Digital Currency Innovations in Sub-Saharan Africa

Digital currencies are popular in Africa

- **$698bn** mobile money transactions
- **12** national central banks and **2** regional banks considering CBDCs
- **$20bn** cryptocurrency trade in May 2021 (peak)

...and there are several digital payment instruments

- **1,194** subscribers per 1,000 adults
- **+122%** growth over the past 5 years!

CBDCs and mobile money offer more benefits and less risk than crypto

**RISKS**
- Capital outflow
- Financial instability
- Macroeconomic instability

**BENEFITS**
- Payment efficiency
- Financial inclusion
- Facilitate remittances

Country circumstances should inform policy decisions

- Extent of oversight and regulations to mitigate financial instability and financial integrity risks
- Capital outflow vulnerability
- Compatibility with monetary union membership
- Central bank capacity
- Existence of appropriate digital infrastructure