supports the National Development Objectives of social protection and women empowerment.

Thus, with a view of empowering customers with adequate financial capability, the NFIS places immense importance on diminishing demand-side barriers and enable all Gambians to make sound financial decisions by enhancing their knowledge, understanding, skills and attitudes. This will be achieved through coordinated national financial literacy initiatives across all pillars, complemented by consumer protection programs and policies. The NFIS will also focus on development and implementation of a National Financial Literacy Framework to increase awareness and understanding of financial services, with the ultimate goal of increasing sustainable access and usage. Topics to be covered will include budgeting, importance of savings, remittances, loans management etc.

Furthermore, the NFIS targets development of products that will help Gambians weather financial shocks and build resilience, such as insurance and international remittances.

Development Potential of International Remittances

International remittances play a critical role in The Gambia's economy, supporting activities in sectors that account for over 47% of the GDP. The volume of remittances has increased over the years levelling at US\$2.76 billion in 2020 from US\$2.2 billion in 2019, and reaching US\$1.3 billion at end June 2021. According to a survey in August 2020, 16.0 percent of Gambian households reported that money transfers from abroad were among the three most important sources of income over the past 12 months (compared to 8.3 percent in Senegal). Furthermore, a survey from 2019 indicated that more than 30% of The Gambia's total remittances were transferred through informal channels.

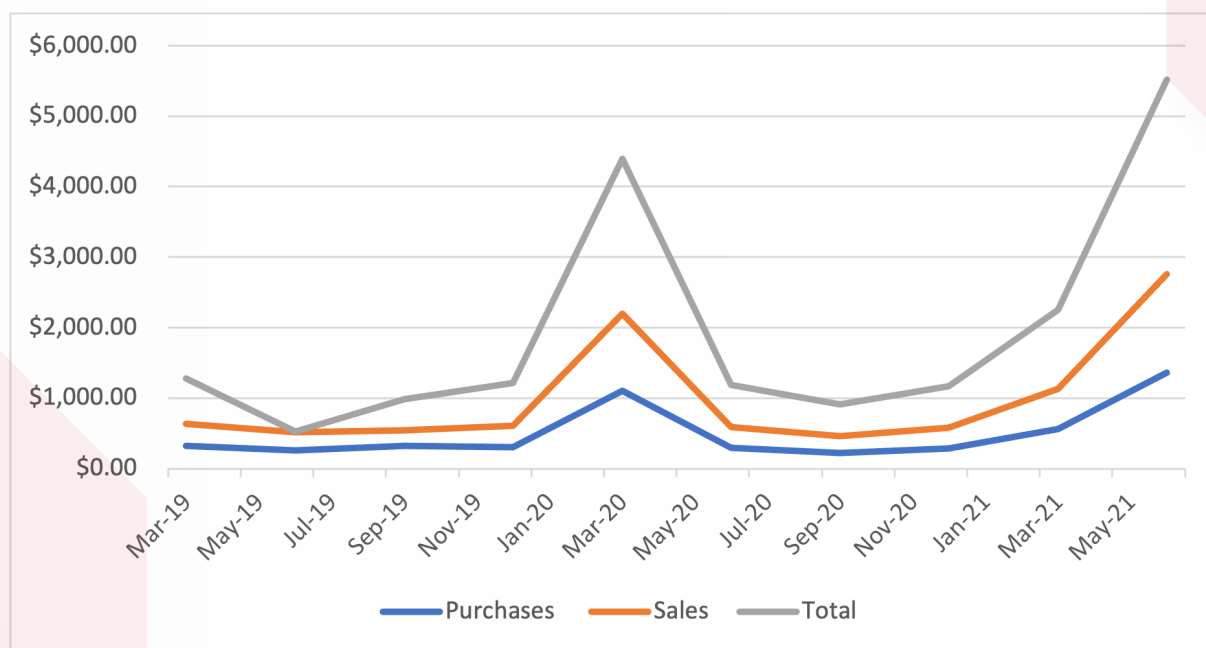
These remittances function as a vital economic lifeline for the ordinary people who use these to access basic services, including housing, food, education and medical services. As such, remittances can be a vital tool for overcoming development gaps, along with promoting financial inclusion and welfare of a large proportion of Gambians.

However, the average cost of sending money to The Gambia is very high 9.16%⁷ when compared to other countries in the region, and UN's target of no more than a 3%. Many migrants are compelled into using unauthorized operators and informal channels, which despite the risks can be convenient or cheaper, particularly for those with irregular immigration status.

Reducing the cost of remittances, formalizing the inflows, and encouraging their productive use through competition and digitalization will go a long way in not only increasing the volume of remittances, but also empowering Gambians and aid policy decisions. Making it easier and cheaper for migrants to send money back home through formal channels can help unleash the development potential of international remittances. Therefore, the NFIS will have a focus on leveraging remittances as a tool for reducing poverty and enhancing financial stability and inclusive economic growth.

⁷ <https://data.worldbank.org/indicator/SI.RMT.COST.IB.ZS?locations=GM>

Figure 8: Quarterly Volumes Of Forex Transactions (US Dollars, Millions)



Volume of transactions have increased over the years levelling at US\$2.76 billion in 2020 from US\$2.2 billion in 2019. At end June 2021, the level reached US\$1.3 billion.

Table 8: Remittance Inflows 2018 - 2021

REMITTANCE INFLOW FROM JANUARY 2018 TO SEPTEMBER 2021 (USD)				
	2018	2019	2020	2021
January	21,532,586.85	24,448,797.74	29,221,898.77	60,529,059.92
February	18,479,201.21	24,057,774.33	29,660,562.54	55,935,841.44
March	23,405,912.69	27,561,110.49	32,757,153.22	73,760,796.95
April	22,549,324.04	28,887,823.24	46,240,805.21	75,288,736.65
May	27,670,579.14	34,076,473.08	52,829,616.76	67,372,157.19
June	24,817,899.88	26,367,949.87	60,329,939.40	70,675,225.47
July	23,188,841.58	29,356,483.10	67,820,333.54	72,646,592.39
August	26,428,995.52	28,687,523.13	49,177,478.95	60,789,386.81
September	21,812,547.12	26,162,716.54	52,959,680.57	60,661,635.92
October	23,319,207.05	27,228,833.59	53,590,857.43	59,513,308.83
November	21,628,133.23	25,891,871.26	52,461,576.67	55,834,058.38
December	23,051,168.25	27,066,592.38	62,759,796.45	61,773,517.00
Total	277,884,397	329,793,949	589,809,700	774,671,517

Source: Central Bank of The Gambia

Remittances continue to play a critical role in promoting financial inclusion in The Gambia. Total remittances amounted to \$329 million in 2019 (31% of GDP) growing to \$589 million (47% of GDP) in 2020 due largely to increased MTO operations and improved data collection despite the global pandemic. Remittances in 2021 reached \$773.73 million, a growth of 31.2% relative to 2020, forming 62.9% of GDP. In Dalasi terms, remittances reached D40.65 billions in 2021.

Strategic Enabler 3: Digital Financial Inclusion

Innovation and digital technologies are not just creating new revolutionary platforms for connectivity, but also a new digital economy with higher productivity at lower economic and social transactions cost.

However, benefits of the digital economy can only be captured by those who can connect to it, afford it, and know how to use it. Therefore, there is a growing digital divide that prevents certain sections of societies from harnessing the full benefits these information and communication technologies can offer. Segments most excluded from this digital revolution are the traditionally marginalised communities; including women, youth, rural inhabitants and general populations in least-developed countries.

In the effort to grow the country’s digital economy in an inclusive manner, CBG will leverage the Inclusive Digital Economy Scorecard (IDES), which is a policy tool developed by UNCDF to help governments set the priorities for their countries’ digital transformation.

Updated on a yearly basis, the IDES is a strategic performance tool that identifies the key market constraints hindering the development of an inclusive digital economy in a country, while helping advance the right priorities with public and private sector stakeholders for each country to foster a digital economy that Leaves No One Behind.

Upon adoption, the IDES will provide an overall score for the development of a digital economy in The Gambia, based on several indicators for its main components – policy and regulation, infrastructure, innovation and skills. Measured primarily through the qualitative assessment, it will also provide score for the inclusiveness of the digital economy specifically for marginalized segments



The inclusiveness score and indicators will provide CBG, along with other relevant public and private sectors stakeholders, a clear view of priorities and actions needed for the mainstreaming of marginalized segments in the development and expansion of an inclusive digital economy.

Strategic Enabler 4: Financial Services Data & Analytics

The NFIS values data-based intelligence and decision-making as one of the four enablers of the strategy, not only in supporting monitoring and evaluation efforts, but also to evidence-based implementation.

Leveraging data collected from different sources around transaction levels, access & usage, mobile networks, poverty levels, gender of customers, population demographics among others, will aid in guiding activities across pillars in the development of an inclusive and efficient financial ecosystem in the country.

Key initiatives in driving evidence-based decision and policy making will include a follow-up FINSCOPE diagnostic survey, along with establishment of an automated data collection and monitoring system for Financial Inclusion Data. The collected data at disaggregated levels will serve the NFIS objectives by enabling CBG to critically analyze the impact of central bank policies and provide an additional perspective on underserved segments and geographies.

B. STRATEGIC PILLARS OF THE NFIS

Strategic Pillar 1: Access, Quality and Usage

Inclusive growth can be attained through the provision of different types of formal financial services such as access to savings, loans, insurance, payments and remittance facilities. Therefore, the objective of pillar 1 is to ensure that financial services are easily accessible to the financially excluded targeting the most vulnerable (women and youth) in a low-cost and sustainable manner.

The emergence of many financial technologies and innovations like DFS and Mobile Banking, E-banking or online banking, Point of Sale (POS) and ATM among many others are increasingly growing, which have together provided access to many people to financial products suitable to them. By way of simplified KYC requirements and minimum or zero balances to open bank accounts, FSPs are reaching out to the informal sector. To expand their deposit base, banks are reaching out to the informal sector through innovative savings and credit products. Innovations have been made in lending methodologies such as cooperatives and Women's group lending methodologies through digital credits. Agent financial services are used to reach remote areas where banks are reluctant to venture.

Therefore, this pillar aims to increase the availability and usage of innovative financial products and services tailored to the needs of the financially excluded population through (a) increasing the proximity of financial access points, (b) expanding digital financial services, and (c) promoting a range of services and low-cost products for consumers.

Access - The long distance to financial service access points, such as banks or ATMs, is a real barrier to the use of formal financial services in The Gambia especially in the rural areas. The number of bank branches and ATMs are expanding, but largely in urban areas.

However, agent networks (both banking and DFS) are further expanding and diversifying variety of access points to boost convenience and affordability through increased proximity. The strategy calls for increasing the use of agents and digital channels wider into rural and remote areas, along with increasing their density in geographies currently covered. Similarly, strengthening grassroots financial institutions, that include microfinance institutions and Village Savings and Credit Associations (VISACAs), will also be a priority in increasing resource mobilisation and sustainability. The Gambia has a relatively well-developed digital infrastructure with 94.3 percent of Gambians living within 10 km off a fiber node, 98 percent covered by mobile cellular network and the country ranked 5th in Africa on mobile phone density (140 active mobile Sim Card for 100 inhabitants).

Connectivity represents a great potential for financial services development as 94.3 percent of Gambians living within 10 km off a fiber node, 98 percent covered by mobile cellular network and the country ranked 5th in Africa on mobile phone density (140 active mobile SIM Card for 100 inhabitants).

Quality - Uptake of formal financial services can only be accelerated when these are designed as per the needs, barriers and motivations of those they are meant to serve.

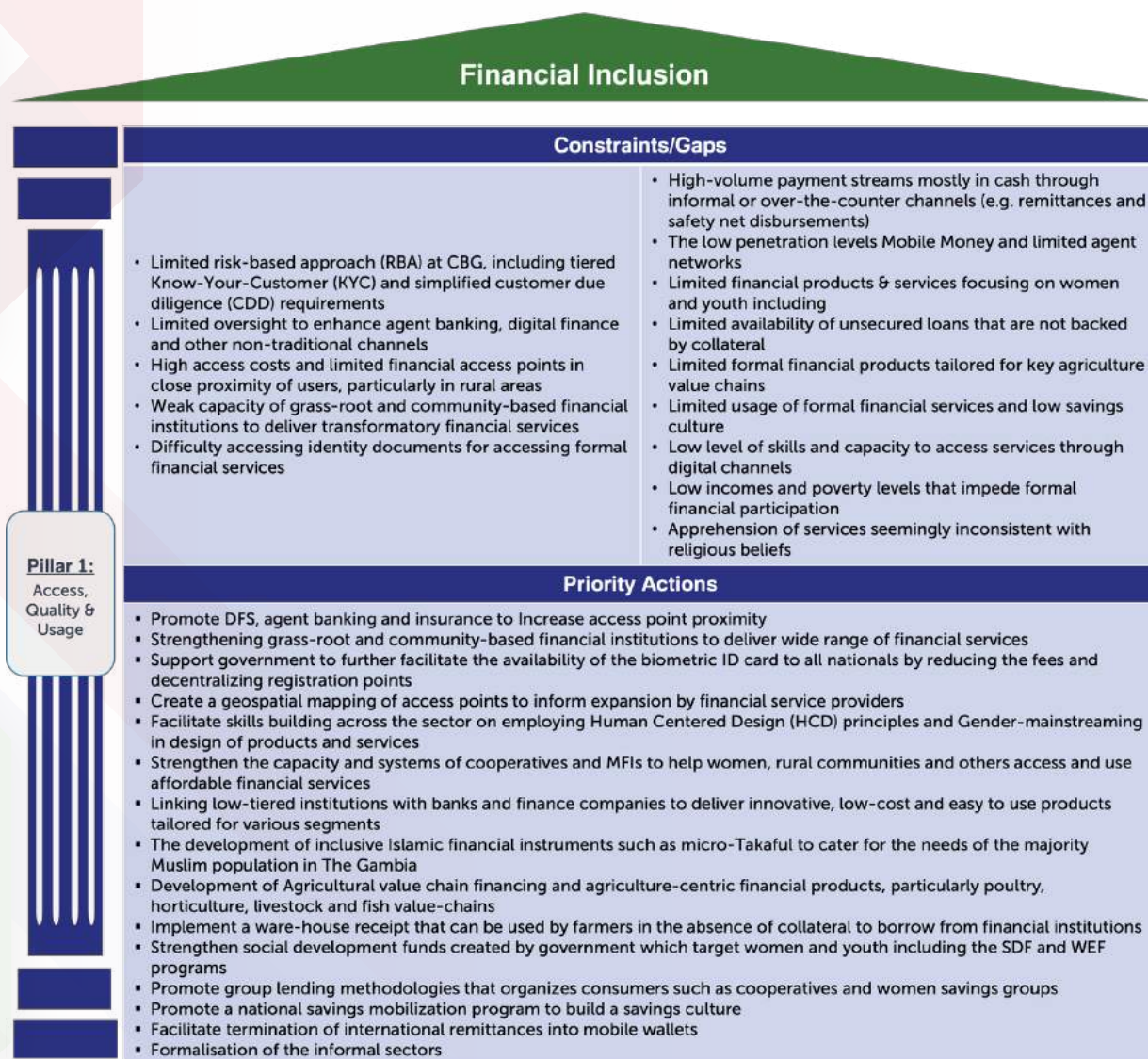
The NFIS recognizes the dire need to support the development of a broad-based financial sector that allows for the emergence of a variety of consumer centric products and services, so they meet the diverse needs of consumers, particularly those who are financially excluded. Therefore, the strategy seeks to promote the quality of products available to consumers of financial services so as to meet their expectations and ensure continually improving experiences.

Human-centered design (HCD) is a key approach for developing products and services that are empathetic to user needs by involving them in the design process. The customer's voice is embedded in every aspect of the customer experience, and customer-centricity is ensured by rapid testing of solutions with the users. The strategy encourages application of HCD by FSPs for the development of innovative solutions that create enduring value for customers and organizations.

Usage - The NFIS seeks to drive usage of formal financial services by accelerating the cash-to-account (digital) transition of high-volume payment streams, such as G2P, P2G and P2P payments. Also, enhancing quality of credit supply is another concern of the strategy that aims to improve uptake through availability of affordable credit to important segments and sectors, such as women, youth, MSMEs and Agriculture. Therefore, there will be a focus on Credit Enhancement Programs to empower these segments in which grassroot-level organizations (VISACAs and credit unions) could also be incorporated. Examples of some earlier efforts include SME Credit Guarantee Schemes, The Gambia Incentive-Based Risk Sharing System for Agricultural Lending (GAMISAL) and Matching Grants Schemes.

The ecosystem constrains, along with priority activities for enhancing the access, quality and usage of financial services are summarized in the following image:

Figure 9: Financial Access, Quality & Usage - Constraints / Gaps - Pillar 1



Strategic Pillar 2: Enabling Financial Infrastructure

The objective of an enabling financial infrastructure is to support innovation and efficient delivery of financial services by strengthening payment systems oversight, bolstering the payment systems platforms and services, increasing credit reference information on borrowers, strengthening the secured transactions and collateral framework. A notable feature of financial sector development in The Gambia is the growing automation of the payment systems. This advancement was facilitated by the introduction of core enabling infrastructure including the ACH/ACP, the RTGS and the GAMSWITCH. Given its importance in facilitating efficient payment system platform, it is critical to ensure that the legal framework is conducive to the infrastructure's stability and development. The Government initiative such as the payment of salaries, the delivery of social safety nets, support to farmers and students, the payment systems, the digitalization of the GRA revenue collection and other similar initiatives contribute to increasing financial inclusion that enables MSMEs and individuals benefiting from government transactions to have access to financial services

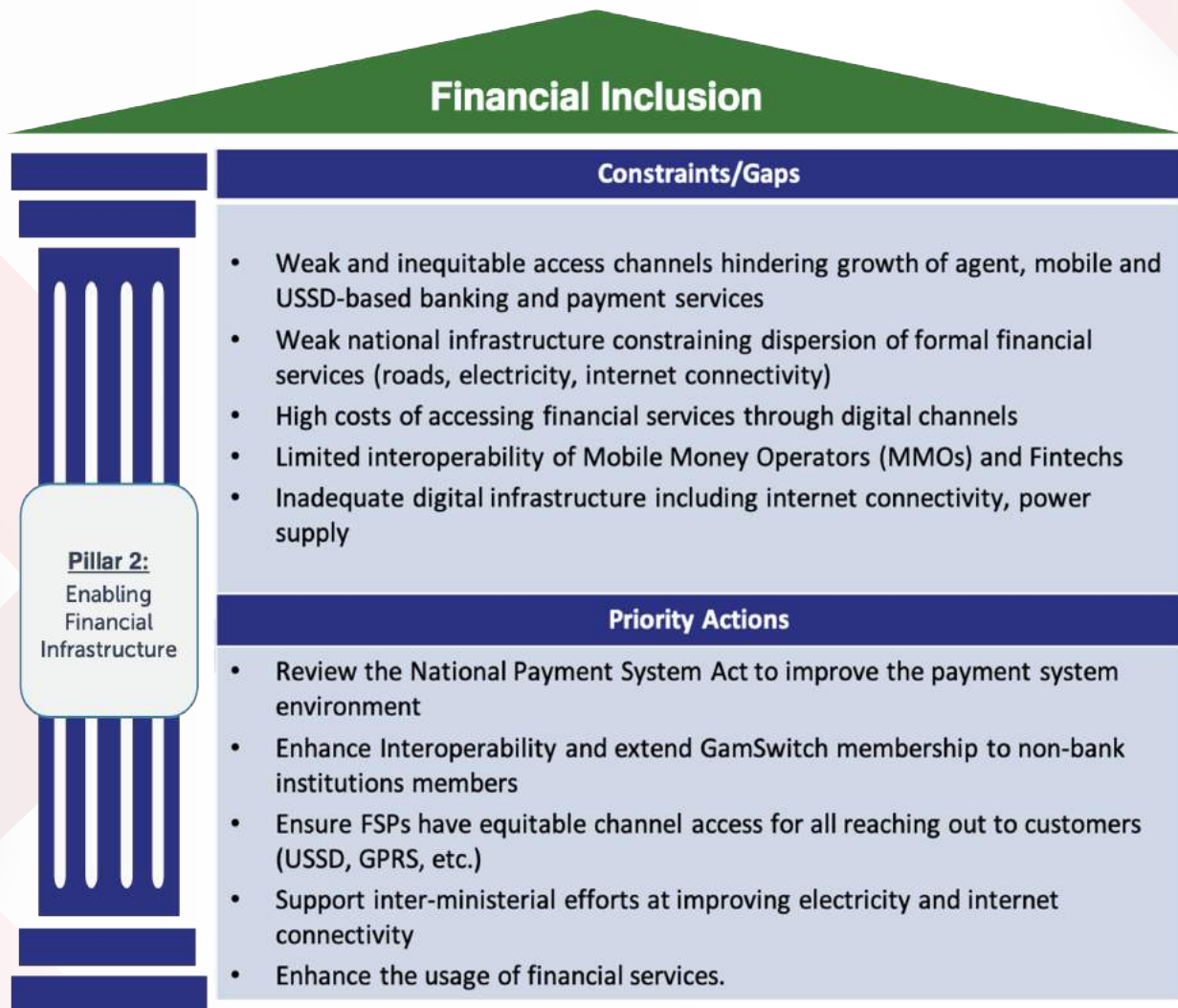
Financial Inclusion in any country will be facilitated by a well-designed and functioning Payment System. The Central Bank has a critical role in making sure that payment system is not only safe but secured, reliable and efficient. The Payment Systems Project was initiated by West African Monetary Institute (WAMI) in collaboration with African Development Bank (AfDB) using a regional payment system platform centered on three components: ACP/ACH, RTGS (Real Time Gross Settlement) and SSS (Security Settlement System). Further strengthening of the payment system, was the establishment of Gamswitch as a national switch to roll out digital finance in country.

There is economic of scale in interoperability of the payment ecosystems that benefits all participants as customers and suppliers. Although The Gambia has achieved some level of interoperability especially among banks, there is still work to be done with regards to mobile money operators. Driving interoperability will help low transactional cost and overall investment in infrastructure thereby increasing uptake of these services and products.

Another critical dimension of financial infrastructure development is bolstering payment system platforms and services. Key measures include fully implementing an interoperable retail payment system to facilitate financial transactions in the industry and transitioning G2P payments to electronic platforms, thus making payments more accessible.

The infrastructure constrains, along with priority activities identified in the strategy are summarized in the following image:

Figure 10: Enabling Financial Infrastructure - Constraints / Gaps - Pillar 2

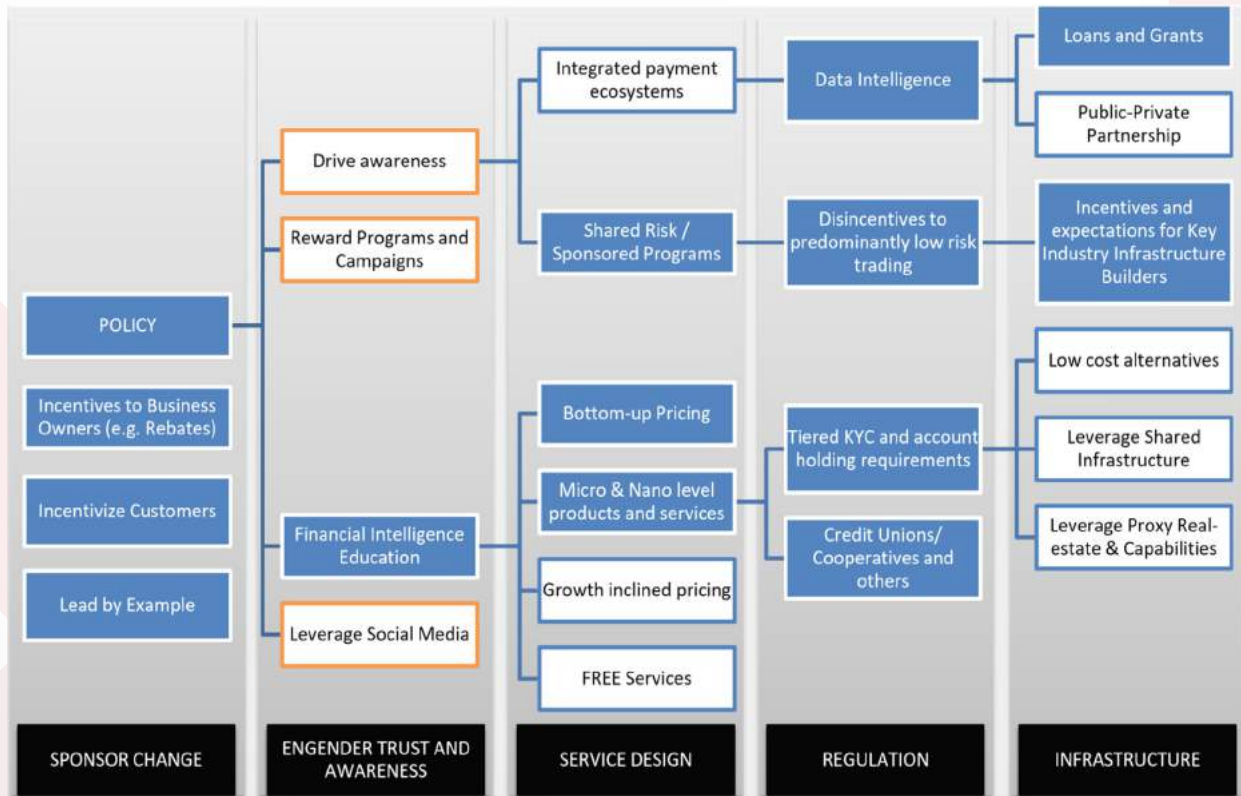


GAMSWITCH

As the National Payment System, it aims to drive financial inclusion by leveraging on its digitalization capabilities and service delivery models. Indeed, since its inception in 2013 when the first Interbank ATM transaction took place, the Company has registered exponential growth in transaction volume and value.

Added to the transaction’s growth, is the product range being offered on the network. In 2013, only interbank ATM withdrawals was on offer, however as of 2020, services such as Instant Interbank Transfer, Fast Track, Pay Code/ Cardless, mobile airtime top up and Cashpower are roll out in the market. With the planned engagement with HPS Morocco – a global standard fintech, lots of digital financial products and services will be roll out to reach majority of the population even in remotest areas to access financial services.

Figure 11: Payment Infrastructure



Strategic Pillar 3: Financial Innovation

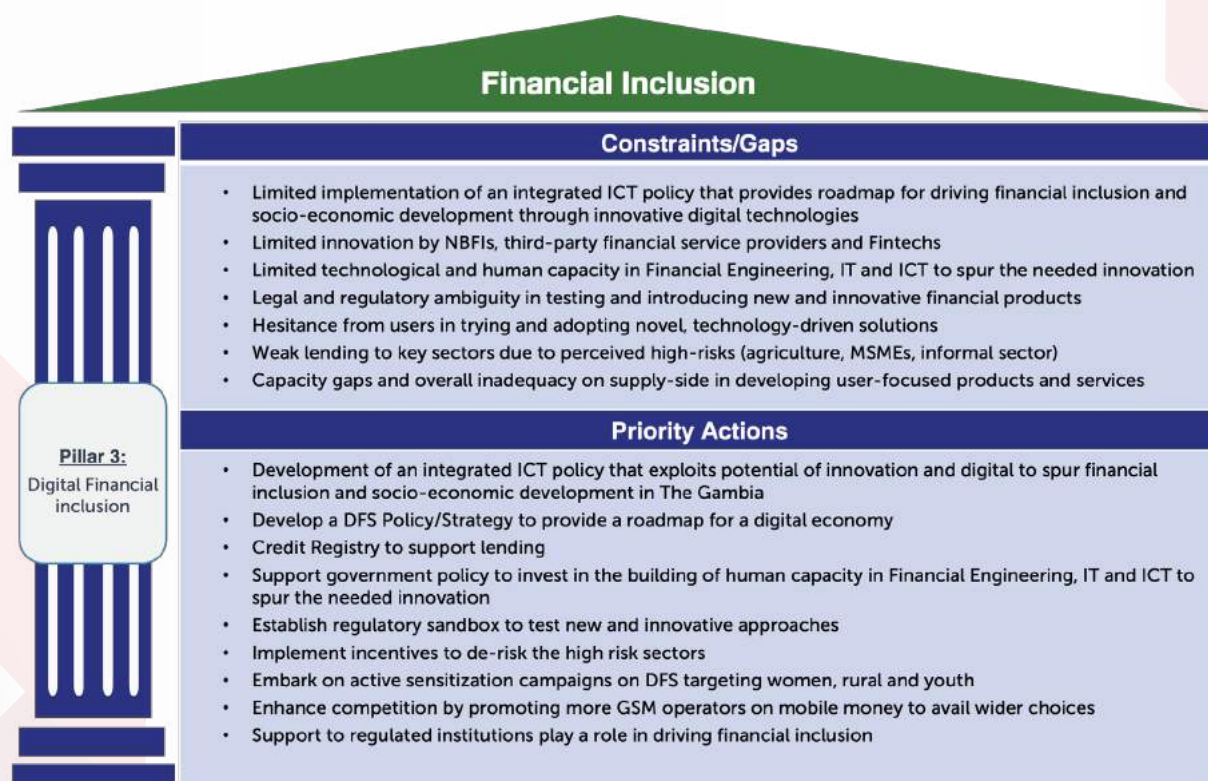
Innovative Financial Inclusion’ refers to the delivery of quality and accessible financial products and services outside conventional financial institutions by using information and communications technologies and non bank retail agents and other new institutional arrangements to reach out the financially excluded. Thus, the objective of this pillar is to promote financial inclusion for users through the safe and sound spread of new approaches and technologies.

In doing so, the NFIS will particularly look to leverage the transformative power of Digital Financial Services, that has led to an unprecedented increase in the number of people enjoying access to formal financial services across Africa.

Furthermore, the NFIS will look to launch new and support on-going pilots of innovative Fintechs solutions, including crowdfunding for MSMEs, non-collateralized loans, data and psychometric based lending.

The constrains, along with priority activities identified in the strategy to enhance Gambia’s innovation ecosystem are summarized in the following image:

Figure 12: Financial Innovation - Constraints / Gaps - Pillar 3



Strategic Pillar 4: Consumer Protection & Empowerment

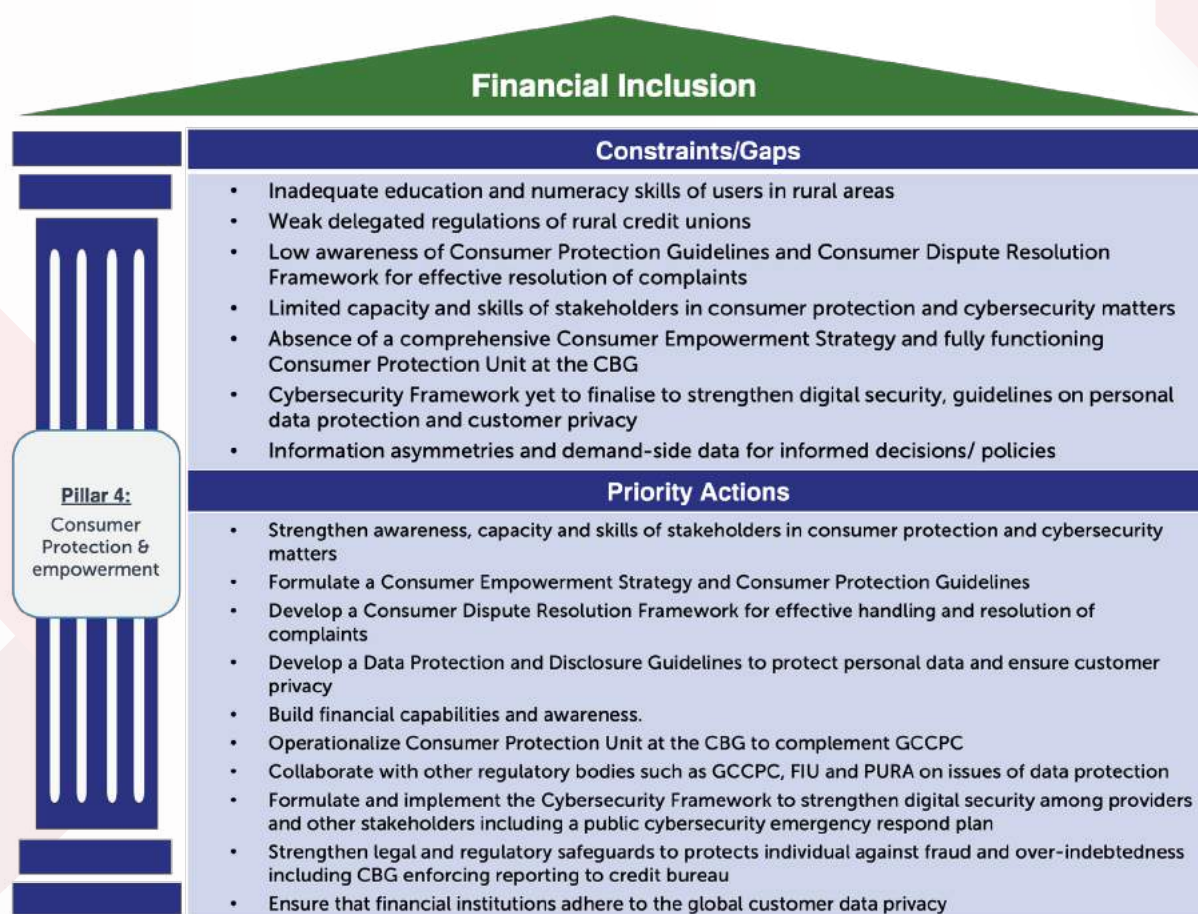
Consumer protection also refers to laws and regulations that protect consumers from unfair advantages by service providers through effective regulation, supervision, and enforcement of market conduct. Consumer protection is very important due to the growing complexity of financial products and services which overwhelm consumers who are ill equipped to make informed financial decisions.

In addition to strengthening consumer protection through regulatory means, CBG will undertake additional coordinated activities not only to protect customer’s money and data, but also strengthen trust in the formal financial system to encourage widespread adoption and usage. CBG will promote protection primarily by increasing transparency in the provision of financial services, fair treatment of consumers and deployment of effective redress mechanisms.

CBG will create awareness and capacity on customer protection among all key sector actors and stakeholders. Under the NFIS, CBG will work with sectoral associations and development sector partners to improve the skill-base of FSPs to serve customers responsibly and treat them fairly. Training and sensitization will be carried out for other relevant institutions, including judicial and law enforcement officials on customer and creditor rights.

The constrains, along with priority activities identified in the strategy to enhance Consumer Protection in The Gambia are summarized in the following image:

Figure 13: Consumer Protection & Empowerment - Constraints / Gaps - Pillar 4



KEY PERFORMANCE INDICATORS (KPIs)

To achieve defined targets for financial inclusion, The Gambia requires key performance indicators (KPIs) to monitor the impact of initiatives and the progress of the Financial Inclusion Strategy. The KPIs were defined based on the various dimensions of financial inclusion, including access, usage, affordability, appropriateness, financial literacy and consumer protection (as defined by the Alliance for Financial Inclusion Data Working Group, and Women's Financial Inclusion Data - Data2X).

The impact of the NFIS will be measured and monitored through the use of periodic reports and data indicators.

Table 9: Key Performance Indicators (KPIs)

Pillar	KPIs	Baseline 2021	Target 2023	Target 2025
<p>Pillar 1: Access, Quality & Usage</p>	<p>% of administrative units with a formal access points</p>			
	<p>% of total population living in administrative units with at least one access point</p>			
	<p>% of population living within 5km of a financial service provider</p>			
	<p>Number of access points (Branches, ATMs, POS and agents) per 100,000 adults</p>			
	<p>Number of access points (Branches, ATMs, POS and agents) per 100,000 adults</p>			
	<p>DFS agents (MM & Agents) per 100,000 adults</p>			
	<p># of transactions per channel (Branches, ATM, POS, Agent)</p>			
	<p>Value of transactions per channel (Branches, ATM, POS, Agent)</p>			
	<p>Number of HCD trainings delivered</p>			
	<p>Number of resource persons trained on HCD</p>			
	<p>% of financial service users that are satisfied with their provider</p>			
	<p>Accounts at formal financial institutions, per 100,000 adults, by sex & age</p>			
	<p>Accounts at banks, per 100,000, by sex & age</p>			
	<p>Accounts at non-bank institutions, per 100,000, by sex & age</p>			
	<p>Active Accounts at banks (90 Days), by sex & age</p>			
<p>Active Accounts at non-bank institutions (90 Days), by sex & age</p>				

**Pillar 1:
Access, Quality
& Usage**

(Continued)

of transactions per account type,
by sex & age

Value of transactions per account
type, by sex & age

of transactions per transactions
type (P2P, G2P, P2B, etc.), by sex &
age

Value of transactions per transactions
type (P2P, G2P, P2B, etc.), by sex &
age

% borrowed from an formal financial
institution in the last year, by sex &
age

% of adults with at least one saving
product, by sex & age

% of adults with at least one credit
product, by sex & age

% of SMEs with a loan or line of
credit, by sex & age

**Pillar 2:
Enabling Financial
Infrastructure**

Number of institutions on GamSwitch

Number of institutions offering
services through ATMs

Number of institutions offering
services through USSD

Number of institutions offering
services through Mobile Apps

Number of ATM card holders

**Pillar 3:
Financial
Innovation**

Number of DFS providers operating in
The Gambia

Number of Fintechs operating in The
Gambia

Number of innovative credit products
being offered in the market

of cashless transactions, by sex &
age

Value of cashless transactions, by sex
& age

**Pillar 4:
Consumer
Protection &
Empowerment**

Percentage of over-indebted clients

Communication channels established for complaints (email, postal, phone), by sex

Number of complaints received, by sex

Nature of complaints received, by sex

Number of complaints resolved, by sex

Number of complaints outstanding, by sex

Time for resolving complaints, by sex

of fraud incidents, by sex

Value of fraudulent transactions, by sex

of suspicious transactions

Value of suspicious transactions

No. of schools adopting Financial education Curriculum.

No. of individuals reached with Financial education Campaigns

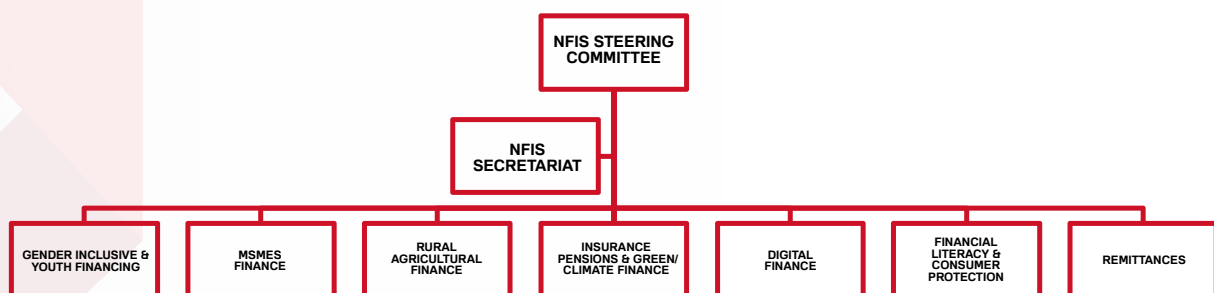
No. of MSMEs provided with training on business development

SECTION 4: GOVERNANCE STRUCTURE FOR NFIS

Stakeholders have been identified to support the implementation of the strategy and their roles and responsibilities therein. All the stakeholders will need to commit sufficiently to supporting the strategy and the CBG will play a lead role in coordinating and promoting the Strategy in order to achieve its goals and objectives.

The stakeholders will function under the structure developed for implementation of the NFIS, consisting of a Steering Committee, Secretariat and Thematic Working Groups. The governance structure for the NFIS is illustrated below:

Figure 14: NFIS Governance Structure



A high-level Steering Committee will oversee implementation of the NFIS and provide support and resources for the implementation of the National Financial Inclusion Strategy. The Steering Committee will meet twice annually with ultimate responsibility for the implementation of the strategy and will report on the progress of the strategy to stakeholders

Key features of the Steering Committee are;

- The Governor/ First Deputy Governor, CBG to Chair the Council
- Responsible for overall strategic direction and oversight of the financial inclusion agenda.
- Includes Permanent Secretaries from relevant government ministries, Directors of regulatory authorities and government agencies, and chairpersons of private sector associations.
- Meets biannually

Successful implementation of the NFIS demands efficient coordination of activities and stakeholders. The National Financial Inclusion Secretariat will function at an operations level, coordinating research, planning, monitoring and reporting on participants and activities.

Key features of the Secretariat are;

- i. Coordinates the drafting and implementation of the strategy on behalf of the NTFC on a day – to - day basis.
- ii. CBG is the lead and hosting institution, Chair is Central Bank of The Gambia
- iii. A dedicated Team/Unit.

In addition, there will be up to Seven Working Groups overseeing and guiding implementation of activities in priority thematic areas. These Working Groups will provide technical guidance as needed while ensuring coordination between contributing all public and private sectors institutions. Participation in the various thematic Working Groups will be finalized by the NFIS Steering Committee and Secretariat.

Key features of the steering committee secretariat are;

- i. The WGs report to the Secretariat
- ii. Serve as consultative forum
- iii. Responsible for the implementation of NFIS components under their mandate
- iv. Provide data and reports when needed

Table 10: Working Groups

Working Group	Broad Terms of Reference
Gender Inclusive & Youth Financing	Promote development of innovative financial products for women and youth, while identifying and removing barriers. Facilitate capacity building programs for women and youth to improve access to financial services.
MSMEs Finance	Promote development of innovative financial products for MSMEs, while removing barriers to the formalization of the informal sector. Facilitate capacity building programs for MSMEs access to financial services.

Rural Agricultural Finance

Promote development of innovative financial products for agriculture sector, small holder farmers and the rural community, while identifying and removing barriers. Facilitate capacity building programs for farmers and rural population's access to financial services.

Remittances

Promote innovative digital finance to reduce cost of remittances and disaggregated data on remittances to foster financial inclusion

Digital Finance

Promote the development of innovative and affordable digital financial products and services that promote financial inclusion.

Financial Literacy & Consumer Protection

Facilitate the design and implementation of tailored consumer protection and financial literacy strategies for special groups e.g. school children, youth, women and SMEs.

Insurance, Pensions & Green/Climate Finance

As there are climate change challenges, it also creates opportunities to reduce impact of climate change on the economy

Table 11: NFIS Action Plan

Pillar	Priority activities	Primary Entity	Secondary Entity	Timeline
Pillar 1: Access, Quality and Usage	Promote DFS and agent banking to increase access point proximity	CBG	Telcos, MMOs, MoICI	2022
	Strengthening grass-root and community-based financial institutions to deliver wide range of financial services	CBG, v-APEX	MoFEA, MoA	2022/23
	Support government to further facilitate the availability of the biometric ID card to all Gambian nationals by reducing the fees and decentralizing registration points	MoFEA, GID	Mol	2023
	Create a geospatial mapping of access points to inform expansion by financial service providers	GBoS	VISACA, Credit Unions Development Sector Partners	2022
	Facilitate skills building across the sector on employing Human Centred Design (HCD) principles and Gender-mainstreaming in design of products and services	MOTIE, MoY, MoGCA, GIEPA	SME Development Projects	2022/23
	Strengthen the capacity and systems of cooperatives and MFIs to help women, rural communities and others access and use affordable financial services	NACCUG, Department of Coops	FSPs	2022/23
	Linking low-tiered financial institutions with banks and finance companies to develop and deliver new, innovative, low-cost and easy to use products that are tailored for the needs of various segments.	CBG	Bankers Association, Insurance Association	2022/23
	The development of inclusive Islamic financial instruments such as micro-Takaful	CBG	Bankers Association, Association of Insurance	2022/23
	Implement a ware-house receipt that can be used by farmers in the absence of collateral to borrow from financial institutions	MoA	MoFEA, CBG	2023
	Strengthen social development funds created by government which target women and youth including the SDF and WEF programs	MoFEA, MoGCSW	SDF, WEF	2022
	Promote group lending methodologies that organizes consumers such as cooperatives and women savings groups.	FSPs	NACCUG, v-Apex, CBG	2022/23
	Development of MSMEs savings and access to credit	FSPs	v-Apex, NACCUG	2022

Pillar 2: Enabling Financial Infrastructure				
Review and amend the National Payment System Act to ensure it is inline with current developments / requirements to support the environment	MMQs,	CBG, FSPs		2023
Make non-bank institutions members of Gamswitch environment to encourage interoperability				2022
Ensure FSPs have equitable channel access for all reaching out to customers (USSD, GPRS, etc.)	CBG			2022
Support inter-ministerial efforts at improving electricity and internet connectivity	CBG	FSPs (banks & NBFIs)		2022/23
Enhance the literacy level to build financial capability	CBG			2022/23
Pillar 3: Financial Innovation				
The development of an integrated ICT-led socio-economic development policy for the Gambia to facilitate the country's development process and to spur the innovation required for financial inclusion, through the development, deployment and the exploitation of ICTs	All relevant Ministries	NAWEC, Telcos		2023/24
Promote the development of Islamic financial products & services through enabling government and regulatory policies for Islamic microfinance and micro-takaful	CBG, MoFEA	Association of Insurances		2022/23
Support ICT-led policies and actively promote leveraging on ICT to support economic growth	CBG, FIU	FSPs		2023/24
Establish regulatory sandbox to test new and innovative approaches	CBG, MoFEA	Banks, FCs		2022/23
Embark on active sensitization campaigns on DFS targeting women, rural and youth	CBG, MoFEA	Private Sector		2022/23
Enhance competition by promoting more GSM operators on mobile money to avail wider choices				2022/23

Pillar 4: Consumer Protection				
Strengthen awareness, capacity and skills of stakeholders in consumer protection and cybersecurity matters	CBG	MoFEA		2022/23
Formulate a Consumer Empowerment Strategy	MoICI	Bankers Association, Association of Insurance		2023
Develop a Consumer Dispute Resolution Framework for effective handling and resolution of complaints	CBG	Bankers Association, Association of Insurance		2023
Develop a Data Protection and Disclosure Guidelines to protect personal data and ensure customer privacy	MoFEA, MoICI	Bankers Association, Association of Insurance		2023
Operationalize Consumer Protection Unit at CBG to complement GCCPC	CBG	MoA, GIEPA, MoTIE		2022/23
Develop Consumer Protection Guidelines	MoFEA, CBG	Gamsw'itch		2023
Collaborate with other regulatory bodies such as GCCPC, FIU and PJRA on issues of data protection	CBG	MMOs, Telcos, GCCI		2022/23
Finalize the formulation and review current Cybersecurity guidelines to be more inclusive with focus on financial and gender concerns	FSPs, MTOS			2022/23
Develop a public cybersecurity emergency respond team	Telcos, MMOs	CBG		2023

SECTION 5: ANNEXES

Annex 1: Structure and Size of The Gambia's Financial Sector

Assets (GMD)	2018 'Mn	2019 'Mn	2020 'Mn
Banks	43,637	50,862	58,820
NBFIs	2,600	3,170	3,818
Insurance	589	685	756
% of Total Assets			
Banks	94%	93%	93%
NBFIs	5%	6%	6%
Insurance	1%	1%	1%

Source: CBG Data

Annex 2: Products and Services Offered Through Mobile Money

Product/Service	Description
Cash Power Purchase	Purchase prepaid and Post-paid electricity tokens
Airtime top up	Buy Prepaid or Post-paid airtime top up
School and Exam fees payment	Pay participating institutions directly from your mobile wallet
Saving and credit facility	Subscribers can access loans or deposit into wallets and earn interest on saving
Money Transfers	Supports both international and domestic transfers directly into wallets
Cash in/Cash out	Leveraging on existing infrastructure ATM and agents, subscribers can cash in and cash out at multiple locations
Bill payments	Pay any bill, any time any where such as water, TV Subscription etc
Insurance Service	Pay insurance premium and receive claims directly into your mobile
Bulk Payments & Transfers	Government to people-pensions and salary, Business to People- wages, and people to government-taxes
Mobile Ticketing	Purchase and receive your concert tickets, airline tickets, gambling outlets and sport betting
Merchant Payment	Pay at merchants' outlets for goods, fuel, health services etc
Wallet & Bank Account Link	Move funds from wallet to accounts and across banks

Source: CBG Data

Annex 3: Key Stakeholders and Roles

Government of The Gambia

- i. Invest in infrastructure, such as a fibre optic network for the telecommunications sector and solar panels to generate cheap electricity for urban and rural areas
- ii. Contribute to the MSME development finance
- iii. Maintain adequate security in the country and for bank branches and agents
- iv. Undertake necessary reforms (e.g. collateral reforms, consumer protection act)
- v. Set aside part of the national budget for social pensions and a minimum guaranteed pension
- vi. Institutionalize a data protection act and a new land reform act

Central Bank of The Gambia

- i. Implement an agent banking framework
- ii. Define and implement a tiered KYC framework
- iii. Commission pilots to demonstrate the business case for financial inclusion initiatives, for example, tiered KYC, no-frills accounts, agent banking, and mini-branches
- iv. Educate stakeholders on regulatory changes
- v. Promote shared services initiatives to reduce channel costs
- vi. Incentivise providers to deploy ATMs and POS in rural communities
- vii. Create incentives for MFBs to focus on serving rural communities
- viii. Increase funding available to MSME businesses through the microfinance sector
- ix. Expand financial literacy programmes and activities (including in local languages) that raise awareness about the availability and benefits of products
- x. Establish automated financial reporting for MFIs
- xi. Promote the child and youth finance framework
- xii. Enforce the deadline for terminal interoperability
- xiii. Propose expansion of the Evidence Act to make e-payments acceptable as evidence in court
- xiv. Review the framework for off-site ATMs to better align with Financial Inclusion initiatives.

Deposit Taking Banks

- i. Participate in shared service initiatives to reduce channel costs
- ii. Leverage (multifunctional) ATM and POS channels to expand reach and reduce costs
- iii. Implement mini-branch models for low-cost service in rural areas
- iv. Establish linkages for wholesale lending to MFBs
- v. Implement the agent banking model to extend outreach
- vi. Implement the tiered KYC framework
- vii. Leverage cash management initiatives e.g Cash-less to reduce transaction costs
- viii. Revise channel delivery costs to incentivise correct merchant behaviour

Development Finance Institutions (DFIs)

- i. Provide wholesale funding for lending to low-income clients
- ii. Provide capacity building to MSMEs to improve their financial literacy and credit worthiness
- iii. Implement targeted financial inclusion programmes, e.g. credit guarantees, refinancing

Bankers Association

- i. Monitor the implementation of financial inclusion in relation to banks' roles and responsibilities
- ii. Contribute to the review process of the Strategy document

Microfinance Institutions

- i. Develop innovative products for serving low-income rural residents
- ii. Participate in shared service initiatives to reduce channel costs
- iii. Leverage ATM and POS channels to expand reach and reduce costs
- iv. Implement the agent banking model to extend outreach
- v. Implement the tiered KYC framework
- vi. Take advantage of the incentive Credit Guarantee and Risk Sharing schemes
- vii. Focus on profitably delivering financial services to the poor and informal segments, to prevent mission drift

Association Insurance Companies in The Gambia – AIG

- i. Define and implement insurance literacy programmes
- ii. Enforce quick settlement of claims and sanctions for infractions
- iii. Enforce compulsory insurance products
- iv. Incentivize insurance companies to develop microinsurance products, Islamic insurance (Takaful), and index-based insurance products to serve low-income/rural individuals
- v. Define initiatives for insurance agents to increase outreach in rural areas

Insurance companies

- i. Expand the current portfolio of insurance products to better address consumer needs, for example, microinsurance, Islamic insurance (Takaful), and index-based insurance
- ii. Increase the focus on outreach and specific sectors, e.g. lower-income segments
- iii. Process and pay claims in a timely manner

Social Security and Housing Finance Corporation - SSHFC

- i. Expand and communicate consumer protection initiatives
- ii. Expand pension literacy programmes and activities to raise awareness of the availability and benefits of pension products
- iii. Create a pension framework for the informal sector
- iv. Advocate for the compulsory inclusion of regions in the current pension scheme

Gambia Postal Service (GAMPOST)

- i. Act as an agent for banks, MFIs and mobile services providers
- ii. Act as distribution centres for financial literacy materials

Gambia Bureau of Statistics

Conduct surveys and provide data on financial inclusion

Development partners

- i. Provide technical and financial assistance to the implementation of the Financial Inclusion Strategy
- ii. Monitor the implementation of the Financial Inclusion Strategy
- iii. Facilitate peer learning on financial inclusion
- iv. Provide a knowledge base for financial inclusion

Financial Inclusion Secretariat

The implementation of NFIS will be driven by a sufficiently resourced Secretariat with dedicated staff and resources. Key responsibilities of the NFIS Secretariat will be to;

- i. Coordinate stakeholder activities aimed at increasing financial inclusion
- ii. Review and revise the roles and responsibilities of stakeholders, as required
- iii. Ensure that annual reports on the progress on financial inclusion are published
- iv. Liaise with and ensure that all financial inclusion stakeholders perform their roles and responsibilities
- v. Ensure that appropriate arrangements are made for financial inclusion data gathering and publication
- vi. Maintain a database of financial inclusion in The Gambia as well as global trends in financial inclusion
- vii. Initiate necessary reviews on the Financial Inclusion Strategy and support evidence-based policy making
- viii. Track and monitor progress on financial inclusion vis-à-vis the targets set for measuring financial inclusion
- ix. Address capacity building initiatives on financial inclusion issues

Annex 4: Coordination Framework and Committees

National steering Committee (NSC)	<ul style="list-style-type: none">• The Governor/ First Deputy Governor, CBG to chair the Council• Responsible for overall strategic direction and oversight of the financial inclusion agenda.• Formed by Permanent Secretaries from relevant government ministries, Directors of regulatory authorities and government agencies, and chairperson of practitioners / associations.• Meets quarterly
National Task Force Committee (NTFC)	<ul style="list-style-type: none">• The NTFC is responsible for providing technical advice / inputs and reporting progress on the implementation of financial inclusion initiatives in the country.• formed by senior officers from relevant government ministries and agencies, regulatory authorities, practitioners and associations.• Responsible for quality control for the deliverables.• NTC meets monthly.
National Secretariate (NS)	<ul style="list-style-type: none">• The NS coordinates the implementation of the strategy on behalf of the NTFC on a day to day basis.• CBG the lead and hosting institution.• A dedicated team/unit.
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Annex 5: FinsCope Survey - The Gambia 2019



Annex 6: Desired Financial Education



Source: Finscope 2019



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