CSEA
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Deepening Regional Economic Integration Through Cross-Border Payments, Fintech, Infrastructure, and Policy Coordination in Africa.

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Key objectives guiding the analysis

01

Current state of integration in Africa)

02

The role of digital financial integration as a connector

03

Policy recommendations

Executive Summary

Africa Has Built a Market - but Not Yet a Single Financial Space

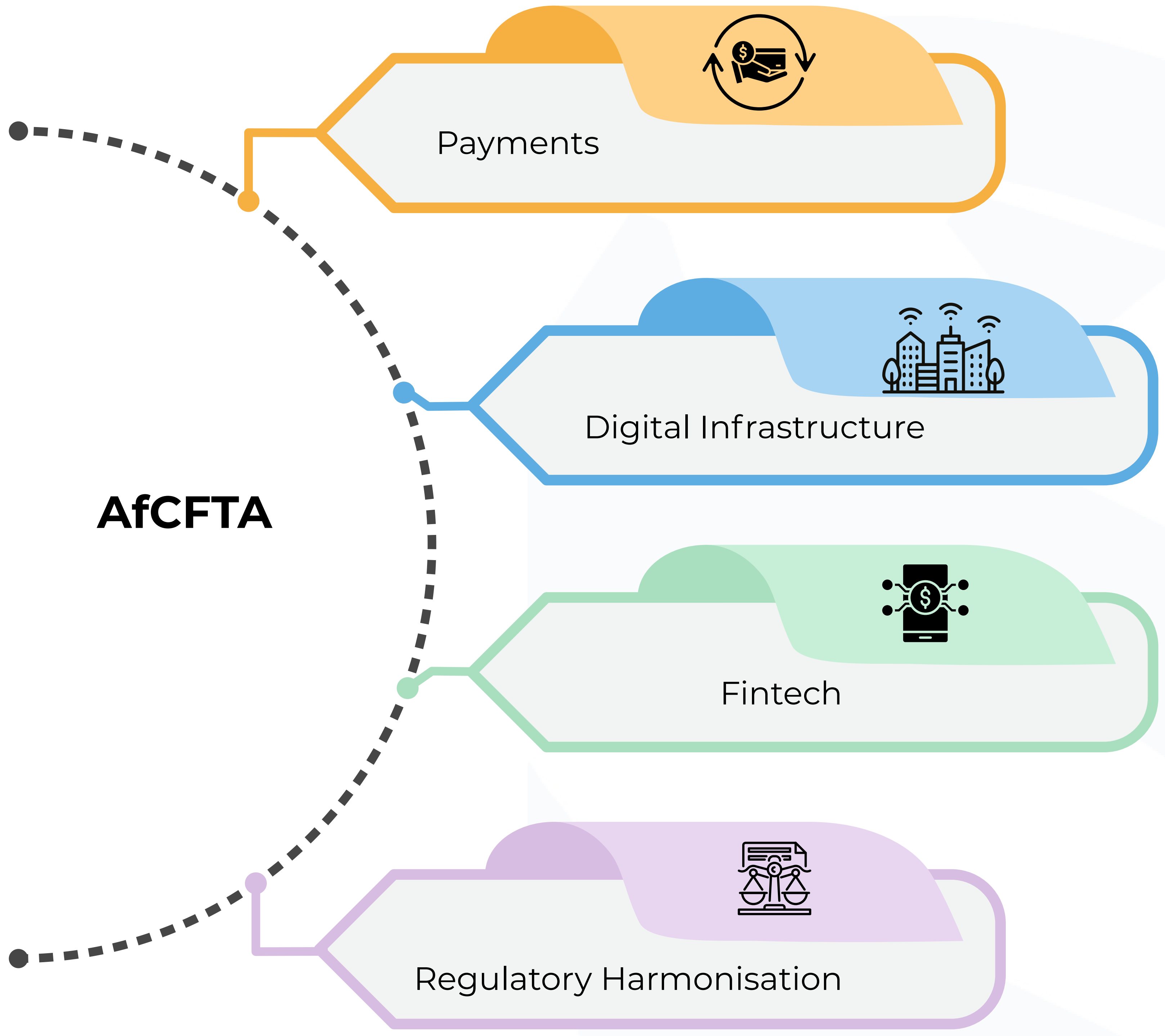
Key Message

Africa has made remarkable progress through the AfCFTA.

However

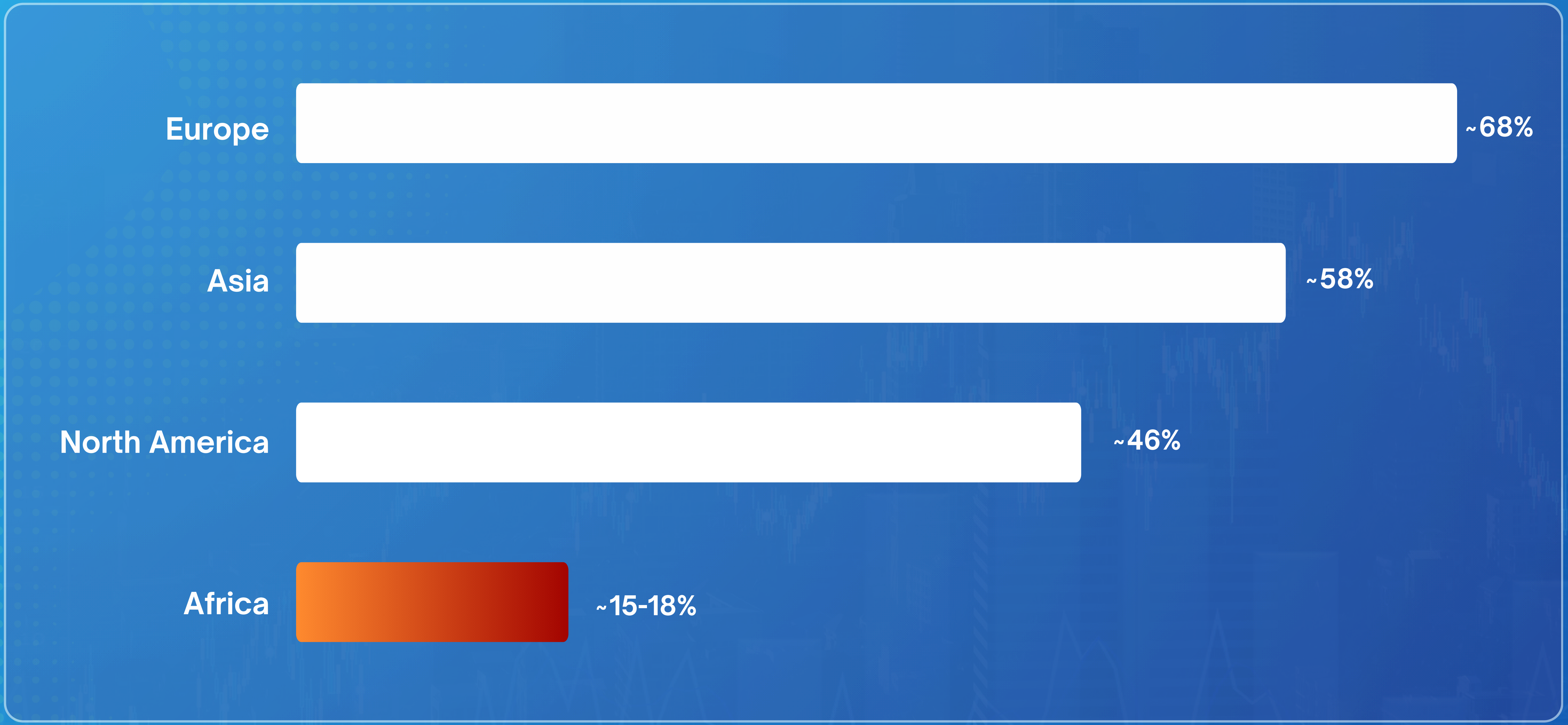
- Goods still face payment barriers;
- Financial systems remain fragmented;
- Digital infrastructure is uneven;
- Regulatory frameworks are poorly harmonised.

Digital financial integration is therefore the missing pillar of Africa's economic integration agenda.



Why This Matters?

Africa trades less with itself than any other major region



The challenge is no longer market access.
It is the cost and friction of moving money across borders.

Africa's Integration Paradox

Progress

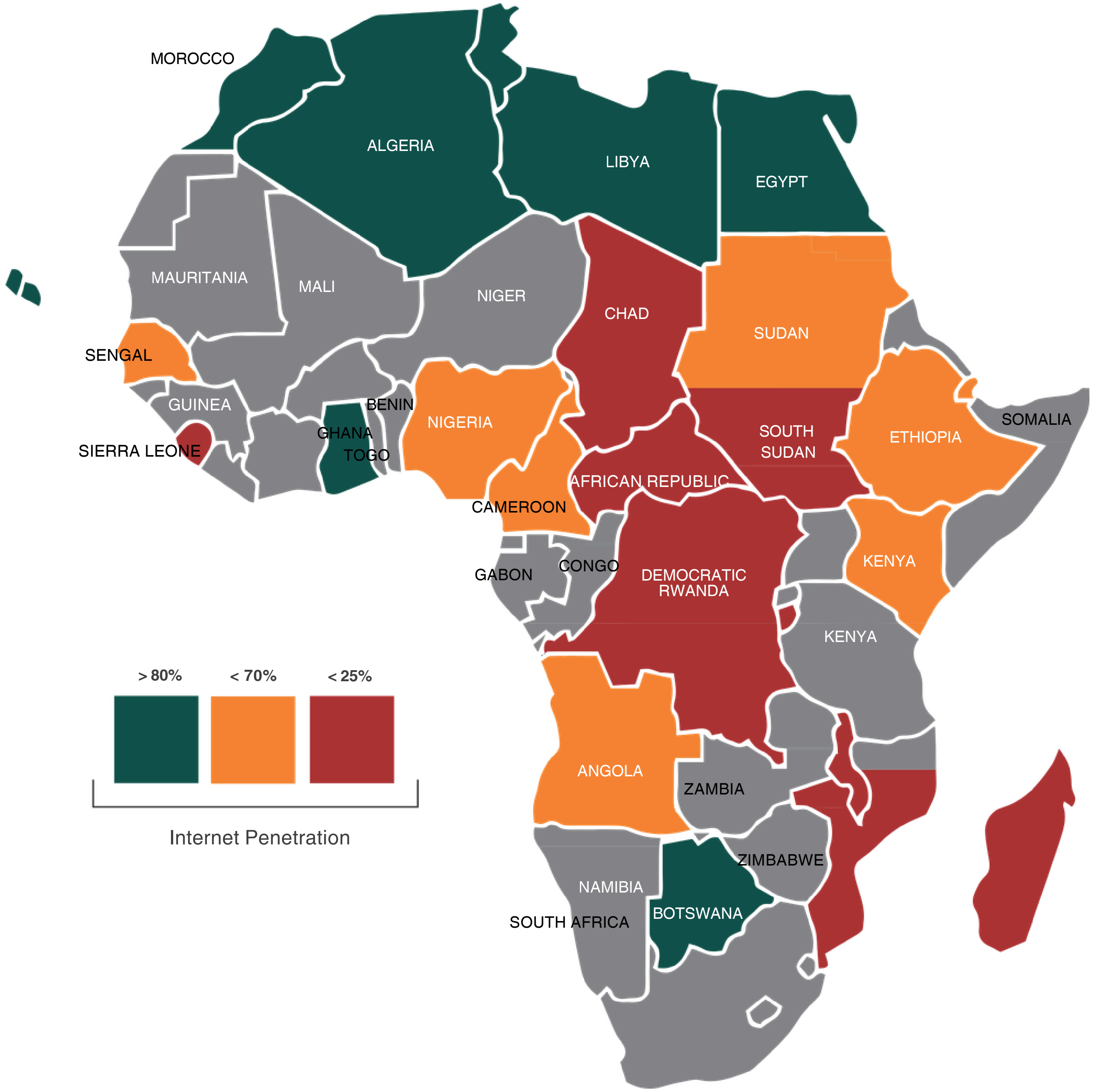
- AfCFTA operational
- Financial inclusion expanded to 58% of adults
- Mobile money adoption reached 40%
- Rapid fintech growth

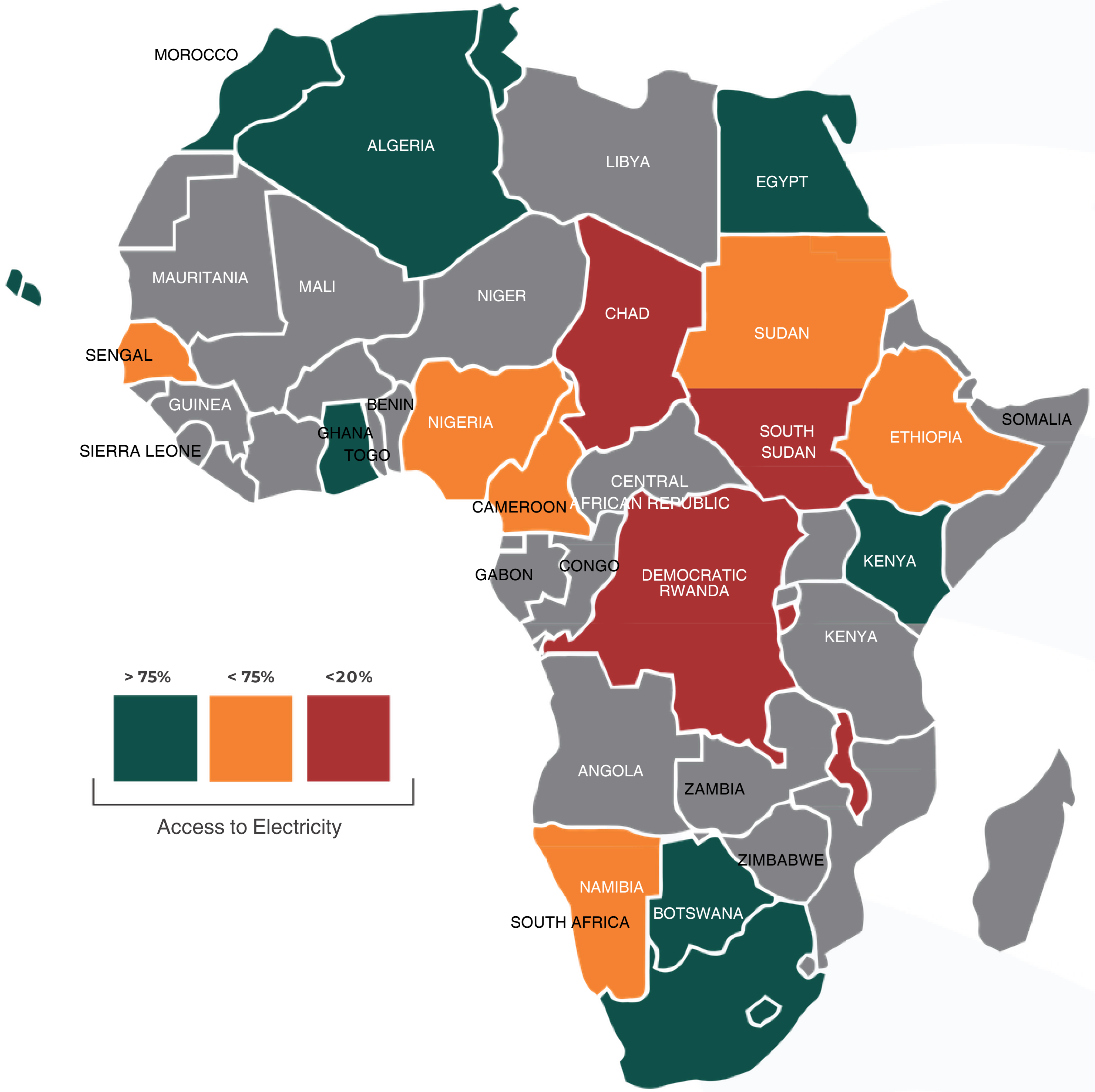
Remaining Gaps

- Cross-border payment interoperability remains limited
- Digital infrastructure is uneven
- Regulatory harmonisation lags
- Trade costs remain high

The core argument is that progress in one area is constrained by weaknesses in others.

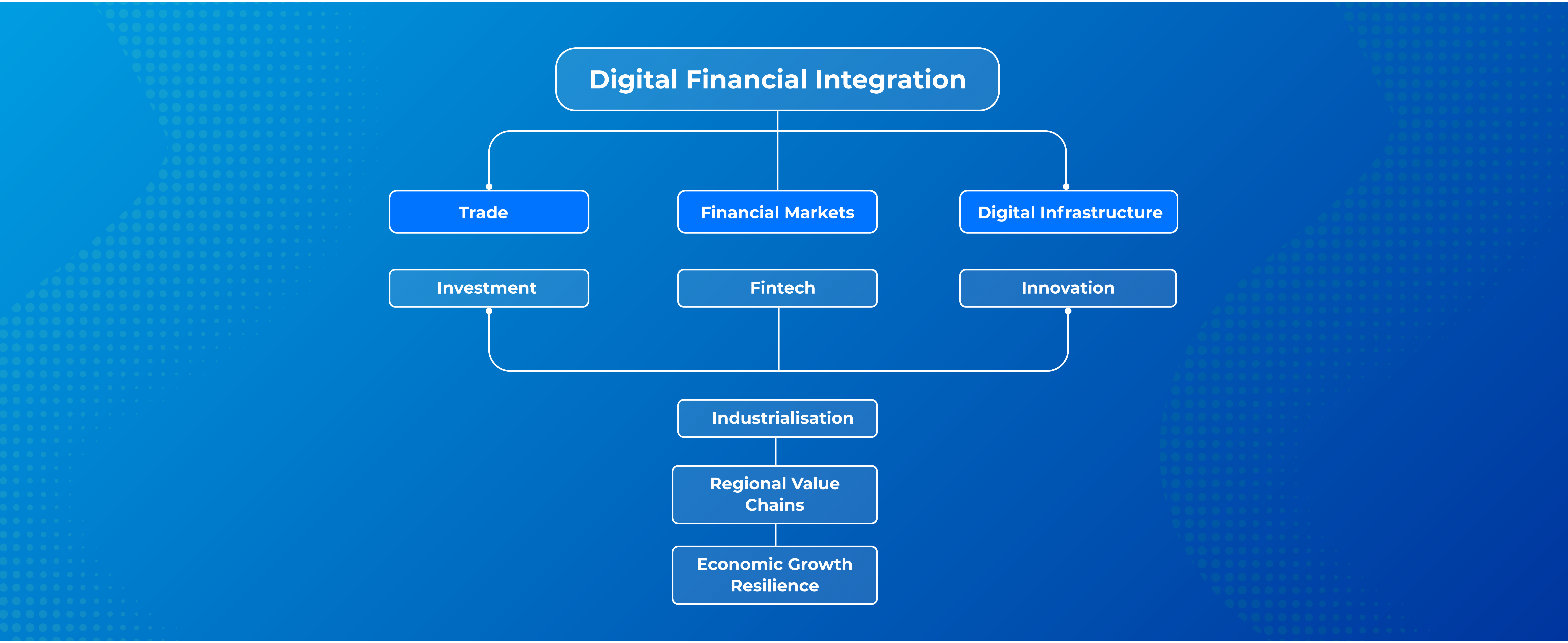
Integration and Infrastructure Indicators





The Central Thesis

Africa’s Integration Challenge is Systemic



Digital financial integration is the connective infrastructure that links trade, finance, technology, investment, and public institutions into a single regional economic system.

Sectoral Linkages

Trade

Digital financial integration enables:

- seamless cross-border payments;
- reduced settlement costs;
- faster customs clearance;
- increased SME participation in regional trade.

Outcome:
Higher intra-African trade under the AfCFTA.

Financial Sector

Digital financial integration promotes:

- interoperable payment systems;
- local currency settlement through PAPSS;
- financial inclusion;
- cross-border banking.

Outcome
Lower transaction costs and deeper regional financial markets.

Digital Infrastructure

Reliable broadband, cloud services, digital identity, and cybersecurity underpin interoperable financial systems.

Outcome

Greater connectivity, lower latency, and more efficient digital commerce.

Fintech Ecosystem

Fintech firms extend payment solutions, digital lending, remittances, and insurance to underserved populations.

Outcome
Expanded access to finance, especially for SMEs, women, and young entrepreneurs.

Investment and Capital Markets

Integrated financial systems improve investor confidence by reducing currency and settlement risks.

Outcome
Higher intra-African investment flows and stronger regional capital markets.

Industrialisation

Efficient payments reduce supply chain costs and strengthen regional value chains.

Outcome
Greater domestic value addition and export competitiveness.

From Fragmentation to Integration

CURRENT AFRICA

- Multiple payment systems
- Currency conversion
- High transaction costs
- Slow settlement
- Regulatory inconsistencies

INTEGRATED AFRICA

- **PAPSS**
- **Local currency settlement**
- **Interoperable payments**
- **Harmonised regulation**
- **Lower trade costs**

A Five-Pillar Policy Framework

01 Expand PAPSS & local-currency settlements

02 Invest in broadband, fibre & regional infrastructure

03 Prioritise interoperability across banks, mobile money & fintech

04 Harmonise digital payment, cybersecurity & data governance standards

05 Embed digital financial integration within national development strategies

Who Should Lead?

Afreximbank
PAPSS expansion

African Development Bank
Infrastructure finance

AU Commission
Policy coordination

AfCFTA Secretariat
Regulatory alignment

Central Banks
Payment interoperability

Private Sector
Innovation and investment

Strategic Roadmap

A timeline with three phases.

Short Term (2026–2028)

- Expand PAPSS
- Digitise customs
- Harmonise payment standards

01

Medium Term (2028–2032)

- Regional regulatory sandboxes
- Continental digital identity
- Cross-border interoperability

02

Long Term (2032+)

- Integrated African Digital Financial Market
- Local currency settlement ecosystem
- Resilient regional value chains

03

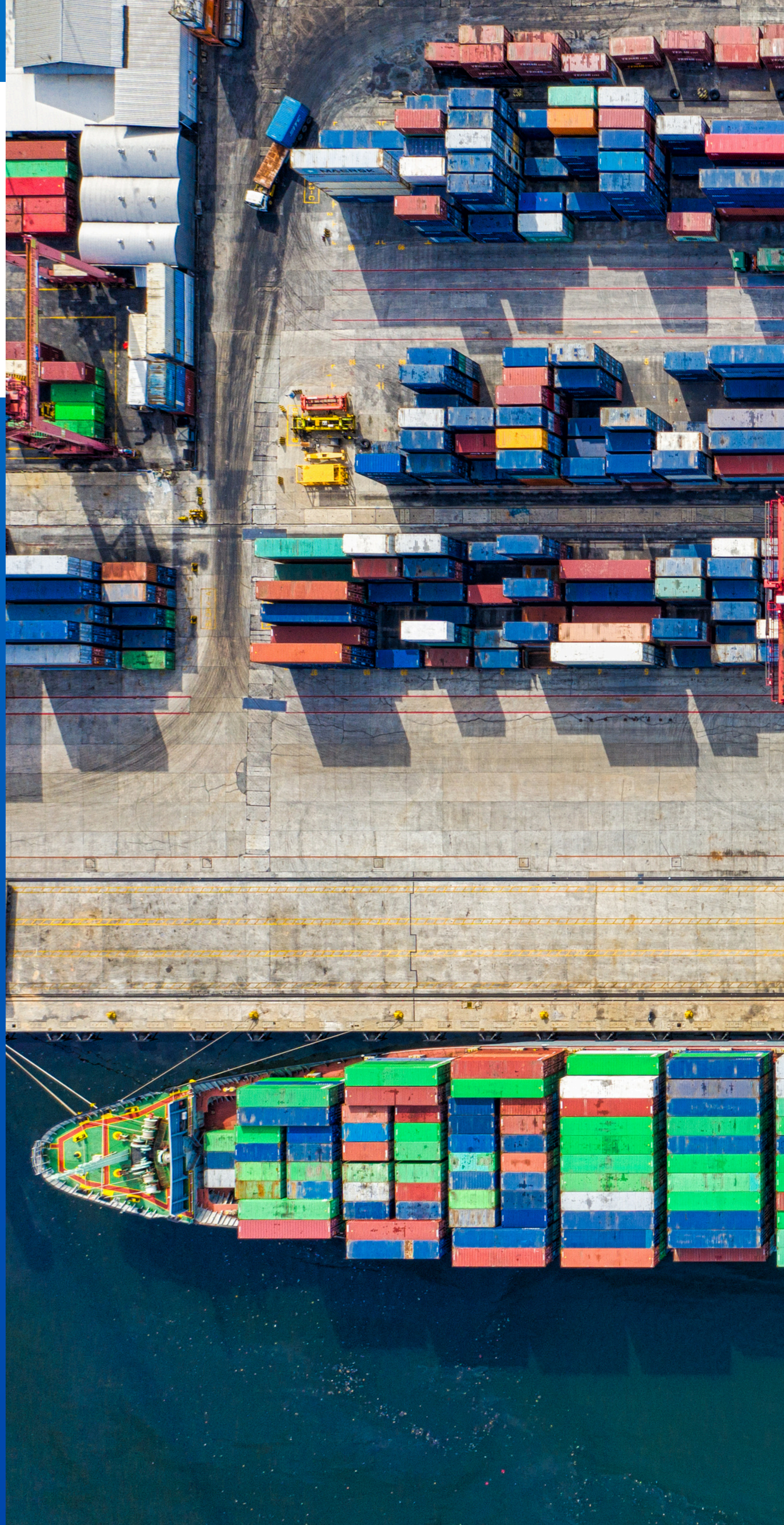
Closing Message

The Next Frontier of African Integration

The success of the AfCFTA will depend not only on removing tariffs, but on removing the financial, digital and regulatory barriers that continue to divide African markets.

Three concise takeaways:

- **Integrate Payments**
- **Connect Infrastructure**
- **Harmonise Regulation**



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Thank you for listening.

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