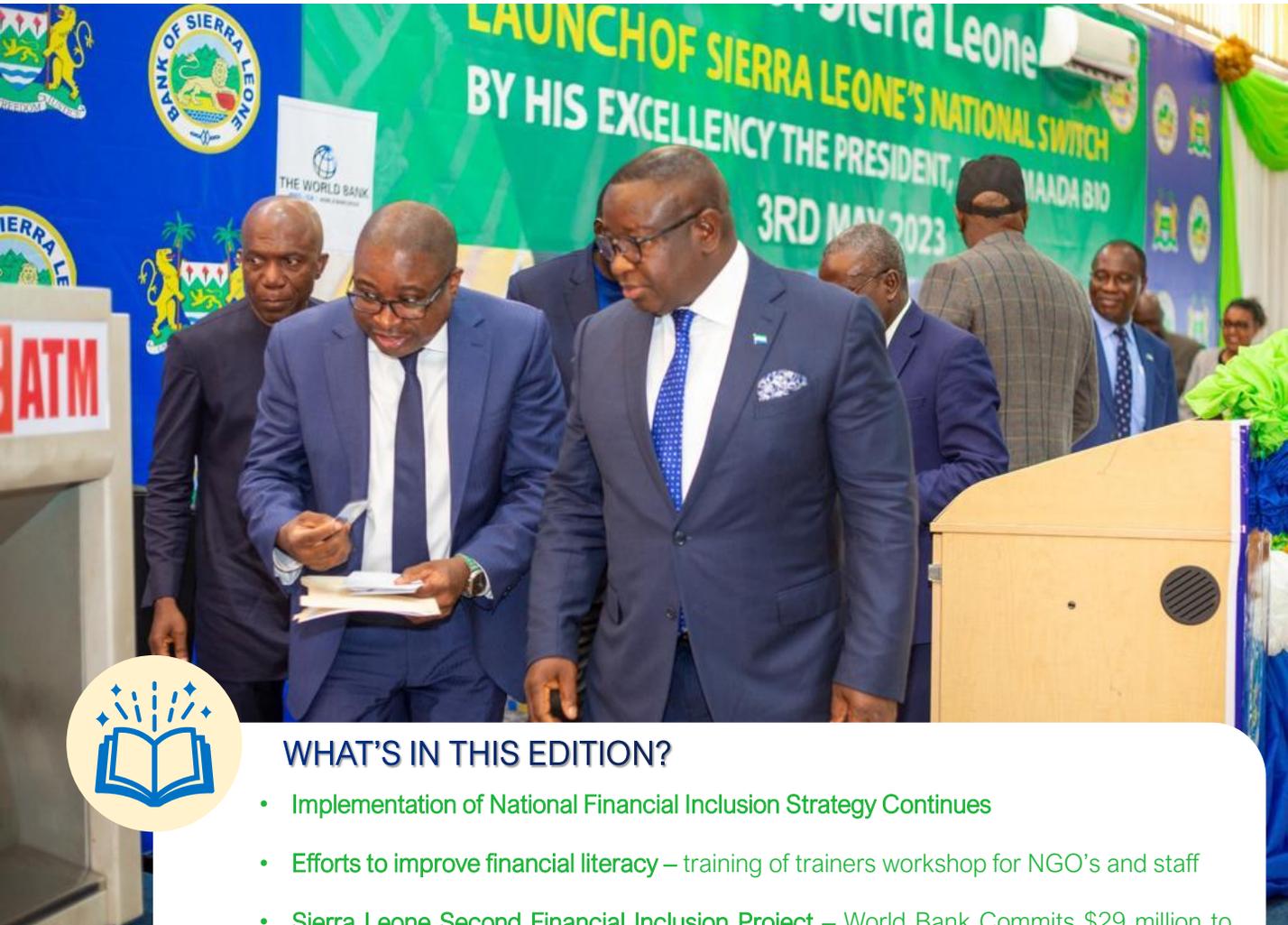




Financial Inclusion NEWSLETTER

ISSUE NO.3 • JAN/23 – JUN/23



WHAT'S IN THIS EDITION?

- **Implementation of National Financial Inclusion Strategy Continues**
- **Efforts to improve financial literacy** – training of trainers workshop for NGO's and staff
- **Sierra Leone Second Financial Inclusion Project** – World Bank Commits \$29 million to improve access to finance in Sierra Leone
- **The National Payment Switch** – digital finance and banking made simple with the launch of the national switch
- **Educating consumers on their rights and responsibilities** – BSL launched an awareness campaign on Financial Consumer Protection Guidelines
- **Advancing Women's Economic Empowerment** – launch of the Women's Banking And Micro Insurance Initiative
- **Celebrating financial inclusion** – annual leadership masterclass in financial inclusion and awards night



BSL EVENTS: PROMOTING FINANCIAL INCLUSION

Implementation of National Financial Inclusion Strategy Continues

Since the launch of the 2nd Financial Inclusion Strategy in 2022, the Bank of Sierra Leone carried the momentum into 2023 as technical working groups continued to work on the implementation of key activities under each Priority Intervention Area (PIA):

- **PIA 1 – Access to Client-Centric Financial Products & Services:** Stakeholders brainstormed key user personas and determined the needs and requirements of each one to build user-profiles. These profiles will be used to help assess current financial products in the market.
- **PIA 2 – Digital Financial Services:** With the importance of digital finance to financial inclusion, the working group has been focusing on reviving and strengthening the Sierra Leone Fintech Association. The Fintech Association will be institutionalized to support the growth of innovation in the sector.
- **PIA 3 – Financial Education, Financial Literacy & Consumer Protection:** Working group members have supported in the development of core financial literacy messaging. The messaging focuses on providing educational material for the public on key topics such as personal finance management, savings, and loans.



The World Bank commits SDR29.7 Million (USD 40 Million) to advance financial inclusion in Sierra Leone!



The Sierra Leone 2nd Financial Inclusion Project aims to promote a more inclusive and resilient financial sector for individuals and MSMEs. The project will facilitate the adoption and usage of basic transaction accounts at formal financial institutions or mobile money providers. In addition, the project will promote sustainable access to innovative affordable credit for MSMEs targeting women-led businesses and those at risk from climate change.

The Bank of Sierra Leone is looking forward to begin implementing this project in the second half of 2023!



Ajay Banga, President, World Bank Group

REVIEW AND VALIDATION WORKSHOP ON THE MANUAL FOR MARKET CONDUCT SUPERVISION

With more priority on financial inclusion and consumer protection, the Bank of Sierra Leone has been developing a Manual for Market Conduct Supervision. Market conduct focuses on supervising and evaluating financial service providers on how they conduct their business operations to ensure that financial institutions are operating in a fair and transparent manner.

The manual promotes fair competition, consumer protection and financial stability. It extends beyond consumer protection guidelines and focuses on environmental, social and corporate governance compliance, broader business operations and best practices for financial institutions.



A validation workshop was held in February 2023 where a draft manual was presented to financial service providers. The FSPs had the opportunity to review and discuss the manual as it will help them understand how to navigate their business operations.

FINANCIAL LITERACY AND EDUCATION TRAINING FOR NGOS

In March 2023, BSL conducted a Financial Literacy and Education training of trainers (TOT) for NGOs that are engaged in promoting financial literacy. The training educated NGO and CSO staff on elementary financial concepts and terms. The training also shed light on different regulations and guidelines that have been introduced by the BSL.

With disseminating accurate financial education messages to NGO and CSO staff, they can then convey the messages to their beneficiaries to further promote financial inclusion.



FINANCIAL CONSUMER PROTECTION GUIDELINES AWARENESS CAMPAIGN

After releasing the new Financial Consumer Protection Guidelines in 2022, the Bank of Sierra Leone embarked on a national campaign for 6-months to promote and raise awareness for these Guidelines. The Financial Consumer Protection Guidelines are designed to help protect the consumer from any unfair treatment, malpractice, and misinformation from financial institutions. The Guidelines ensure that FSPs have internal policies for consumer protection and have designated complaints units to help improve customer satisfaction.

The complete Guidelines can be found on the BSL website (www.bsl.gov.sl)



FINANCIAL INCLUSION LEADERSHIP MASTERCLASS & AWARDS NIGHT



The Financial Inclusion Advocacy Center organized a financial inclusion masterclass from 31st May to 2nd June 2023, at the New Brookfields Hotel, Freetown.

The three-day training program provided a platform for participants to develop the theoretical and practical skills necessary to improve the performance of their organizations. It also covered areas considered to be critical success factors for financial institutions and the role of fintechs and the regulators in promoting financial inclusion. This included topics such as inclusive green finance, central bank digital currencies, and ways to support low-income and vulnerable communities respond to climate change.



The event was well attended by senior staff of Bank of Sierra Leone, MFIs, financial inclusion specialists, community banks, FSAs, commercial banks, mobile money operators and other key stakeholders in Sierra Leone. The training program was concluded with an award ceremony celebrating key players for their contributions to financial inclusion in Sierra Leone.

LAUNCH OF THE WOMEN'S BANKING AND MICRO INSURANCE INITIATIVE

In complementing the Bank's effort to promote financial inclusion, in March 2023 Susue Women's Finance partnered with the Sierra Leone Commercial Bank, Afrimoney, and Aureol Insurance Company to launch the "Women's Banking and Micro Insurance Initiative" at the Bank of Sierra Leone Staff Recreational Complex, Kingtom.

This initiative focuses on advancing women's economic empowerment through the development of client-centric products specifically for market women. These institutions worked together to improve access to finance for women entrepreneurs by assisting to provide credit to low-income women in both formal and informal sector.



Nassu Fofanah, Founder of Susue Women's Finance with staff from Sierra Leone Commercial Bank

UPDATES ON GEOSPATIAL MAPPING OF FINANCIAL ACCESS POINTS

The Bank of Sierra Leone has continued to implement and update the geospatial mapping of financial access points in the country.

The geospatial project, supported by World Bank, includes the development of a mobile and web application to allow for continuous update of financial access points data.

In May 2023, the project consultant held workshops at the Bank of Sierra Leone, to update the Bank and other stakeholders on the current database on financial access points from all regulated financial institutions.



A live demonstration of the mobile app and the dashboard was conducted to stakeholders and staff of financial institutions were trained to use the app to continuously monitor and update their financial access points to the database.

SALONE PAYMENT SWITCH: ADVANCING DIGITAL FINANCE IN SIERRA LEONE

With the increased focus on leverage technology and digital finance, the Bank of Sierra Leone launched its National Payment Switch in May 2023 with support from the World Bank. The long-awaited National Switch is an industry-changing initiative that will improve the financial sector and improve financial inclusion in Sierra Leone. The National Payment Switch, called the Salone Payment Switch, is just one part in an instrumental World Bank project to improve financial inclusion and digitalization in the country.

The Salone Payment Switch allows buyers (users) and sellers of financial products and services to transact across channels such as ATMs and POS terminals in Sierra Leone. The Switch routes all transactions irrespective of the financial service provider used to a central switch (Salone Payment Switch) for settlement at the Bank of Sierra Leone.



WHAT IS A NATIONAL PAYMENT SWITCH?

A National Switch is a platform that facilitates interconnection and interoperability between payment channels of various players in the financial landscape. Initially, commercial banks were not interconnected – making it difficult for customers to conduct transactions between different banks. However, with a National Payment Switch, commercial banks are now interconnected making it easier for interbank transactions. These transactions can occur at variety of channels such as ATMs and POS terminals.

WHO WILL BENEFIT FROM THE SWITCH AND HOW?

The National Payment Switch will benefit everyone including businesses, ministries, departments, agencies (MDAs) and consumers by providing:

- Ease and convenience of processing transactions without cash
- Accurate and timely payments and financial transactions data
- Transparency in financial transactions, improved revenue collection for government agencies
- Shared network between financial service providers to help reduce cost of transactions, and more payment facilities for customers



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HOW WILL THE SALONE PAYMENT SWITCH BE IMPLEMENTED AND IMPACT MY CURRENT BANKING?

The Salone payment Switch is being implemented in three phases:

1

Phase I (launched in April 2023) focuses on the interoperability of ATMs and POS terminals. This allows for transactions to be conducted on any ATM or POS regardless of the bank card being used or bank account.

2

Phase II will include instant payments which will integrate mobile money operators, other fintechs and bank accounts so customers can make instant payment using any of these facilities from any location.

3

Phase III focuses on opening to the international gateway. This will allow for individuals to easily make international transactions from their bank accounts in Sierra Leone to bank accounts globally.



Following the successful implementation of all the phases, the National Switch will allow for direct transactions between:

- Accounts at different banks
- Different mobile money operators
- Settlement of funds for transactions across schemes, between schemes and banks.

We are grateful for the technical and financial support that the World Bank has provided to make this initiative become a reality. We look forward to the impact that the Switch will have on the financial sector and on financial inclusion in Sierra Leone.



FINANCIAL INCLUSION EXPERT'S CORNER:
INSIGHTS & RESOURCES**“New Year, New Habits”**: 5 Tips to Save Money in 2023

It is a good time to think about saving money. An easy way to view 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

***Fo sev mōni fo bi di tin we yu fo put fōs – 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 fo get mōni o fo sev mōni – 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

***eat smōl sev smōl – Spend some, save some***

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 you start spending.

5

***Kip yu mōni 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 keep your money safe.



5TH WESTERN AFRICA REGIONAL FORUM OF CREDIT UNIONS

Sierra Leone hosted the 5th Western Africa Regional Forum of Credit Unions at the Sierra Palms Resort, Freetown from 12th-15th April 2023. The theme was “Financial Co-operatives Harnessing Resources to Promote Economic Resilience in Communities”.



The main objective of the conference was to empower credit unions to build financial capability and sustainability to enhance socio-economic development at the household and the community levels.

The meeting attracted staff from the Bank of Sierra Leone and Credit Unions across Sierra Leone, Liberia, The Gambia, Ghana, Malawi and Kenya. The meeting ensured participants developed the skills on how to encourage innovative strategies of building community social and economic resources through the Savings and Credit Co-operatives (SACCO) business model, promote professionalism and excellence that will encourage members loyalty and growth and the ability to build partnerships and alliances through collaboration among SACCO stakeholders.



UPCOMING FINANCIAL INCLUSION ACTIVITIES

- **Restructuring of the Sierra Leone Fintech Association**
Restructuring and rebranding of the Sierra Leone Fintech Association under the implementation of the National Strategy for Financial Inclusion (2022 – 2026).
- **Development of BSL-approved financial literacy core messaging**
BSL-approved financial literacy core messaging will be launched in the second half of 2023, with animated videos, flyers and jingles to follow.
- **Conducting a baseline survey on financial inclusion**
Conducting a baseline Survey on the current state of financial inclusion within Sierra Leone and identify the barriers and challenges to improving financial inclusion.
- **Development of MSME Credit Guidelines**
Developing a credit guidelines for MSMEs to improve access to finance.
- **Implementation of updated geospatial project**
Report on implementation of updated geospatial project will be provided in the subsequent edition of the Newsletter.

Contributors and Appreciation Message:

The Financial Inclusion Newsletter initiative would not have been possible without the continued support and guidance from the Acting Governor of Bank of Sierra Leone, Dr. Ibrahim Stevens and Deputy Governor Mr. 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 UNCDF for their continued support to the FSDU and the BSL over the years.

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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