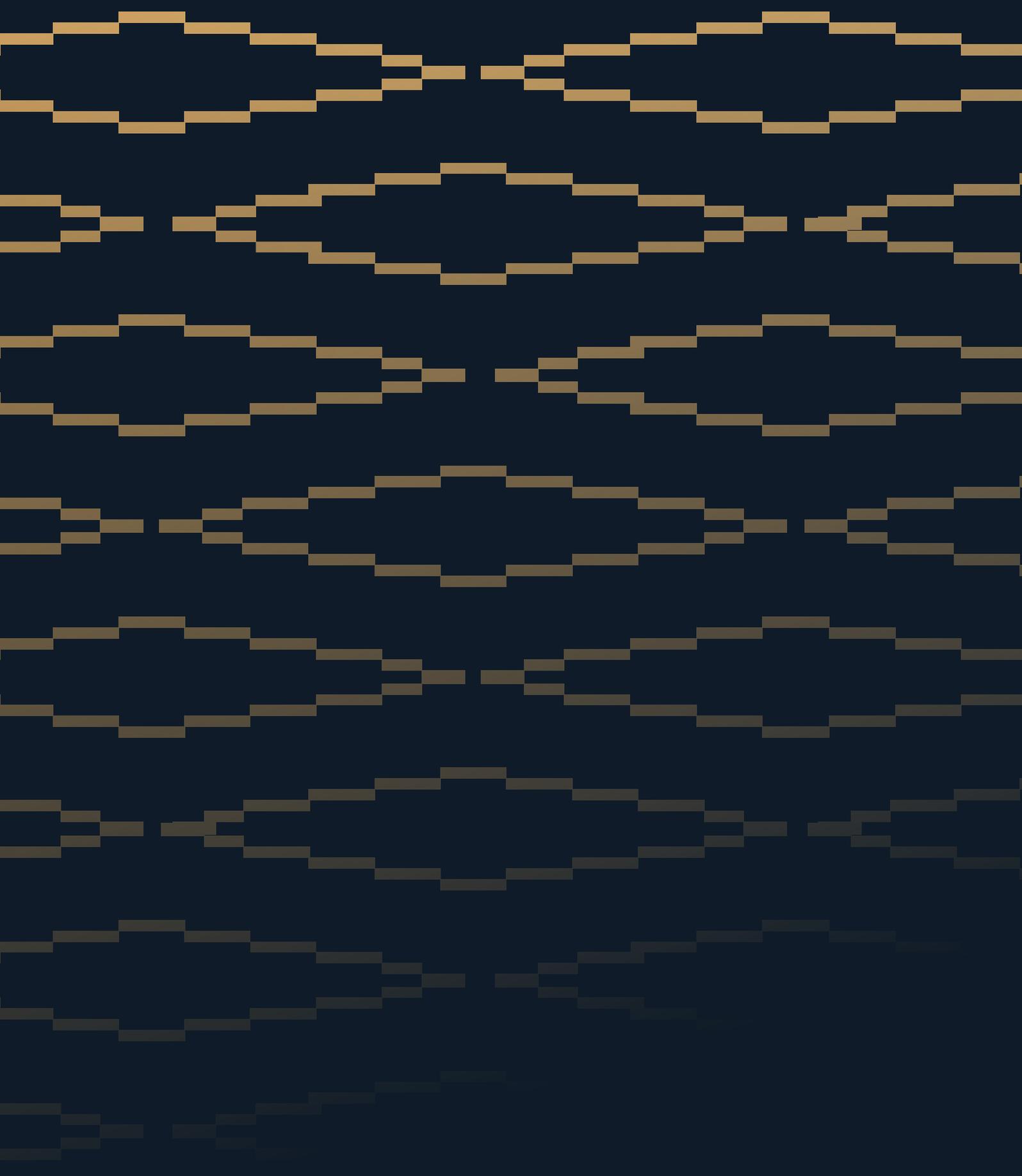


NATIONAL DIGITAL PAYMENTS STRATEGY 2026-2030



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NATIONAL BANK OF ETHIOPIA

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NATIONAL DIGITAL PAYMENTS STRATEGY

2026-2030

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H.E. Dr. Eyob Tekalign Tolina (PhD)
Governor
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The global financial landscape is rapidly evolving, driven by technological advancements that are reshaping how nations, businesses, and individuals transact. Ethiopia has embraced this digital transformation, achieving significant milestones in building a foundational ecosystem for digital payments. The journey we embarked upon with the inaugural National Digital Payments Strategy (2021–2024) has yielded remarkable progress, from the establishment of critical infrastructure to regulatory reforms that have welcomed new players and fostered innovation.

Despite these achievements, our work is far from complete. While access to financial accounts has grown exponentially, active usage remains a challenge we must address to realize the full benefits of a digital economy. The National Bank of Ethiopia recognizes that a truly inclusive financial system requires not just infrastructure, but trust, accessibility, and relevance to the daily lives of all Ethiopians.

This new National Digital Payments Strategy (2026–2029) charts the course for the next phase of our transformation. Developed through extensive consultation with stakeholders across the public and private sectors, this strategy shifts our focus from access to active usage. It aims to bridge the digital divide between urban and rural communities, narrow the gender gap in financial inclusion, and ensure that digital payments serve as a secure gateway to broader economic opportunities.

Our vision is clear: to evolve Ethiopia’s digital payments landscape into an inclusive, trusted, and integrated ecosystem. This strategy outlines concrete actions to harden security, foster responsible innovation, and enhance the capabilities of our human capital. It is deeply aligned with our broader national development goals, including the Homegrown Economic Reform Agenda and Digital Ethiopia 2030, ensuring a coordinated approach to national prosperity.

The successful implementation of this strategy will require the unwavering commitment and collaboration of all ecosystem participants. I am confident that by working together, we can overcome the remaining barriers and build a resilient digital payment system that empowers every citizen and propels Ethiopia toward a more inclusive and prosperous future.

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1. INTRODUCTION

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Across Africa, a profound shift towards digital payments is reshaping economies and societies. This transition is increasingly being guided by deliberate, forward-looking national strategies. Strategic roadmaps in African economies such as Kenya's National Payments Strategy 2022-2025, Nigeria's Payments System Vision 2025, and South Africa's Digital Payments Roadmap 2024 articulate a shared ambition for the future of payments. Common themes across these strategies include modernizing national payment infrastructure, strengthening security and resilience, promoting system-wide interoperability, and accelerating the transition to digital payments for financial and economic inclusion. This continental trend underscores the strategic importance of a coordinated national approach to harnessing the transformative power of digital finance.

The benefits of this digital transition are compelling and multi-faceted. For national economies, digital payments boost growth by formalizing commerce, increasing the velocity of money, and improving revenue collection efficiency. For businesses, they reduce the risks and costs of handling cash while creating a digital transaction history that can unlock access to credit. For governments, digitizing payments enhances the transparency and efficiency of public finance, ensuring social transfers reach their intended recipients and streamlining revenue collection. Most importantly, for individuals, digital payments provide a safer, more convenient, inclusive, and affordable way to manage their finances, serving as a crucial gateway to a broader suite of financial services like savings, credit, investment, and insurance that build household resilience and economic empowerment.

In pursuit of these benefits, and in line with this continental momentum, the National Bank of Ethiopia embarked on its own coordinated effort to transform Ethiopia's payments landscape through its inaugural National Digital Payments Strategy 2021-2024.

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ETHIOPIA'S DIGITAL PAYMENTS JOURNEY (2021-2024)

The implementation of Ethiopia's first National Digital Payments Strategy from 2021 to 2024 marked a period of foundational transformation for the nation's financial ecosystem. The strategy successfully targeted critical barriers across infrastructure, adoption, and regulation, achieving significant milestones and setting the stage for future growth.

Key landmarks from this period include:

- **Growth in Transaction Accounts and Transactions:** The strategy period witnessed substantial growth in the uptake of digital financial services. The number of mobile money accounts grew from 12.2 million in 2020 to 139.5 million in 2025, while mobile banking accounts increased from 9.1 million to 54 million in the same period. This growth in access was accompanied by an increase in transaction volumes and values. Between 2020 and 2025, annual digital transaction volumes and values grew at a compound annual growth rate of 146% and 161% respectively.¹
- **Modernization of National Payment Infrastructure:** A cornerstone achievement was the launch and operationalization of critical infrastructure. The Ethiopia Instant Payment System (EIPS) by the national switch, EthSwitch, became a reality, enabling real-time, 24/7 transfers between participating institutions. The Ethiopian Automated Transfer System (EATS) was upgraded to the ISO 20022 messaging standard, enhancing efficiency and security. Furthermore, a National Payment Gateway was launched to support e-commerce.
- **Regulatory Liberalization and Market Entry:** The regulatory environment evolved significantly. The landmark National Payment System (Amendment) Proclamation No. 1282/2023 opened the door for foreign investment, enabling Safaricom's M-Pesa's entry. The Licensing & Authorization of Payment Instrument Issuers Directive No. ONPS/01/2020 was progressively updated, enabling non-bank entities to participate, raising transaction limits, and mandating interoperability.
- **Digitization of Catalytic Use Cases beyond Person to Person (P2P):** The mandatory digitization of fuel payments proved to be a powerful catalyst, processing over ETB 176 billion between August 2024 and May 2025.² Significant progress was also made in digitizing government-to-person (G2P) and person-to-government (P2G) payments, with over 130 services digitized and 1.5 million households receiving social welfare payments electronically.³

These foundational achievements in infrastructure, regulation, and market development have fundamentally reshaped Ethiopia's digital payments sector, giving rise to the dynamic and increasingly interconnected ecosystem of providers and platforms that exists today.

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OVERVIEW OF THE LANDSCAPE

Ethiopia's digital payments ecosystem is now a dynamic landscape of established and emerging players operating on an increasingly interoperable infrastructure.

Key Participants

The ecosystem is guided by policymakers like the National Bank of Ethiopia (NBE), Ministry of Finance, and Ministry of Innovation and Technology. The operational landscape includes 32 banks, 54 Microfinance Institutions (MFIs), 6 non-bank Payment Instrument Issuers (PIIs) including the state-owned Telebirr and the private M-Pesa, and 14 licensed Payment System Operators (PSOs) driving merchant acceptance.⁴ A network of over 540,000 mobile money agents forms the crucial last-mile link for cash-in/cash-out (CICO) services.⁵

Core Infrastructure

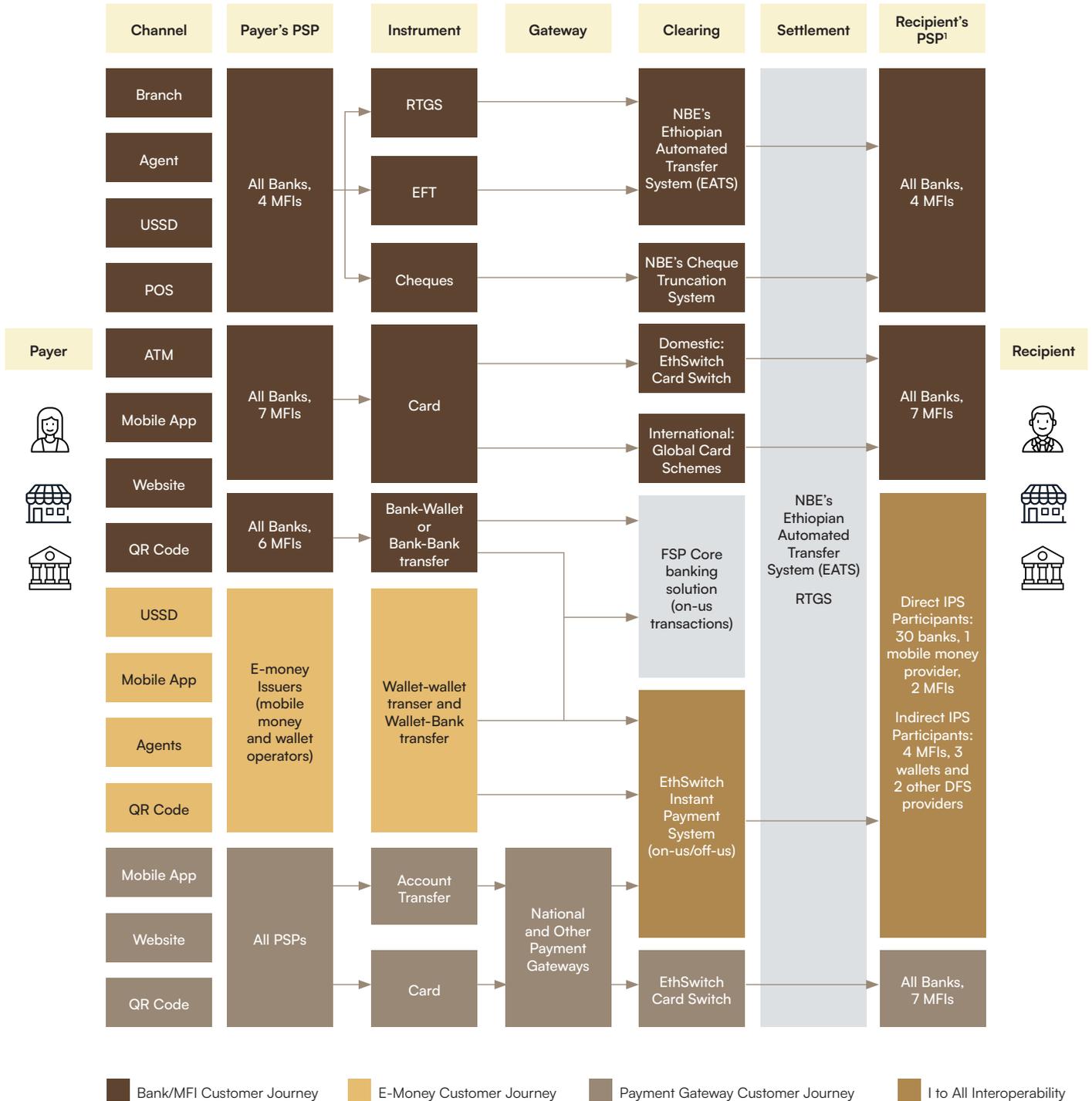
The architecture of the payment system is comprised of several interconnected layers that work together to enable the seamless flow of transactions:

- **Core Financial Service Provider (FSP) Systems:** This is the foundational layer where all customer accounts and ledgers are maintained. The core banking and mobile money platforms of banks, MFIs, and PIIs are the systems of record that serve as the ultimate source and destination of all funds in the ecosystem.
- **Ethiopian Automated Transfer System (EATS):** Operated by the NBE, this system is the backbone for large-value and bulk transactions. Its Real-Time Gross Settlement (RTGS) component provides final and irrevocable settlement for all high-value interbank payments, ensuring financial stability. Its Automated Clearing House (ACH) component processes bulk, low-value payments like salaries and direct debits.
- **Ethiopia Instant Payment System (IPS):** This is the interoperable, irrevocable and real-time system for retail payments. Operating 24/7, the IPS enables instant account-to-account transfers (P2P, P2B, B2P) between customers of different FSPs, which is critical for creating a modern and convenient payment experience.
- **EthSwitch Card Switch:** This system ensures interoperability for domestic card-based transactions. It routes payments from POS terminals and ATMs, allowing a card issued by one bank to be used at a device owned by another.
- **National Payment Gateway (NPG):** Also operated by EthSwitch, the NPG is a crucial enabler for e-commerce. It acts as a secure bridge, connecting online merchants, their customers, and various FSPs to authorize and process online payments efficiently. In addition, several licensed POS & payment gateway operators such as Arif Pay, Chapa, Santim Pay, Addis Pay, and Yagout Pay now operate in the market, with further potential operators in the pilot phase.

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Figure 1 below shows how the various core infrastructures connect to provide end-to-end digital payments, including interoperable payments across domains, channels, and instruments.

Figure 1: Architecture of a Customer’s Journey Through Ethiopia’s Digital Payment System



1. Recipients may accept digital payments from a range of instruments via payment aggregators or directly through integrations with PSPs or accounts held at PSPs.

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ECOSYSTEM CHALLENGES

While NDPS (2021–2024) was highly effective in establishing foundational access, its evaluation highlighted the next strategic frontier: transitioning from a focus on access to driving active usage across all segments of the population. The 2024 World Bank Findex data reveals the scale of this challenge: only 21% of adults made or received a digital payment in the past year despite expanded account ownership and aggregate transaction volumes and values between 2021 and 2024.⁶ Moving beyond basic access and active, inclusive usage requires a direct confrontation with the following core ecosystem challenges.

Security, Resilience, and Consumer Protection

The ecosystem's rapid growth has been accompanied by rising security threats, with fraud losses reaching ETB 1.3 billion in 2024.⁷ The prevalence of social engineering fraud, which exploits low digital literacy, erodes consumer trust. In addition, in the first half of 2024, there were 4,623 attempted cyberattacks targeting government and private organizations in Ethiopia, which represents a 115% increase compared to the same period in 2023.⁸ These security challenges are compounded by the absence of a specific regulatory framework that defines liability and establishes clear compensation mechanisms for fraud victims, leaving consumers with slow and often ineffective recourse.

Digital and Financial Literacy and Human Skills

A widespread lack of digital and financial literacy is a primary barrier to both adoption and safe usage of digital payments. 66% of women and 60% of men do not use mobile money because they do not know how, a significantly higher barrier than in peer countries like Nigeria (~30%) and Kenya (<15%).⁹ This skills gap not only limits uptake but also increases vulnerability to scams and erodes confidence in the digital ecosystem.

Limited Acquiring Infrastructure and Merchant Acceptance of Digital Payments

The merchant acceptance network remains underdeveloped, limiting the utility of holding digital value. As of June 2024, there were only 14,030 POS terminals nationwide for an economy with an estimated 2 million MSMEs.¹⁰ This density of 18 POS terminals per 100,000 adults trails far behind peers like Kenya (136) and Nigeria (2,139). Consequently, merchant payment rails accounted for a negligible 0.16% of the total value of digital transactions in 2023/24, hindering the network effects required for digital payments to become a viable, everyday alternative to cash.¹¹

Low Activity Rates of Transactional Accounts

A significant gap persists between account ownership and usage, indicating that access alone is not sufficient for financial inclusion. The 30-day active usage rate for mobile money accounts is estimated at 15% in 2025 in relation to 135.9 million mobile money accounts, with only a quarter of registered mobile money agents actively operating.¹² This points to a need for the deployment of catalytic use cases at scale and more compelling value propositions to transition users from registration to sustained activity.

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Rural-Urban Divide in Adoption and Usage

There is a gap in digital payment adoption between urban and rural areas. Digital payments are becoming mainstream in cities, but cash remains dominant in rural regions, which are underserved by access points and reliable connectivity. This disparity is evident in usage patterns, with the 2024 World Bank Findex data revealing a significant 24-percentage point gap in digital payment activity between urban (40%) and rural (16%) populations.¹³

Cross-Border Payments

While progress has been made in facilitating inward remittances through formal channels, challenges persist with outward cross-border payments. Citizens and businesses face considerable hurdles in making digital payments for international goods and services, such as online education or e-commerce, often resorting to informal and cryptocurrency channels due to foreign currency shortages and restrictive capital account policies.

Limited Innovation

The environment for innovation faces several constraints. The absence of a formal data exchange layer and supporting framework means financial data remains siloed within institutions, preventing FSPs including fintechs from developing innovative, data-driven products. This is compounded by slow regulatory approvals for innovative products and a national regulatory sandbox that is not yet fully operational, slowing the pace at which new and more competitive services can be brought to market.

Gender Divide in Digital Payments

A persistent gender gap limits the potential for digital finance to empower women. Women are 24% less likely than men to own a mobile phone, a primary tool for accessing digital financial services.¹⁴ This access gap is compounded by lower levels of digital literacy and social norms, resulting in a 10-percentage point gap in digital payment usage, with only 16% of women having made or received a digital payment compared to 26% of men.¹⁵

Competition Concerns

A small number of large providers hold a disproportionate share of the market, particularly in key segments like government payments, creating competitive imbalances. This is compounded by the risk that providers who control essential closed-loop digital systems and telecommunications infrastructure could leverage this position to disadvantage competitors through non-transparent or discriminatory access terms. This combination of market concentration and potential for unfair access to infrastructure can stifle competition, limit consumer choice, and slow the pace of innovation.

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PURPOSE AND SCOPE OF THE NDPS (2026 - 2030)

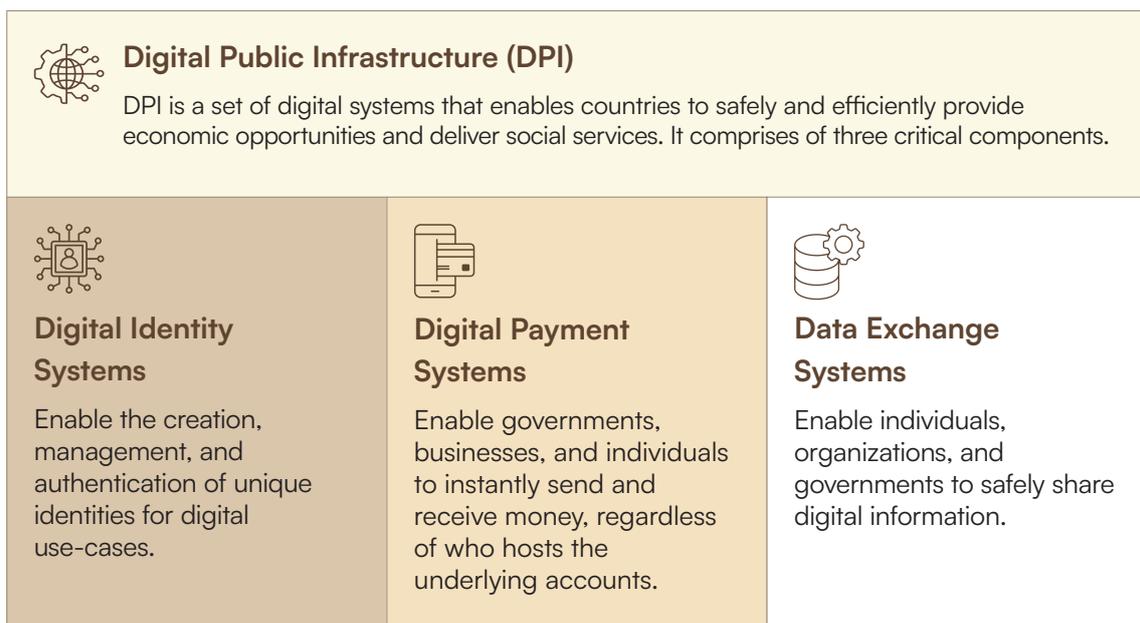
Purpose

The purpose of this National Digital Payments Strategy is to address the critical obstacles, barriers, and opportunities within Ethiopia’s payments landscape. Based on this evidence-based assessment, it develops a multi-stakeholder action plan designed to unlock the full potential of digital payments and foster an inclusive, innovative, and sustainable ecosystem for the benefit of all Ethiopians and residents of Ethiopia.

Scope

This strategy aims to transform Ethiopia’s digital payments landscape into a catalyst for inclusive and sustainable economic growth. Its scope goes beyond building payment rails to ensuring that all Ethiopians, particularly women, rural communities, youth, and persons with disabilities can access and actively use digital financial services. It emphasizes creating widespread adoption and everyday use of digital payments, narrowing gender and rural-urban divides, and making services more affordable, secure, and user-friendly. The strategy also seeks to strengthen trust in the ecosystem through robust consumer protection, resilience, and fraud prevention, while fostering innovation and competition so that digital payments can unlock broader financial services such as credit, savings, insurance, remittances and investment solutions. Ultimately, the ambition is to use digital finance as a pathway to expand equitable economic opportunities for all Ethiopians and residents of Ethiopia.

Figure 2: Overview of DPI Components



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ALIGNMENT WITH KEY POLICIES

The National Digital Payments Strategy 2026 - 2030 is not a standalone initiative. It is a critical component of, and deeply aligned with, Ethiopia's broader national development and transformation agenda. Some examples of this include:

- **Homegrown Economic Reform Agenda (HERA):** The NDPS directly supports HERA's objectives of liberalizing key sectors, improving access to finance for the private sector, and formalizing the economy. By fostering competition and innovation in finance, the strategy is a key tool for achieving HERA's macroeconomic goals.
- **Digital Ethiopia 2025 and Digital Ethiopia 2030:** This strategy positions the NDPS as the foundational "payment layer" for the entire digital economy. The success of Digital Ethiopia's goals in agriculture, tourism, and manufacturing is contingent on a seamless, interoperable digital payment system.
- **National Financial Inclusion Strategy (NFIS):** The NDPS acts as a key implementation vehicle for the NFIS. It directly addresses the NFIS targets of increasing digital payment usage and halving the gender gap in financial access by expanding agent networks and promoting the design of inclusive products.
- **Digital Agriculture Roadmap 2032:** The NDPS is an essential enabler for the agricultural sector's transformation. It will provide the payment infrastructure needed to digitize the value chain, enabling farmers to access credit and insurance, receive payments for produce, and purchase inputs digitally, as envisioned by the roadmap (Ministry of Agriculture, 2025).
- **Fayda National ID Program:** There is a powerful synergy between the NDPS and Fayda. The digital ID program is the "trust anchor" for the ecosystem, solving the critical e-KYC barrier. Integrating Fayda with the payments layer will enable low-cost, secure, and remote onboarding for all financial services, accelerating inclusion and enhancing security.

NDPS (2026 - 2030) will both contribute to and draw strength from these parallel national reforms, creating a virtuous cycle of digital transformation.

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2. STRATEGIC FRAMEWORK

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STRUCTURE AND SUMMARY OF THE STRATEGIC FRAMEWORK

The strategic framework for the National Digital Payments Strategy (2026 - 2030) is designed as a clear and logical hierarchy to guide implementation. It begins with an overarching vision statement that sets the long-term ambition for Ethiopia's digital payments ecosystem. This vision is supported by six strategic pillars, each addressing a critical area of focus. Each pillar is further broken down into specific strategic objectives, which define the desired outcomes. To achieve these objectives, a set of targeted strategic actions has been developed. This structure ensures that every action is directly linked to achieving a specific objective, which in turn contributes to the success of its parent pillar and, collectively, the realisation of the national vision for the digital payment system.

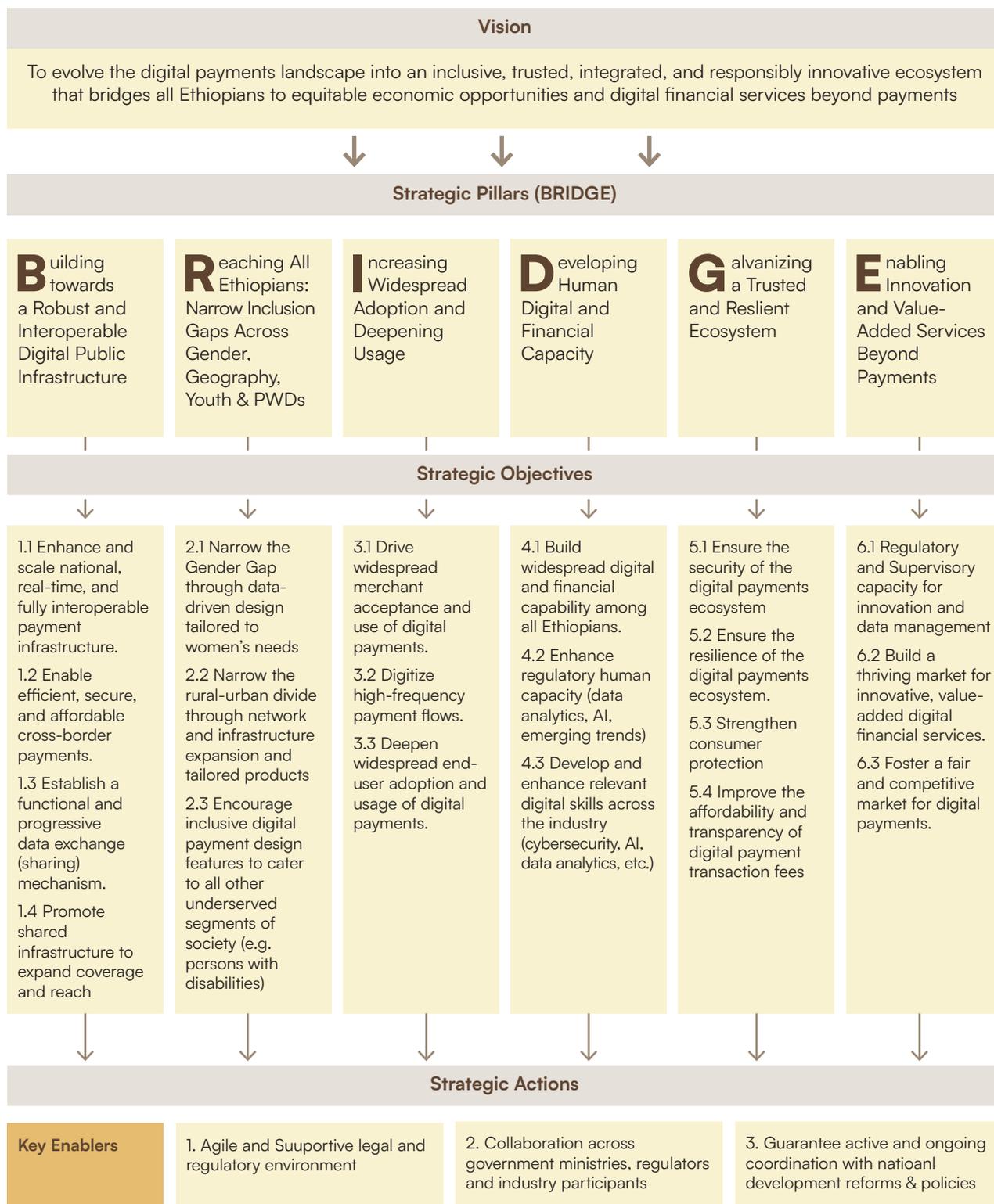
Supporting this structure are three cross-cutting enablers, an agile and supportive legal and regulatory environment, and collaboration across government and industry. These enablers are fundamental to the successful implementation of all pillars.

In addition to the strategic framework, the strategy identifies six overarching goals. These high-level targets, which are independent of any single pillar, will serve as the ultimate measure of success, signalling the strategy's overall impact on achieving a more inclusive, efficient, and dynamic digital economy for Ethiopia.

Figure 3 provides a summary of the strategic framework.

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Figure 3: Summary of NDPS (2026 - 2030) Strategic Framework



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STRATEGIC VISION AND OVERARCHING GOALS

Strategic Vision

The vision for the National Digital Payments Strategy (2026 - 2030) is:

“To evolve the digital payments landscape into an inclusive, trusted, integrated, and responsibly innovative ecosystem that bridges all Ethiopians to equitable economic opportunities and digital financial services beyond payments.”

This vision sets a clear direction for a transformative agenda, aiming to create a digital payments ecosystem that is not only technologically advanced but also equitable and empowering for every Ethiopian. Each component of this vision has been deliberately chosen to address the core challenges and opportunities associated with Ethiopia’s digital payment ecosystem:

- **Inclusive:** To ensure that all Ethiopians, including underserved segments like women, rural populations, and persons with disability, have equitable access to digital payments as a tool for economic empowerment.
- **Trusted:** To build confidence in the digital ecosystem by ensuring it is secure, reliable, and provides robust consumer protection and recourse mechanisms.
- **Integrated:** To create a seamlessly connected digital financial services ecosystem where digital public infrastructure such as the national payments systems, digital ID (Fayda), and data exchange layers are interconnected. This integration ensures universal interoperability and allows providers to build on shared infrastructure to reach all Ethiopians.
- **Responsibly Innovative:** To promote a transparent, risk-proportionate and collaborative environment that enables secure, consent-based data sharing, laying the groundwork for a competitive market in responsible but innovative financial services.
- **Bridges Ethiopians to Equitable Economic Opportunity:** This anchors the entire strategy in the ultimate goal of leveraging digital finance as a powerful engine for sustainable and equitable economic growth, creating opportunities for every participant in the economy.
- **Digital Financial Services Beyond Payments:** To develop the payment system to act as a gateway for a wide range of value-added digital financial services, such as credit, insurance, savings, investment and remittances.

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Overarching Goals

To measure progress towards the strategic vision, 11 overarching goals have been established. These quantitative targets are benchmarked against local market conditions, regional peers and global best practices, providing a clear and ambitious roadmap for Ethiopia's digital payment ecosystem transformation. These high-level goals represent overarching targets for the entire strategy. Individual action-level key performance indicators have been developed as part of the strategy's monitoring and evaluation plan.

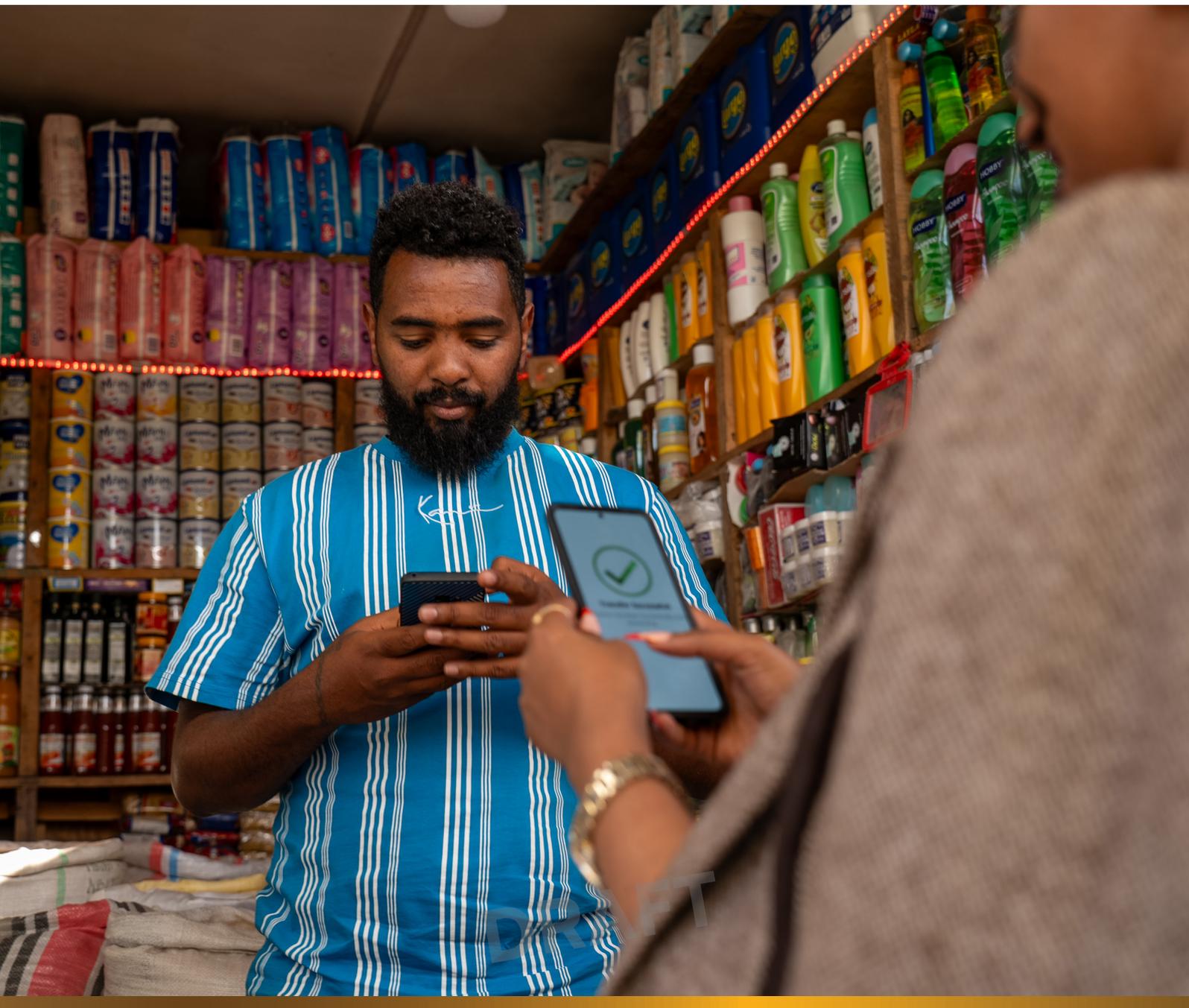


Table 1: Overarching Goals for NDPS (2026 - 2030)

GOAL	PERFORMANCE MEASURE	BASELINE	TARGET	RATIONALE
Pillar 1: Building towards a Robust and Interoperable Digital Public Infrastructure				
Establish one centralized data exchange infrastructure by 2030	Status of a centralised data exchange infrastructure	0 (Non-existent) (2025)	1 centralized data exchange infrastructure	The target of establishing one centralized data exchange infrastructure by 2030 is set to close a foundational gap in Ethiopia's digital public infrastructure. A single, nationally governed platform will enable interoperability, reduce duplication, and create efficiencies across payments, identity, and service delivery.
Pillar 2: Reaching All Ethiopians: Narrow Inclusion Gaps Across Gender, Geography, Youth & PWDs				
Narrow the rural-urban divide in the percentage of adults who made or received a digital payment in the last year to 8-percentage points (or less) by 2030.	Difference in the percentage of rural and urban adults who made or received a digital payment in the last year	24% urban-rural gap ¹⁶ (2024)	8% urban-rural gap	Aggressively narrowing the urban-rural gap to less than 8 percentage points is fundamental to ensuring equitable growth, and to bring Ethiopia on par with the average for LMICs of an 8% gap.
Narrow the gender divide in the percentage of adults who made or received a digital payment in the last year to less than a 3-percentage point gap by 2030.	Difference in the percentage of adult men and women who made or received a digital payment in the last year	10% gender gap ¹⁷ (2024)	3% gender gap (or less)	A target of less than 3 percentage points is a firm commitment to inclusive development and aligns with global best practices and would bring Ethiopia on par with the average gender gap for Upper Middle Income Countries.
Pillar 3: Increasing Widespread Adoption and Deepening Usage				
Increase the annual volume of digital payments from 54 transactions per adult in 2025 to 275 transactions per adult by 2030	Annual volume of digital payments per adult	54 transactions ^{18,19} (2025)	275 transactions	Ethiopia reached 54 transactions per adult in 2025, up from 16 in 2023. If growth remained exponential, volumes could exceed 800 by 2030, but market experience shows growth slows as adoption deepens. A tempered curve (70% to 2026, 40% to 2028, 30% thereafter) gives a realistic yet ambitious target of 275 transactions per adult by 2030.
Increase the value of digital payments from 82% of GDP in 2024 to 750% of GDP by 2030	Annual value of digital payments as a percentage of GDP	82% of GDP ^{20,21} (2024)	750% of the baseline GDP	The 750% target is based on Ethiopia's historical CGAR, adjusted with a more measured rate for a realistic 2030 forecast.
Increase the 30-day active rate of transactional accounts from 16% in 2025 to 60% in 2030	Percentage of transactional accounts that were active in the last 30 days	16% active ²² (2025)	60% active	The target of 60% is benchmarked against the levels seen in peer countries like Kenya, Uganda, and Tanzania. It is set slightly lower to reflect the nascency of digital payments in Ethiopia and the two decades it required Kenya to reach higher levels.

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GOAL	PERFORMANCE MEASURE	BASELINE	TARGET	RATIONALE
Increase the percentage of users who made a merchant payment in the last 30 days from 24% to 60% by 2030	Percentage of users who made a merchant payment in the last 30 days	24% of adults ²³ (2024)	60% of adults	The 60% target is based on the midpoint of gender-disaggregated data from the GSMA survey, using Kenya as a benchmark due to its high merchant payment penetration.

Pillar 4: Developing Human Digital and Financial Capacity

Strengthen human digital and financial capacity across Ethiopia to enable inclusive participation in the digital economy by 2030	Percentage of adult men and women who cite literacy or digital skills as a barrier to accessing or using financial services.	33% ²⁴ (Male, 2024) 36% ²⁵ (Female, 2024)	12% (financial account) 13% (digital payment)	The targets aim to reduce the share of adults who report literacy and digital-skills constraints as a barrier to digital financial service usage. This reflects a national commitment to improving human capability and confidence in engaging with digital financial tools. Benchmarked against Egypt, where fewer than 15% of adults identify literacy as a barrier.
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Pillar 5: Galvanizing a Trusted and Resilient Ecosystem

Develop and enforce standardized fraud detection and reporting protocols for all digital payment providers	(i) % of providers complying with fraud reporting standards (ii) Fraudulent payments as % of total transaction value	(I) Low due to inconsistent reporting (II) 0.0153% ²⁶ (2024) (This figure could be higher, as it is currently underreported)	(i) 100% of providers complying (ii) 0.0008% of transaction value (with accurate reporting)	The target is benchmarked against Nigeria where standardized fraud reporting has improved detection and reduced fraud. Achieving a compliance rate of at least 90% will ensure consistent data, and the fraud rate target reflects what is achievable with accurate reporting and strong oversight.
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Pillar 6: Enabling Innovation and Value-Added Services Beyond Payments

Increase the value of digital credit, insurance, and savings products accessed through the digital payment ecosystem to 3% of digital transactions	Annual value of digital credit, insurance and savings products as a percentage of total digital transactions	<1% ^{27 28} (2024)	3% of total digital transaction value	Digital credit, savings, and insurance in Ethiopia are still at pilot stage, contributing less than 1% of digital transaction value in 2024. In Kenya these products account for 2–3% of mobile money value, and in Ghana 1–2%. Given Ethiopia's rapid telco-led growth and large market size, a 3% target by 2030 is both ambitious and achievable
Increase the volume of e-commerce transactions facilitated by the digital payments ecosystem to 4% by 2030	Share of e-commerce transactions in total digital payments (by volume)	<1% ²⁹ (2024)	4% of transactions in total digital payments	The 4% target is benchmarked against Kenya's e-commerce share of digital payments, which ranges between 3 and 5%. It reflects a realistic goal for Ethiopia as digital infrastructure expands and reliance on cash-on-delivery declines.

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STRATEGIC PILLARS, OBJECTIVES, AND ACTIONS

To operationalize the strategic vision, this strategy is built upon six interconnected pillars that address the core areas requiring intervention. These pillars collectively form the BRIDGE 2030 framework, an acronym derived from their titles, symbolizing the strategy's role in connecting Ethiopia's foundational payment systems to a more inclusive and innovative digital future.

The six pillars are:

- **B**uilding towards a Robust and Interoperable Digital Public Infrastructure
- **R**eaching All Ethiopians: Narrow Inclusion Gaps Across Gender, Geography, Youth & PWDs
- **I**ncreasing Widespread Adoption and Deepening Usage
- **D**eveloping Human Digital and Financial Capacity
- **G**alvanizing a Trusted and Resilient Ecosystem
- **E**nabling Innovation and Value-Added Services Beyond Payments

Each pillar is composed of specific objectives that define the desired outcomes, and each objective is supported by a set of targeted strategic actions designed to achieve it. The following sections provide a detailed breakdown of each pillar, outlining the rationale, objectives, and specific actions that will guide the transformation of Ethiopia's digital payments ecosystem over the next five years.

Pillar 1 - Building towards a Robust and Interoperable Digital Public Infrastructure

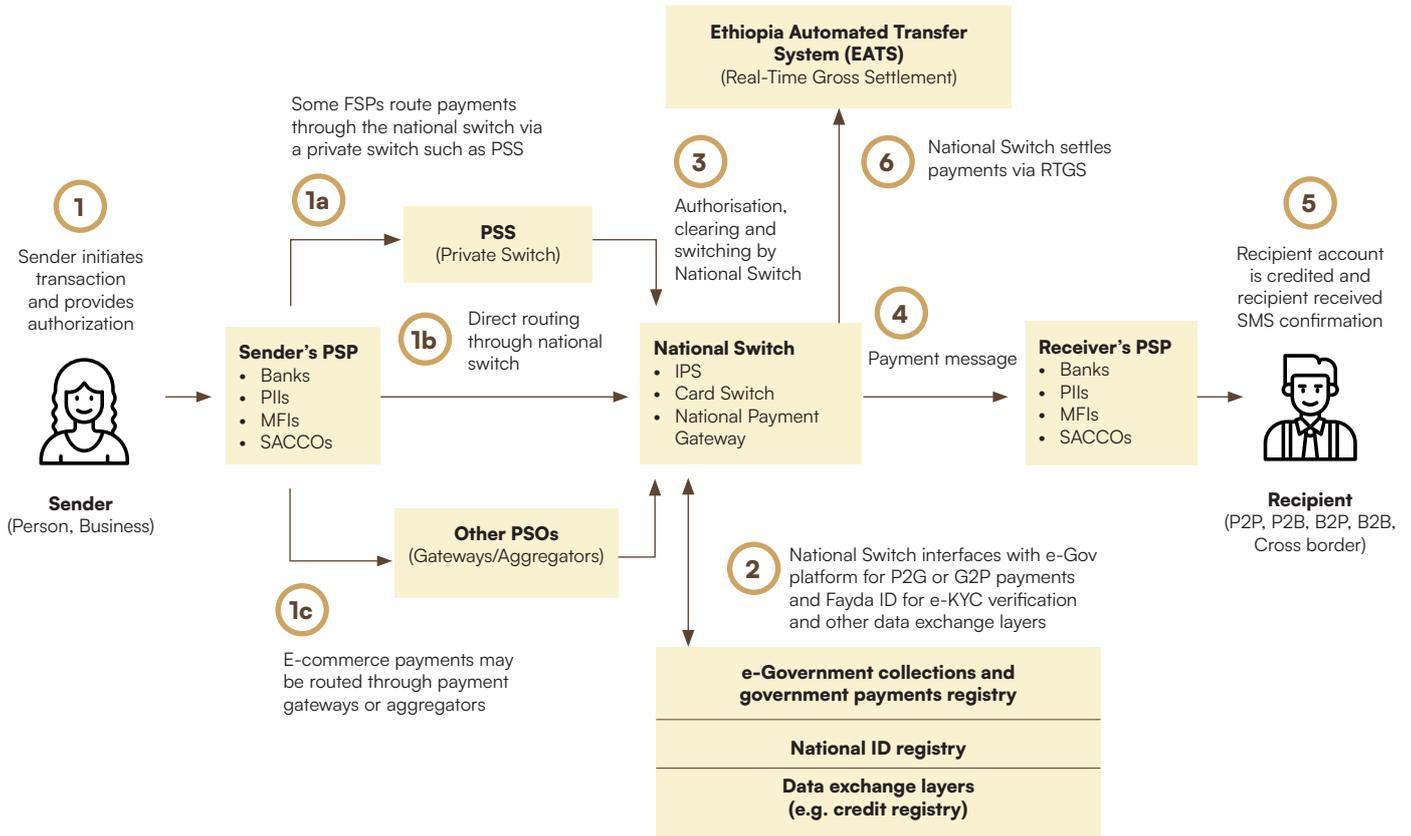
A multi-layered and robust infrastructure can serve as the backbone for a modern digital Ethiopian economy. This includes efficient, real-time payment systems like the Ethiopia Instant Payment System (EIPS) and digital government payments and collection platforms, as well as the physical, last-mile access points such as agent networks that bring these services to all citizens. While Ethiopia has built a strong foundation, expanding the use-cases, interoperability, reliability, and reach of both its domestic payment system and cross-border architecture can propel forward the ecosystem maturity level.

To address these shortcomings, this strategy will advance the core payments infrastructure through an integrated Digital Public Infrastructure (DPI) approach. This involves not only enhancing the payment rails themselves but also seamlessly connecting them with adjacent foundational systems. Key among these are the Fayda national ID for secure authentication, a data-exchange layer for consent-based data sharing, and other infrastructures like the credit reference bureau that enable a wider range of digital financial services. This pillar, therefore, focuses on holistically developing and scaling these interconnected layers to create a resilient, efficient, and innovative digital economy.

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Figure 4 below provides an illustration of the future ecosystem, including interoperability and interconnection of the national payment system with key digital infrastructures like the e-Government service platform, National ID registry and other data exchange layers.

Figure 4: Future State of the Interoperable National Payment System



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Objective 1.1: Enhance and scale national, real-time, and fully interoperable payment infrastructure.

Scaling the national payment infrastructure requires evolving existing systems and developing new platforms to support a broader range of use cases. Foundational systems like the EIPS are in place, but their expansion is required to handle more complex and higher-volume transactions. For instance, many government payment flows, both collections (taxes, fees) and disbursements (social transfers, salaries), remain fragmented on account of bilateral agreements with FSPs and cash-based distribution. Further, the existing digital government payment platforms are closed-loop systems which restrict interoperability and constrain competition and consumer choice in government digital payments and collections. The current fragmentation of government payment collections highlights the need for a unified e-government service platform to centralize these flows.

This objective, therefore, focuses on scaling existing digital payment systems, building new shared platforms, and implementing technical enhancements, such as standardizing account numbering and adopting modern messaging standards, to resolve operational frictions.

Table 2: Objective 1.1 - Summary of Actions

ACTION	TIMEFRAME	IMPLEMENTERS
Action 1: Expand and operationalize additional interoperable instant payment system use-cases	30 months	Coordinator: EthSwitch Stakeholders: NBE PSSD, all licensed financial institutions
Action 2: Build a unified e-government service platform which aggregates and centralizes all public service payments into a single system. This would include all government services and use-cases (e.g. licences, taxes, fuel and utility payments, etc.)	24 months	Coordinator: EthSwitch Stakeholders: NBE, Ministry of Finance, Ministry of Innovation and Technology, Regional Governments
Action 3: Interconnect the National Payment Gateway with the Unified E-Government Service Portal to achieve interoperability of P2G payments and provide choice to end-users	6 months	Coordinator: EthSwitch Stakeholders: NBE, Ministry of Finance, Ministry of Innovation and Technology

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Action 4: Create a shared G2P infrastructure—an API-enabled “Disbursement Hub” that every social-transfer programme can use to generate payment files. Connect the Hub directly to the Ethiopian Instant Payment System so funds reach beneficiaries in real time while allowing each recipient to choose the PSP in which to receive their transfer	24 months	Co-coordinators: NBE, EthSwitch Stakeholders: Ministry of Innovation and Technology, Ministry of Agriculture, Ministry of Women and Social Affairs, Ministry of Finance, all licensed financial institutions
Action 5: Standardize account numbering for all licensed account-based financial service providers to resolve duplication and routing issues caused by customers at different account providers having the same account number	12 months	Co-coordinators: NBE - Bank Supervision Directorate (BSD), Ethiopia Bankers Association, Association of Ethiopian Microfinance Institutions Stakeholders: Banks, MFIs, all other account-based financial service providers
Action 6: Mandate industry adoption of advanced messaging standards like ISO20022 for enriched data exchange	Mandate - 6 months Market implementation - 12 months	Coordinator: NBE - Payment and Settlement Systems Directorate (PSSD) Stakeholders: All licensed financial institutions

Action 1: Expand and operationalize additional interoperable instant payment system use-cases

While the Ethiopia Instant Payment System (IPS) has successfully enabled person-to-person (P2P) transfers, its utility for the broader economy is constrained by the limited development of other critical use cases. As a central enabler of interoperability, the IPS allows any connected provider to reach the entire market through a single integration, which in turn gives end-users a wide choice of payment providers. To drive significant transaction volumes and deepen the ecosystem’s value, this action focuses on expanding the range of interoperable use cases available on the IPS to serve the high-frequency payment needs of businesses. This expansion will increase transaction flows through the national infrastructure, improve efficiency, and create a more robust payment system for all participants.

Action 2: Build a unified e-government service platform which aggregates and centralizes all public service payments into a single system.

Ethiopia has made substantial progress in digitizing person-to-government (P2G) payments through bilateral agreements with FSPs. However, these initiatives often operate in a fragmented landscape, creating unnecessary complexity for users who must navigate multiple portals for different services, using transactional accounts from specific FSPs. This action aims to move from this siloed approach to a unified “one-stop” system by building a single e-government service platform. This platform will aggregate and centralize all public service payments, from licenses, fuel and taxes to utilities, into one system. By creating a single point of access, the government can streamline its collection processes and enhance efficiency, while citizens benefit from a more convenient and consistent user experience. Systems like Kenya’s [e-Citizen](#), Rwanda’s [IremboGov](#), and Estonia’s [e-Estonia](#) have demonstrated the effectiveness of such unified government portals in improving public service delivery.

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Action 3: Interconnect the National Payment Gateway with the Unified E-Government Service Portal

The full value of a unified e-government portal is realized only when it is open and accessible to the entire payments ecosystem. Currently, some digitized government services operate within closed-loop systems, which limits competition and restricts consumer choice to a single provider. To prevent vendor lock-in and foster a competitive market, this action focuses on ensuring the unified portal is fully interoperable. By interconnecting the e-government portal with Ethiopia’s National Payment Gateway, all licensed financial institutions will be able to process P2G payments. This guarantees that citizens can pay for any government service using their preferred financial service provider, creating a fair and competitive digital services market.

Figure 5 provides an example of an interoperable P2G system architecture for a unified e-government platform, while Figure 6 showcases an example of the user journey through the platform.

Figure 5: Government collections (P2G) Architecture - Unified e-government platform Example

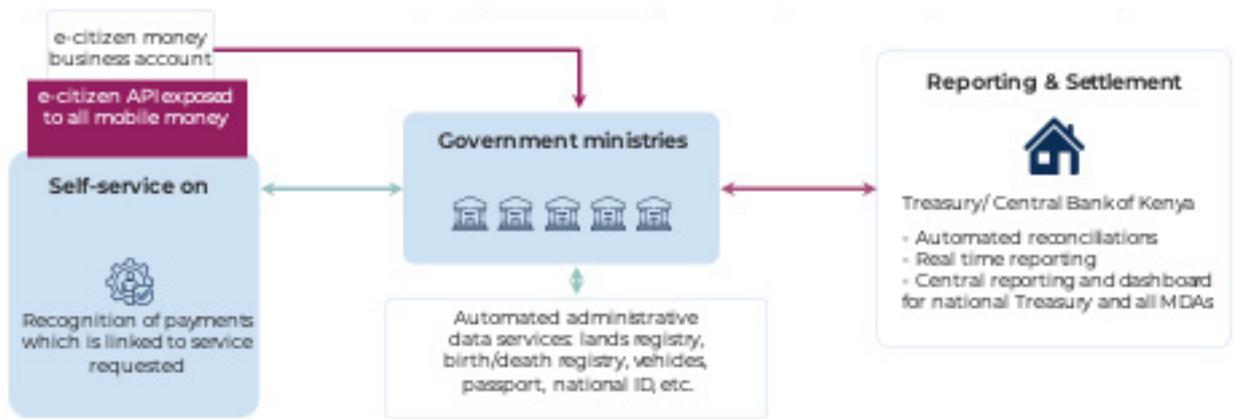
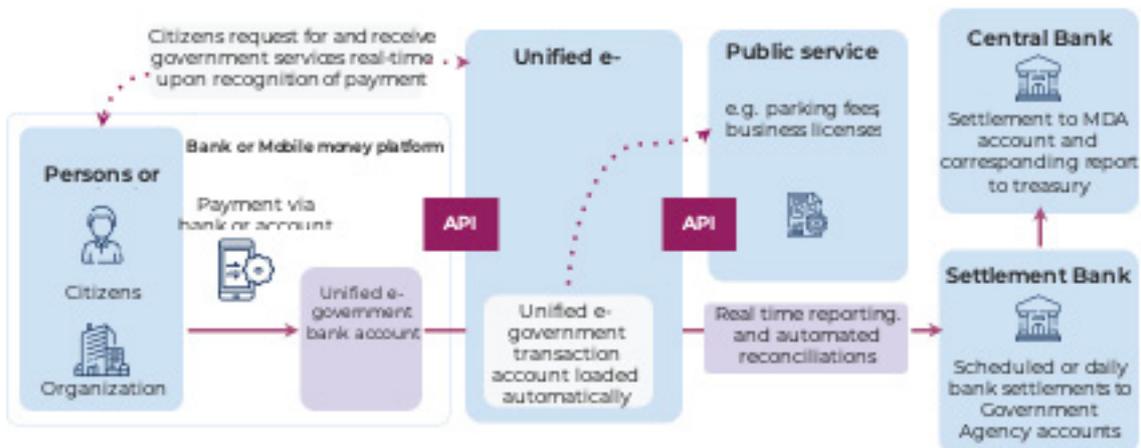


Figure 6: P2G payments Architecture (Government collections) - Example of a user journey



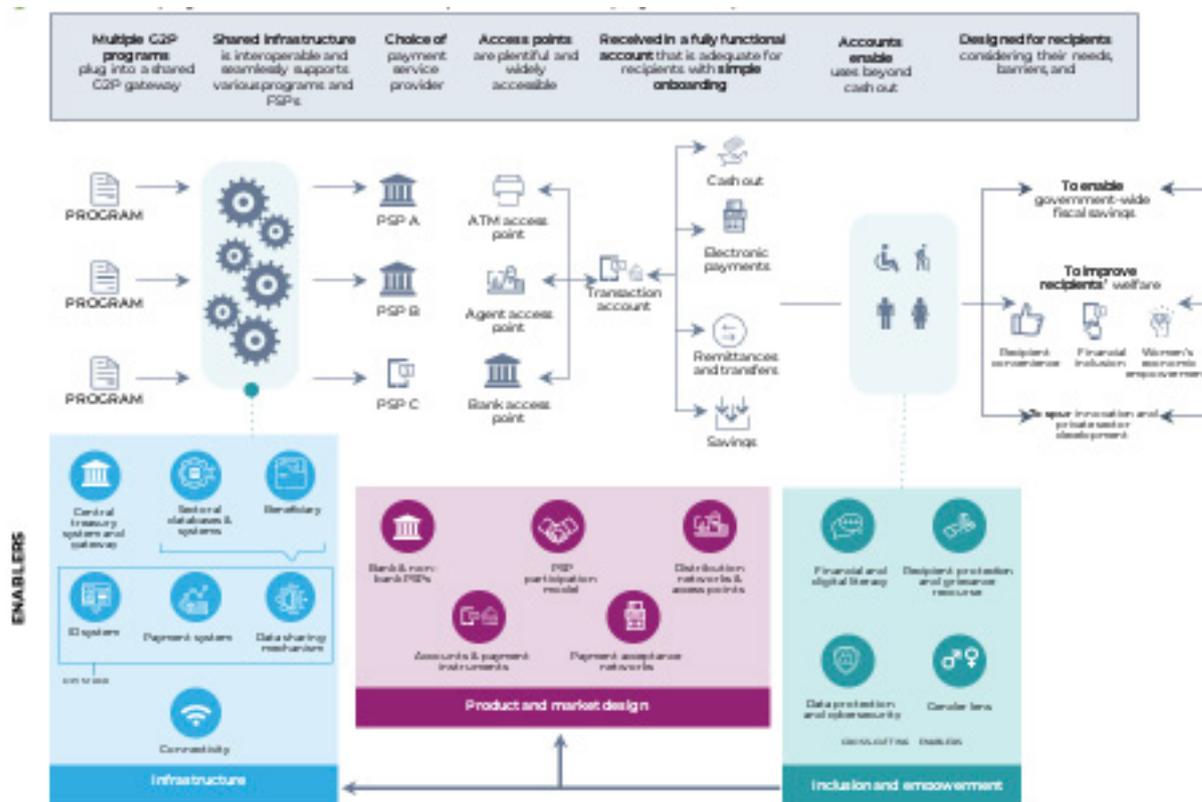
Source: Genesis Analytics. Adapted from GSMA

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Action 4: Create a shared G2P infrastructure and connect it directly to the Ethiopian Instant Payment System

Government-to-person (G2P) payments cover government salaries, pensions, supplier payments, as well as unemployment benefits and social protection programs that serve as a critical lifeline for millions of vulnerable Ethiopians. However, current G2P disbursement systems are often fragmented and reliant on cash. This leads to inefficiencies and a lack of choice for beneficiaries, who may be required to open an account with a specific provider to receive their funds. This action aims to centralize and streamline this process by creating a shared G2P “Disbursement Hub.” This hub will provide a single, API-enabled platform for all social transfer programs to generate and send payment files and will be integrated with the unified e-government service platform to ensure a cohesive digital infrastructure for all government payments. In addition, the Disbursement Hub will be connected directly to the interoperable Instant Payment System to enable real-time disbursements and, crucially, allow each recipient to choose the bank or mobile money provider where they wish to receive their funds. Providing a reliable digital channel for government payments is a proven driver of digital payments adoption and will help increase accountability by reducing dependence on cash.³⁰ Figure 7 illustrates the architecture, payment flows, and enablers of an example shared G2P infrastructure.

Figure 7: G2P payments Architecture (Government payments)



Source: Genesis Analytics. Adapted from GSMA

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Action 5: Standardize account numbering for all licensed account-based financial service providers to resolve duplication and routing issues caused by customers at different account providers having the same account number.

A persistent technical challenge hindering payment system efficiency is the lack of a standardized numbering system for accounts held at licensed financial service providers. The current framework permits duplicate account numbers across different institutions, which is a direct cause of transaction routing problems and payment failures, undermining user trust. To resolve this, this action focuses on establishing a unique and consistent account numbering format for all providers. While international systems like the [International Bank Account Number](#) (IBAN) exist, developing a national account numbering standard offers a more tailored and resource-efficient path for Ethiopia, avoiding the significant investment and formal processes required for IBAN adoption. Implementing a national standard and system will eliminate this fundamental friction point, significantly reducing payment errors and contributing to a more reliable national payment infrastructure.

Action 6: Mandate industry adoption of advanced messaging standards like ISO20022 for enriched data exchange

The full potential of a modern payment system is unlocked by its ability to carry rich, structured data alongside a payment instruction. However, reliance on legacy IT systems has slowed the adoption of advanced messaging standards like ISO 20022 among financial institutions. This limits the ecosystem's capacity for innovation in areas like data-driven product design for unique market segments such as women, youth and persons with disabilities, and enhanced analytics. Mandating the industry-wide adoption of ISO 20022 will modernize the data-carrying capacity of Ethiopia's payment rails. The global standard enables the transmission of more detailed information with each transaction, which improves efficiency and enhances security. Crucially, it is also an essential enabler for disaggregating transaction data by gender, age, and location, providing the foundation needed to better diagnose market gaps and inform data-driven product design for financial inclusion.

Objective 1.2: Enable efficient, secure, and affordable cross-border payments.

As Ethiopia's economy integrates further with regional and global markets through initiatives like the African Continental Free Trade Area (AfCFTA), the demand for efficient cross-border payment solutions is increasing. Current mechanisms for outbound international payments are characterized by high costs, slow processing times, and limited accessibility, which constrains trade and e-commerce. This objective addresses these inefficiencies by linking Ethiopia's domestic systems with regional networks and creating a clear regulatory framework for cross-border services.

Table 3: Objective 1.2 - Summary of Actions

ACTION	TIMEFRAME	IMPLEMENTERS
<p>Action 7: Develop a clear policy guidance note on outbound cross-border payments based on a thorough assessment of Ethiopia’s foreign exchange position and associated risks. If the guidance note concludes that the foreign exchange position allows for the enhancement of outbound retail payments, the following actions can be implemented:</p> <p>i) Issue an “Outbound Remittance Directive” that authorises licensed banks, PSOs, MFIs, and PIs to provide low-value cross-border transfers via cards, mobile wallets, and digital banking, by connecting to approved international payment networks, thereby giving Ethiopians a legal, affordable way to send money abroad under clear FX and AML rules.</p> <p>ii) Link the domestic payment system with bilateral and regional payments systems, prioritising countries that have the highest number of tourists to Ethiopia or have a significant Ethiopian population, enabling frictionless cross-border account-to-account and QR-code payments.</p>	Rolling Basis	<p>Coordinator: NBE Foreign Exchange Reserve Management</p> <p>Stakeholders: Ministry of Finance, Prime Minister’s Office, Ministry of Foreign Affairs, NBE PSSD, All licensed financial institutions</p>
<p>Action 8: Tourism Payments: Link the domestic payment system with bilateral and regional payments systems (EthQR, Account-to-Account), prioritising countries that have the highest number of tourists to Ethiopia or have a significant Ethiopian population, enabling frictionless cross-border account-to-account and QR-code payments.</p>	Rolling Basis	<p>Coordinator: Ministry of Tourism</p> <p>Stakeholders: EthSwitch</p>
<p>Action 9: Advocate for Ethiopia’s ratification and full implementation of the AfCFTA Digital Trade Protocol by publishing evidence on its ability to unlock cross-border e-commerce and digital payment flows</p>	24 months	<p>Coordinator: NBE</p> <p>Stakeholders: AfCFTA, Ministry of Trade and Regional Integration, NBE FRMD</p>

Action 7: Develop a clear policy guidance note on outbound cross-border payments based on a thorough assessment of Ethiopia’s foreign exchange position and associated risks.

Ethiopia’s outbound cross-border payments currently rely on traditional correspondent banking networks that are often slow, expensive, and inaccessible. This creates significant friction for international trade and compels citizens to use informal channels for payments related to e-commerce or online education. This action addresses the gap through a measured approach that begins with a thorough assessment of the country’s foreign exchange position and associated risks. The primary output will be a clear policy guidance note that determines the feasibility of liberalizing outbound retail payments, ensuring any subsequent steps are informed by a rigorous, evidence-based analysis.

If the assessment is favourable, the policy note will then guide two key initiatives. The first is the development of an “Outbound Remittance Directive.” This would authorise

a wider range of licensed financial institutions to provide low-value cross-border transfers, creating a formal, regulated, and competitive market that provides a necessary alternative to informal channels.

Action 8: Tourism Payments: Link the domestic payment system with bilateral and regional payments systems (EthQR, Account-to-Account), prioritising countries that have the highest number of tourists to Ethiopia or have a significant Ethiopian population, enabling frictionless cross-border account-to-account and QR-code payments.

While the previous strategy led to significant enhancements around remittances and inward cross-border payments, further efforts to ease payments for tourists can contribute to boosting tourism and attracting more foreign exchange. This initiative therefore entails establishing direct linkages between Ethiopia's domestic payment system and those of countries with the largest number of tourists to Ethiopia or Ethiopian diaspora. This will enable tourists from priority countries to seamlessly use their existing payment service providers when visiting Ethiopia. Furthermore, it will create modern payment corridors, prioritising connections to enable more efficient account-to-account and QR-code based cross-border payments, boosting not just tourism, but also trade and remittances received from key international partner countries.

Action 9: Advocate for Ethiopia's ratification and full implementation of the AfCFTA Digital Trade Protocol by publishing evidence on its ability to unlock cross-border e-commerce and digital payment flows

While bilateral agreements can open specific payment corridors, fully integrating Ethiopia into Africa's burgeoning digital economy requires a scalable, pan-African framework. [The African Continental Free Trade Area \(AfCFTA\) Digital Trade Protocol](#) provides this by establishing a harmonized set of rules for digital trade, covering areas such as the facilitation of cross-border data flows, online consumer protection, and the interoperability of digital payment systems. However, the benefits of this protocol can only be realized through formal ratification and domestic implementation. This action focuses on accelerating this process through targeted advocacy. A compelling case can be made to policymakers, by commissioning and publishing evidence-based research that quantifies the potential benefits, such as increased e-commerce volumes, new market access for small and medium-sized enterprises, and reduced transaction costs. This will help build the necessary political will to prioritize the ratification and full implementation of the protocol, thereby unlocking a critical pathway for Ethiopia's participation in a unified continental digital market.

Objective 1.3: Establish a functional and progressive data exchange (sharing) mechanism.

The development of data-driven digital financial services such as digital credit and insurance is constrained by the absence of a formal mechanism for secure, consent-based data sharing. At present, valuable data remains siloed within individual institutions, which limits market innovation. This objective addresses that foundational gap by establishing a functional data exchange layer, a critical component of a modern Digital Public Infrastructure aimed at progressing digital payments into being a supportive bridge to adjacent digital financial services. It involves creating a clear framework for data protection and consent management, alongside the shared infrastructure to facilitate this exchange, which will enable a more competitive and innovative market for financial products.

Table 4: Objective 1.3 - Summary of Actions

ACTION	TIMEFRAME	IMPLEMENTERS
Action 10: Constitute a National Digital Public Infrastructure Working Group—bringing together relevant government ministries, the National ID Program, NBE, EthSwitch, INSA, and other private-sector representatives—to coordinate and fast-track interoperability between payments and other digital public infrastructure, as well as coordinate data-protection reforms	3 months	Coordinator: Prime Minister’s Office Stakeholders: NBE, National ID Program, Ministry of Finance, Ministry of Innovation and Technology, INSA, EthSwitch, MESOB
Action 11: Develop a data exchange framework, including data protection, data exchange protocols, security standards, consent management protocols, and dispute resolution mechanisms	12 months	Coordinator: NBE PSSD Stakeholders: Ethiopian Communications Authority (ECA), Information Network Security Administration (INSA)
Action 12: Develop foundational shared infrastructure for safe and secure consent management and data exchange	12 months	Coordinator: NBE PSSD Stakeholders: All licensed financial institutions
Action 13: Expand and enhance the credit reference bureau at NBE to support both traditional and digital lending	24 months	Coordinator: NBE - Credit Reference and Movable Collateral Registry Directorate Stakeholders: NBE PSSD, NBE BSD
Action 14: Develop a clear framework for enabling a private-sector-led credit reference bureau to support digital and traditional lending across all financial service providers. The framework should enhance consumer protection rights related to consumer access to dispute credit reports	6 months	Coordinator: NBE - Credit Reference and Movable Collateral Registry Directorate Stakeholders: NBE PSSD, NBE BSD
Action 15: Launch a Fayda authentication service for secure and seamless identity authentication & verification accessible to all eligible private firms including payment service providers and public sector agencies	6 months	Coordinator: NBE PSSD Stakeholders: National ID Program, NBE BSD, All licensed financial institutions

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Action 10: Constitute a National Digital Public Infrastructure Working Group to coordinate and fast-track interoperability between payments and other digital public infrastructure, as well as coordinate data-protection reforms

Ethiopia's digital transformation is driven by several large-scale, parallel initiatives, including the Digital Ethiopia 2030 strategy, the National ID (Fayda) program, and this digital payments strategy. For these foundational elements to function as a cohesive Digital Public Infrastructure (DPI), their development must be closely aligned. Without a formal coordination mechanism, these programs risk operating in silos, leading to duplicated efforts and fragmented systems that limit the potential benefits of an integrated digital ecosystem. This action will establish a National DPI Working Group to ensure strategic alignment and collaboration among all critical public and private sector stakeholders. The working group will serve as the primary forum for fast-tracking technical interoperability between the payments, identity, and data-exchange layers, while also coordinating essential cross-cutting reforms such as data protection.

Action 11: Develop a data exchange framework, including data protection, data exchange protocols, security standards, consent management protocols, and dispute resolution mechanisms.

Ethiopia has made significant progress in establishing the foundational layers of its DPI, namely the national digital ID and the digital payments system. However, the data exchange layer, a critical enabler for innovation, remains underdeveloped. At present, valuable financial data is largely siloed within individual institutions, creating a bottleneck for the development of data-driven financial services such as digital lending and insurance. This action focuses on developing a formal data exchange framework for a secure, consent-based data-sharing ecosystem. The framework will define standards for data protection, establish secure protocols for data exchange, and outline clear mechanisms for consent management and dispute resolution. While a full transition to Open Finance may be an objective for the next strategy cycle, this foundational step will provide the regulatory certainty needed to begin unlocking data for innovation and paving the way for a more competitive financial services market.

Action 12: Develop foundational shared infrastructure for safe and secure consent management and data exchange

While the data exchange framework developed under the preceding action establishes the regulatory framework for data sharing, a robust technical infrastructure is required to operationalize it. This action focuses on building the foundational, shared infrastructure that will serve as the technical backbone for secure data exchange across the financial ecosystem. A central component of this infrastructure will be a system for managing user consent in a secure, transparent, and auditable manner. Such a system is essential for building consumer trust, as it provides users with tangible assurance that their data will only be shared with their explicit and revocable permission. This technical layer will translate the principles of the data exchange framework into a functional reality, enabling the safe and controlled flow of information that is necessary for innovation.

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Action 13: Expand and enhance the credit reference bureau at NBE to support both traditional and digital lending

The market for digital credit in Ethiopia is expanding rapidly, presenting a significant opportunity to increase access to finance. However, this growth is occurring in a high-risk environment characterized by information asymmetry; without comprehensive credit data, lenders cannot accurately assess borrower risk, which can lead to unsustainable rates of non-performing loans. The existing credit reference bureau at the National Bank of Ethiopia is not currently equipped to support this emerging market, as its scope is largely limited to traditional bank lending. This action focuses on expanding and enhancing the capabilities of the public credit bureau to make it relevant for the digital era and better serve traditional lending institutions. This will involve upgrading its infrastructure to process and incorporate alternative data sources from digital lenders and establishing new credit scoring models that are appropriate for the uncollateralized, high-frequency nature of digital loans, thereby providing a critical tool for responsible lending.

Action 14: Develop a clear framework for enabling a private-sector-led credit reference bureau to support digital and traditional lending across all financial service providers.

A key barrier to the growth of a responsible and inclusive credit market in Ethiopia is the absence of a comprehensive credit information system that serves all financial institutions. The current public bureau primarily caters to banks, leaving lenders such as digital credit providers with an incomplete view of borrower risk. This information gap limits access to finance for a large portion of the population that has no formal credit history. To address this, this action focuses on developing a clear regulatory framework to enable the establishment of a private-sector-led credit reference bureau. The framework will establish the rules for participation and data contribution. It will also define secure data access protocols and, crucially, enhance consumer protection by guaranteeing the right for individuals to access and dispute their credit reports. This will foster a competitive, market-driven credit reporting ecosystem, which is an essential prerequisite for risk-based digital lending at scale.

Action 15: Launch a Fayda authentication service for secure and seamless identity authentication & verification accessible to all eligible private firms including payment service providers and public sector agencies

Securely authenticating users is a critical prerequisite for any high-trust digital interaction, from opening an account to consenting to share financial data. The current reliance on multiple, unreliable, and often manual methods for identity verification creates friction for users and introduces significant security risks for the ecosystem. This action focuses on launching a Fayda authentication service, which will leverage the national digital ID as a shared, universal mechanism for identity verification. By providing a single, secure, and seamless way for all public and private sector entities to authenticate their users, this service will reduce customer onboarding friction, enhance security against identity fraud, and provide the foundational layer of trust needed for data exchange.

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Objective 1.4: Promote shared infrastructure to expand coverage and reach

Extending digital financial services to remote and underserved areas is a critical component of inclusive growth, yet the commercial viability of last-mile agent networks presents a significant challenge. Individual providers often face high operational costs and low transaction volumes, making rural expansion unsustainable. This market constraint hinders financial inclusion. This objective addresses this barrier by promoting collaborative, shared infrastructure models. Establishing a framework and platform for shared agent networks will enable providers to collectively reduce operational costs, strengthening the business case for rural expansion.

Table 5: Objective 1.4 - Summary of Actions

ACTION	TIMEFRAME	IMPLEMENTERS
Action 16: Review the agent regulations and establish two distinct regulations for i) banking services, and ii) mobile money services, clearly defining the permissible activities for each distinct service (banking and mobile money) while also enabling shared agent networks	6 months	Coordinator: NBE PSSD Stakeholders: NBE BSD
Action 17: Build a shared-agent platform and establish independent operating entities to deploy, maintain, and govern the network's technical infrastructure, and day-to-day operations.	24 months	Coordinator: EthSwitch Stakeholders: NBE PSSD, All licensed financial institutions

Action 16: Review the agent regulations and establish two distinct regulations for i) banking services, and ii) mobile money services, clearly defining the permissible activities for each distinct service (banking and mobile money) while also enabling shared agent networks

The expansion of last-mile access points is constrained by an ambiguous agent regulation that creates a lack of clarity on the permissible activities for agents of different financial services, such as banking and mobile money. This regulatory uncertainty, combined with a narrow scope of functions, makes the business model for agents financially unattractive and hinders the growth of physical access points, ultimately limiting access to and usage of digital payments. For instance, the percentage of agents that are active varies between 25% and 80% depending on their geography and service provider.³¹ This action will replace the current framework with two distinct and clear regulations: one tailored specifically for banking agents and another for mobile money agents.

This approach will clarify and expand the range of permissible services for each agent type, improving their business case. For instance, banking agents could be explicitly authorized to facilitate new account opening and applications for simple financial products. Crucially, both regulations will also be designed to formally enable shared agent networks, providing a clear governance structure for these collaborative models. Strengthening the agent business model and encouraging shared infrastructure through this regulatory reform will accelerate the expansion of last-mile access points across Ethiopia.

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Action 17: Build a shared-agent platform to deploy, maintain, and govern the network's technical infrastructure, and day-to-day operations.

In sparsely populated rural areas, the business case for agents is often weak due to low transaction volumes from a single provider's customer base. This lack of financial viability for agents is a primary driver of the urban concentration of agent networks and a key barrier to rural financial inclusion. This action will address this fundamental challenge by building a national shared-agent platform, allowing a single agent to serve customers from multiple financial service providers. This model directly improves the agent's business case by increasing their potential transaction volume and income, making it commercially viable to operate in previously underserved areas. For providers, the platform reduces the cost of network expansion through shared infrastructure. Uganda and Nigeria have successfully deployed a similar shared model through its [Agent Banking Corporation](#) and [Shared Agent Network Expansion Facilities](#) respectively, demonstrating its effectiveness in accelerating the expansion of the cash-in/cash-out network. An independent entity will be established to operate the platform, ensuring neutral governance and fair access for all participating institutions.

Pillar 2 - Reaching All Ethiopians: Narrow Inclusion Gaps Across Gender, Geography, Youth and PWDs

For Ethiopia to realise the full economic and social benefits of a digital economy, access to and usage of digital financial services must be equitable. Despite overall growth in financial inclusion, significant disparities persist across key demographic and geographic lines, preventing large segments of the population from fully participating. These gaps are driven by a range of distinct socio-economic, infrastructural, and cultural barriers that require targeted interventions. This pillar aims to ensure that the design of products, the expansion of infrastructure, and the development of the ecosystem are intentionally inclusive, bringing all Ethiopians, particularly women, rural populations, and other underserved groups, into the digital fold, thereby guaranteeing that the digital payments system leaves no one behind, and acts as a bridge to economic empowerment for all Ethiopians.

Objective 2.1: Narrow the Gender Gap through data-driven design tailored to women's needs

Despite overall growth in financial inclusion, a 10-percentage point gender gap persists in the use of digital payments.³² This disparity is driven by a range of factors, including lower digital and financial literacy, differing access to mobile technology, and social norms that can limit women's economic autonomy. To address this, a more intentional approach is required, moving beyond one-size-fits-all products. This objective focuses on using a data-driven design approach to create services that are tailored to the specific needs and contexts of women. This involves enhancing the collection of sex-disaggregated data to better understand usage patterns and barriers, and then using those insights to develop relevant products, leverage women-centric community networks, and accelerate the growth of female agent networks.

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Table 6: Objective 2.1 - Summary of Actions

ACTION	TIMEFRAME	IMPLEMENTERS
Action 18: Enhance the mechanisms for disaggregated data collection to ensure that every licensed financial institution collects gender, age, and location data at onboarding, tags each transaction with these fields, runs automated quality checks, and submits anonymised datasets to NBE for public release.	12 months	Coordinator: NBE PSSD Stakeholders: NBE Financial Inclusion Secretariat (FIS), All licensed financial institutions
Action 19: Identify champions within trusted, women-centric community structures and delivery channels, such as women-led savings groups, health networks, and agent clusters, to serve as the primary vehicle for digital financial services onboarding, peer-to-peer training, and ongoing user support.	Rolling basis	Coordinator: NBE FIS Stakeholders: All licensed financial institutions, Ministry of Women and Social Affairs (MoWSA)
Action 20: Launch a “Women Product Innovation Program” that provides technical-assistance grants to support the creation of tailored digital financial service products and other value-added services specifically for women.	24 months	Coordinator: Innovative Finance Lab, NBE Innovation Unit (once established) Stakeholders: NBE PSSD, Ministry of Women and Social Affairs, all financial institutions, fintechs, NBE FIS
Action 21: Launch a Women-Agent Acceleration Initiative: Equip new women agents with free or subsidised starter kits, tailored training, and access to a revolving working-capital fund. Establish a mentorship network that pairs experienced female agents with newcomers. PSPs must submit quarterly, sex-disaggregated agent data so NBE can publish progress scorecards.	12 months	Coordinator: NBE FIS Stakeholders: NBE PSSD, All licensed financial institutions
Action 22: Commission a gender-responsive diagnostic of the Ethiopia payment system and services, examining both the PSO layer (EthSwitch and PSS and the endpoint FSPs (banks, PIs, MFIs), to pinpoint women’s access and usage barriers and feature preferences, then publish a roadmap of technical and policy fixes that embed gender-intentional design across the entire payments stack.	6 months	Coordinator: NBE PSSD Stakeholders: All licensed financial institutions

Action 18: Enhance the mechanisms for disaggregated data collection to ensure that every licensed financial institution collects gender, age, and location data at onboarding, tags each transaction with these fields, runs automated quality checks, and submits anonymised datasets to NBE for public release.

A significant obstacle to closing the gender gap in financial inclusion is limited granular, disaggregated data. This prevents financial service providers and policymakers from accurately understanding the specific barriers women and other unique groups face, their financial behaviours, and their product needs. Without this evidence base, interventions risk being generic and ineffective, failing to address the root causes of

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women's financial exclusion. While licensed financial institutions are already required to disaggregate their data by gender, the gender field is often left blank during KYC procedures which leads to incomplete data.

This action will address this foundational gap by mandating a systematic and standardized approach to data collection and reporting. All licensed financial institutions will be required to collect gender, age, and location data at customer onboarding and tag each transaction with these fields. In addition, all licensed financial institutions will be required to collect missing KYC data for existing accounts to ensure completeness. The implementation of advanced messaging standards like ISO 20022 (Action 6) is a key technical enabler for this data enrichment. By requiring the submission of anonymized datasets to the NBE for analysis and public release, this action will create the evidence base required for data-driven, gender/rural/youth/PWD-intentional design of products, services, and policies.

Action 19: Identify champions within trusted, women-centric community structures and delivery channels to serve as the primary vehicle for digital financial services onboarding, peer-to-peer training, and ongoing user support.

Women in Ethiopia have significantly lower awareness of mobile money (35% versus 49% for men) and face compounded barriers from lower digital literacy and cultural norms that can limit their financial autonomy.³³ Generic, mass-media campaigns are often insufficient to overcome these deep-seated challenges. A more targeted approach is needed to build trust and deliver relevant support within a familiar context. This action will focus on leveraging existing, women-centric community structures that are already trusted delivery channels. By identifying and empowering champions within women-led savings groups, health networks, and agent clusters, the strategy will create a network of peer influencers. These champions will serve as the primary vehicle for digital financial services onboarding, providing hands-on, peer-to-peer training and ongoing user support. This approach is designed to build confidence, demystify digital finance, and accelerate adoption by meeting women where they are, through channels they already know and trust.

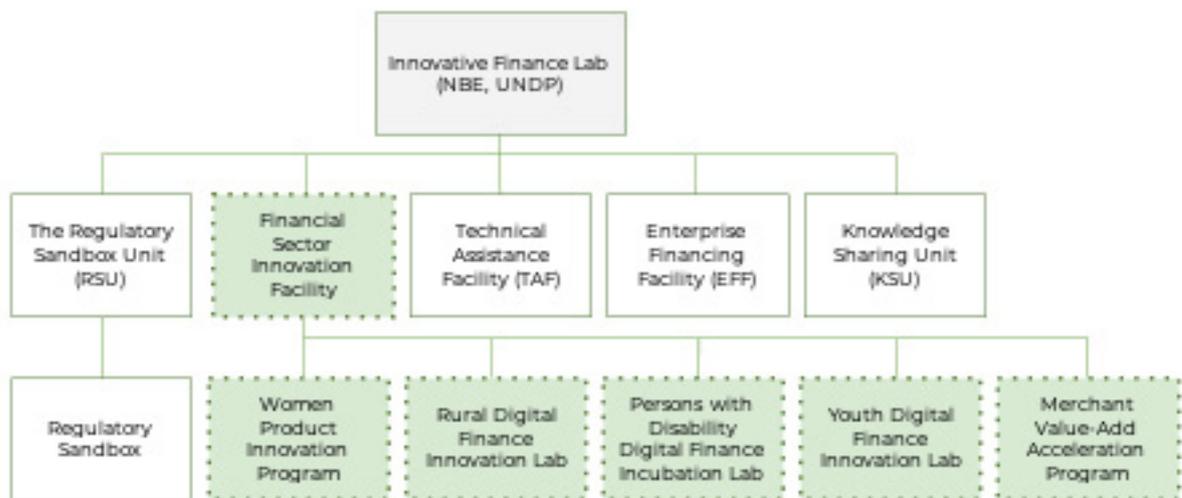
Action 20: Launch a “Women Product Innovation Program”

Digital financial services are often not designed with women's specific needs, life cycles, or financial preferences in mind. Typically, a one-size-fits-all design approach results in bias towards the needs of men, the historically dominant users of digital financial services, and fails to account for the unique challenges and opportunities related to women's economic lives, leading to lower adoption and usage rates. Closing the gender gap requires moving from insights to implementation by developing products that meet women where they are. The Women Product Innovation Program will incentivize financial service providers to move beyond generic offerings by pairing technical-assistance grants with support for gender-responsive product design. The objective is

to catalyze the creation and launch of tailored financial products and services that are more relevant, accessible, and valuable to women, fostering a market where DFS are intentionally designed to support women’s economic empowerment.

To ensure coordinated and sustainable implementation, this program will be housed within the Innovative Finance Lab (IFL), a joint initiative of the NBE and UNDP, which currently has the mandate to operate the national regulatory sandbox. The IFL’s mandate will be expanded to go beyond supporting innovation from a regulatory perspective and establish it as the country’s central hub for market-led, industry-driven innovation. As such, it will serve as the overarching institution for all the ecosystem innovation labs proposed in this strategy, including the Rural Digital Finance Innovation Lab (Action 28), the Persons with Disability Digital Finance Incubation Lab (Action 29), the Youth Digital Finance Innovation Lab (Action 30), and the Merchant Value-Add Acceleration Program (Action 34). The figure below illustrates the proposed structure of this expanded innovation hub.

Figure 8: Expanded Innovative Finance Lab



Aside from innovating products and features which cater to specific user segments, knowledge and insights from pilot initiatives and testing from all the innovation labs will be disseminated for wider market adoption and will be considered for inclusion as part of the NBE’s Minimum User Experience Guidelines for all digital payment services (to be developed under Action 63).

Action 21: Launch a Women-Agent Acceleration Initiative

Female agents are a powerful catalyst for women’s financial inclusion. They are often perceived as more trustworthy and patient by female customers, helping to overcome cultural and social barriers that can inhibit women’s engagement with financial services. Despite this, women in Ethiopia face significant challenges to entering the agent business, including limited access to startup capital, equipment and restrictive social

norms. To address this, a “Women-Agent Acceleration Initiative” will be launched to systematically dismantle the barriers that prevent women from becoming financial service agents. The initiative will provide practical, targeted support, including free or subsidized starter kits to lower entry costs, access to a revolving float, and the establishment of a mentorship network that pairs new entrants with experienced female agents. This action is designed to achieve a dual objective: creating direct economic opportunities for women as entrepreneurs while simultaneously building a more inclusive and trusted last-mile access network for female customers.

Action 22: Commission a gender-responsive diagnostic of the Ethiopia payment system and services, then publish a roadmap of technical and policy fixes that embed gender-intentional design across the entire payments stack.

While previous actions focus on targeted interventions like data collection and product innovation, a system-wide review is necessary to ensure the foundational infrastructure itself is not creating unintended barriers for women. A payment system can appear gender-neutral on the surface, yet contain subtle design flaws or biases, from transaction limits to user interface design, that disproportionately hinder women’s access and usage.

This action will therefore commission a comprehensive, gender-responsive diagnostic of Ethiopia’s entire digital payments ecosystem. The review will be twofold, examining both the core infrastructure layer, including the national switch, and the endpoint financial service providers (FSPs) that deliver services to customers. The primary objective is to move beyond assumptions and pinpoint specific, evidence-based access barriers, usage challenges, and feature preferences for women. The findings will inform the creation of a roadmap of technical and policy fixes, establishing a clear path to embedding gender-intentional design principles across the entire payments stack.

Objective 2.2: Narrow the rural-urban divide through network and infrastructure expansion and tailored products

A 24-percentage point gap in digital payment usage between urban and rural adults highlights a significant geographic disparity in financial inclusion.³⁴ This divide is rooted in infrastructural challenges, including limited agent network coverage and inconsistent connectivity, as well as a lack of financial products suited to rural economies. Key rural financial institutions, such as Microfinance Institutions (MFIs), Savings and Credit Co-operative Societies (SACCOs) and Village Savings and Loans Associations (VSLAs), are not fully integrated into the national digital payment ecosystem. This objective seeks to close this gap by expanding last-mile infrastructure and digitizing these crucial rural institutions. The focus is on integrating them with national payment systems and fostering the development of tailored products that address the specific financial needs of rural communities.

Table 7: Objective 2.2 - Summary of Actions

ACTION	TIMEFRAME	IMPLEMENTERS
Action 23: Build a Shared Core-Banking Platform for SACCOs: Establish a shared core-banking system that any SACCO can join at zero or heavily subsidised cost, with pre-built APIs to the Ethiopia Instant Payment System, the National Payment Gateway, and digital KYC tools.	36 months	Coordinator: Association of Ethiopian Microfinance Institutions (AEMFI) Stakeholders: Ethiopian Cooperative Commission (ECC), EthSwitch, Ministry of Finance
Action 24: Conduct a diagnostic of the shared MFI core banking system and expand its capabilities and address existing challenges such as enhancing data privacy for participating MFIs.	6 months	Coordinator: AEMFI Stakeholders: ECC, EthSwitch, Ministry of Finance
Action 25: Accelerate the onboarding of all remaining MFIs onto the existing shared core banking platform through targeted technical and financial support.	12 months	Coordinator: AEMFI Stakeholders: ECC, EthSwitch, Ministry of Finance
Action 26: Integrate the existing MFI shared core banking systems with the Ethiopia Instant Payment System and Ethiopia Automated Transaction System	12 months	Coordinator: AEMFI Stakeholders: ECC, EthSwitch, Ministry of Finance
Action 27: Integrate VSLAs, including Equb and Edir, into the formal financial system by conducting a nationwide mapping exercise, analyzing the findings in a landscape study, developing a national VSLA formalization and digitization roadmap, and implementing it through pilot programs	48 months	Coordinator: NBE FIS Stakeholders: ECC, Local administrative authorities
Action 28: Establish a Rural Digital Finance Innovation Lab that brings the digital finance ecosystem players and community level actors together to design, pilot, and scale digital financial products and use cases for underserved rural communities, with all successful solutions connected to national payment rails. This should include sector-focused products for key sectors like agriculture and health which have high potential for encouraging rural adoption	24 months	Co-coordinators: Innovative Finance Lab, NBE Innovation Unit (once established) Stakeholders: Ministry of Innovation and Technology, NBE PSSD, Ministry of Agriculture Rural Finance Service Unit, NBE FIS, All licensed financial institutions

Action 23: Build a Shared Core-Banking Platform for SACCOs

Savings and Credit Cooperatives (SACCOs) serve as essential financial service providers for millions of rural Ethiopians. However, the vast majority operate on manual, paper-based systems, which prevents them from connecting to the national payment infrastructure and isolates their members from the broader digital economy. For individual SACCOs, the cost and complexity of modernizing their core systems is a significant barrier to digitization. Building a shared, low-cost core-banking platform will offer a centralized system that SACCOs can join at a subsidized cost, eliminating the primary obstacle to their digital transformation. The platform will be designed with pre-built integrations to essential national infrastructure, including the Ethiopia Instant Payment System and digital KYC tools, enabling SACCOs and their members to seamlessly participate in the national digital financial ecosystem.

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Action 24: Conduct a diagnostic of the shared MFI core banking system and expand its capabilities and address existing challenges such as enhancing data privacy for participating MFIs.

A shared core banking platform for Microfinance Institutions (MFIs) already exists, housed at the Association of Ethiopian Microfinance Institutions. However, its potential to serve as a robust foundation for the sector's digitization is hampered by deficiencies, particularly regarding data privacy and security, which must be addressed to build trust and ensure the platform's long-term viability. It is critical to conduct a thorough diagnostic of the current system to identify and address technical gaps as well as user-side challenges to enhance its capabilities, strengthen its security architecture, and ensure it is a feature-rich and trusted platform for all participating MFIs.

Action 25: Accelerate the onboarding of all remaining MFIs onto the existing shared core banking platform through targeted technical and financial support.

A significant number of MFIs in Ethiopia still operate without a modern core banking system, which prevents them from offering digital services and connecting to the broader digital financial ecosystem. In tandem with the enhancement of the shared MFI platform (Action 24), Action 25 aims to bring all remaining MFIs into this shared infrastructure. A concerted effort to accelerate onboarding, supported by targeted technical and financial assistance, will be the most efficient and cost-effective way to digitize the entire MFI sector. This will contribute to creating a level playing field, ensuring that even smaller institutions can benefit from modern financial technology.

Action 26: Integrate the existing MFI shared core banking systems with the Ethiopia Instant Payment System and Ethiopia Automated Transaction System

MFIs collectively serve millions of Ethiopians, particularly in rural and underserved areas. However, these institutions and their customers are largely disconnected from national payment systems like the Ethiopia Instant Payment System (EIPS) and the Ethiopia Automated Transaction System (EATS). This isolates a large segment of the population from the benefits of interoperable digital payments. The most direct and scalable way to bridge this gap is to integrate the shared MFI core banking platform directly with these national payment rails. This single integration point will effectively bring millions of MFI customers into the formal digital economy, enabling them to make and receive payments across the entire financial system.

Action 27: Integrate VSLAs, including Equb and Edir, into the formal financial system

Millions of Ethiopians rely on traditional, community-based financial groups like Equb (rotating savings and credit associations) and Edir (community-based insurance funds) for their financial needs. Despite their widespread use and significant transaction volumes, these groups operate almost entirely in the informal, cash-based economy, excluding their members from the formal financial system.

Action 26 proposes a phased approach to systematically bridge this gap. The first step is to conduct a nationwide mapping exercise to quantify the economic footprint and operational dynamics of these groups, creating an evidence base to demonstrate the business case for their integration. The findings will then inform the development of a national formalization and digitization roadmap, which will define the regulatory pathways and partnership models required. Finally, the roadmap will be operationalized through targeted pilot programs, testing tailored digital products that connect these vital community institutions to the national payment rails and the broader digital economy.

Action 28: Establish a Rural Digital Finance Innovation Lab

Digital financial services developed for urban markets are often misaligned with the realities of rural Ethiopia, where factors like seasonal agricultural cash flows, variable connectivity, and lower digital literacy require unique solutions. A one-size-fits-all approach to product design fails to address these unique needs, hindering the adoption of digital payments in the rural part of the country.

The Rural Digital Finance Innovation Lab will function as a collaborative hub, bringing together the Ministry of Agriculture's Rural Finance Service Unit (RFSU), financial service providers, technology firms, and local community actors to co-create, pilot, and scale digital financial products tailored for rural contexts. A key focus will be to support new and existing innovations in sectors critical to the rural economy, particularly agriculture and AgTech. This approach will ensure the development of a suite of financial services that are not only technologically sound but also genuinely relevant and viable for rural users.

Objective 2.3: Encourage inclusive digital payment design features to cater to all other underserved segments of society (e.g. persons with disabilities)

Beyond the significant gaps related to gender and geography, other segments of the population, such as persons with disabilities and youth, face distinct barriers to accessing and using digital financial services. These can range from inaccessible user interfaces for persons with visual or motor impairments to a lack of relevant financial products that meet the specific needs and aspirations of young Ethiopians. This objective focuses on ensuring that the digital ecosystem is designed for everyone. It promotes the creation of accessible, user-centric services through targeted innovation labs and encourages the integration of inclusive design principles as national standards, ensuring that all underserved groups can participate fully in the digital economy.

Table 8: Objective 2.3 - Summary of Actions

ACTION	TIMEFRAME	IMPLEMENTERS
Action 29: Establish a Persons With Disability (PWD) Digital Finance Incubation Lab which convenes digital finance ecosystem providers to ideate, design, pilot and launch digital financial products and use cases for people with disabilities (PWDs), integrating successful innovations and capabilities as national standards in relevant regulations for scale	24 months	Co-coordinators: Innovative Finance Lab, NBE Innovation Unit (once established) Stakeholders: Ministry of Innovation and Technology, NBE FIS, All licensed financial institutions
Action 30: Establish a Youth Digital Finance Innovation Lab, which convenes digital finance ecosystem providers to ideate, design, pilot, and launch digital financial products and use cases targeting youth segments, integrating successful innovations and capabilities as national standards in relevant regulations for scale	24 months	Co-coordinators: Innovative Finance Lab, NBE Innovation Unit (once established) Stakeholders: Ministry of Innovation and Technology, NBE FIS, All licensed financial institutions

Action 29: Establish a Persons With Disability (PWD) Digital Finance Incubation Lab

Digital financial services are frequently designed without considering the needs of persons with disabilities, inadvertently creating significant barriers to their financial inclusion.

A service that is inaccessible to someone with a visual, hearing, motor, or cognitive disability is a service that fails to be truly universal. To address this, product design must intentionally incorporate accessibility features from the outset. This can include ensuring compatibility with screen readers for the visually impaired, providing visual and text-based alerts for the hearing impaired, designing interfaces with large tap targets for those with motor disabilities, providing interactive voice response features for those with hearing impairments, and using simple language and clear navigation for users with cognitive disabilities. The PWD Digital Finance Incubation Lab will serve as a dedicated engine for this change. It will bring together financial service providers, technology developers, and disability advocacy organizations to co-design, pilot, and scale solutions that embed these crucial accessibility features. The ultimate goal is not just to create niche products, but to integrate successful innovations into national standards (Action 63), ensuring the entire digital financial ecosystem is accessible to all Ethiopians.

Action 30: Establish a Youth Digital Finance Innovation Lab

Ethiopia's youth are largely digitally native, yet they face distinct barriers to financial inclusion, including a lack of formal credit history, limited financial literacy, and products that are not designed for their life stage. To effectively engage this critical demographic, financial services must be more than just a transactional tool; they need to be intuitive, educational, and relevant to the financial realities of young people. Successful design for youth often incorporates features like gamified savings challenges, integrated budgeting and goal-setting tools, and low-friction onboarding processes. The Youth Digital Finance Innovation Lab will provide a focused environment to translate these principles into market-ready solutions. Convening financial institutions and technology firms, the lab

will drive the creation and pilot of products tailored to various youth segments, such as students, young entrepreneurs, and first-time employees.

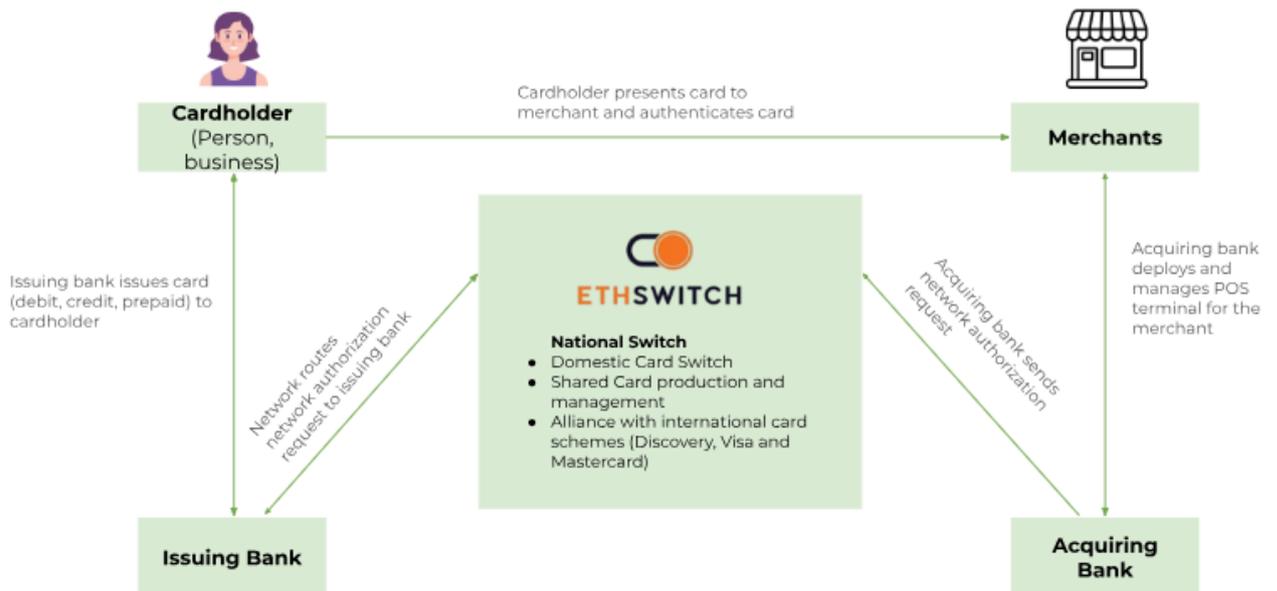
Aside from innovating products and features which cater to specific user segments, knowledge and insights from the labs’ pilots will be disseminated for wider market adoption and will be considered for inclusion as part of the NBE’s Minimum User Experience Guidelines for all digital payment services (to be developed under Action 63). Fostering early engagement with well-designed and relevant financial services can help cultivate a generation of financially capable and digitally active citizens, securing the long-term growth of the digital economy.

Pillar 3: Increasing Widespread Adoption and Deepening Usage

Enabling access to transactional accounts is a crucial foundational target for driving digital payments. Ownership of mobile money, mobile banking, and internet banking accounts has grown by 756% (at a 71% compounded annual growth rate) in Ethiopia from 18.6 million accounts in 2020 to 159.3 million accounts in 2024, particularly since the introduction of mobile money services in the country.³⁵ However, active usage of these accounts remains low, with an estimated 15% of mobile money accounts being active on a 30-day basis.³⁶ The key challenge is to shift a deep-seated reliance on cash by creating compelling, everyday use cases for digital payments.

The Figures below illustrate the customer journeys when making interoperable merchant payments via card, QR, account-to-account transfers via Request-to-Pay and for e-commerce payments.

Figure 9: Merchant payments via card - Customer journey



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Figure 10: Merchant payments via interoperable QR - Customer journey

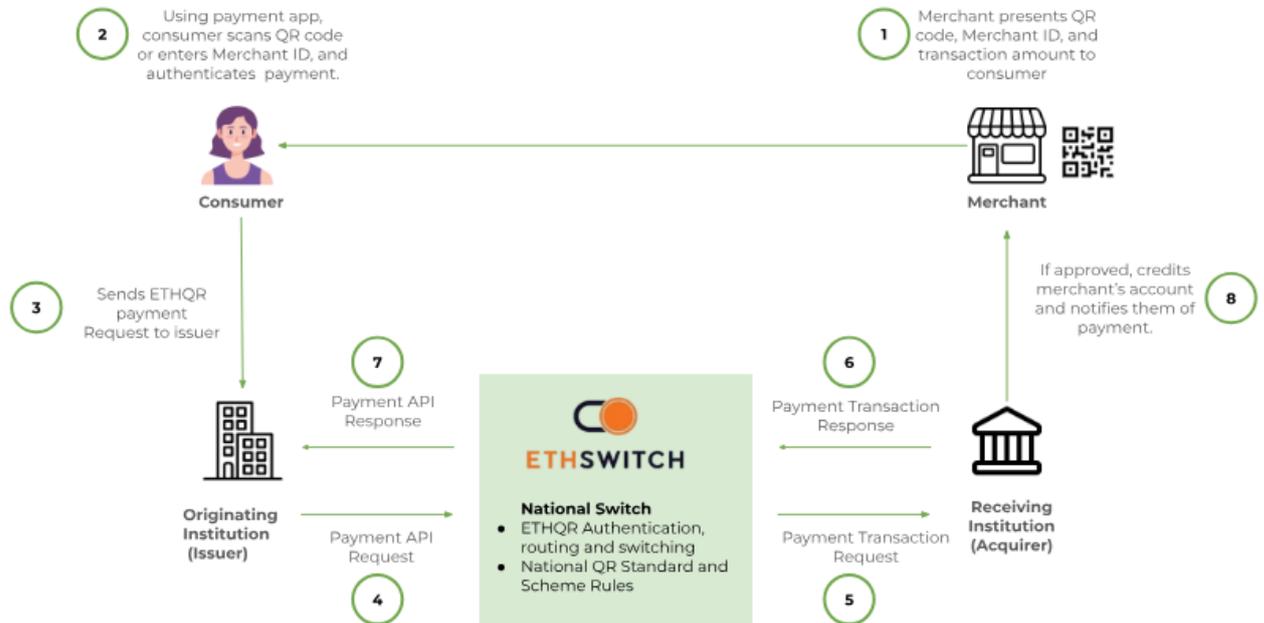
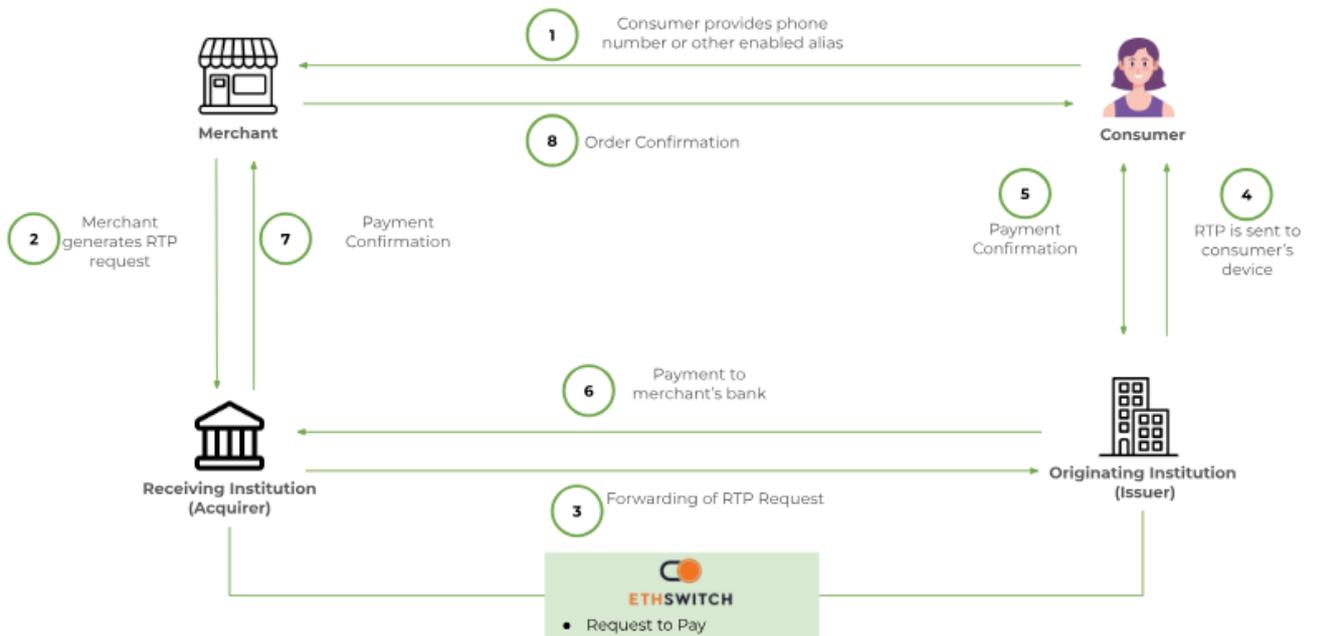
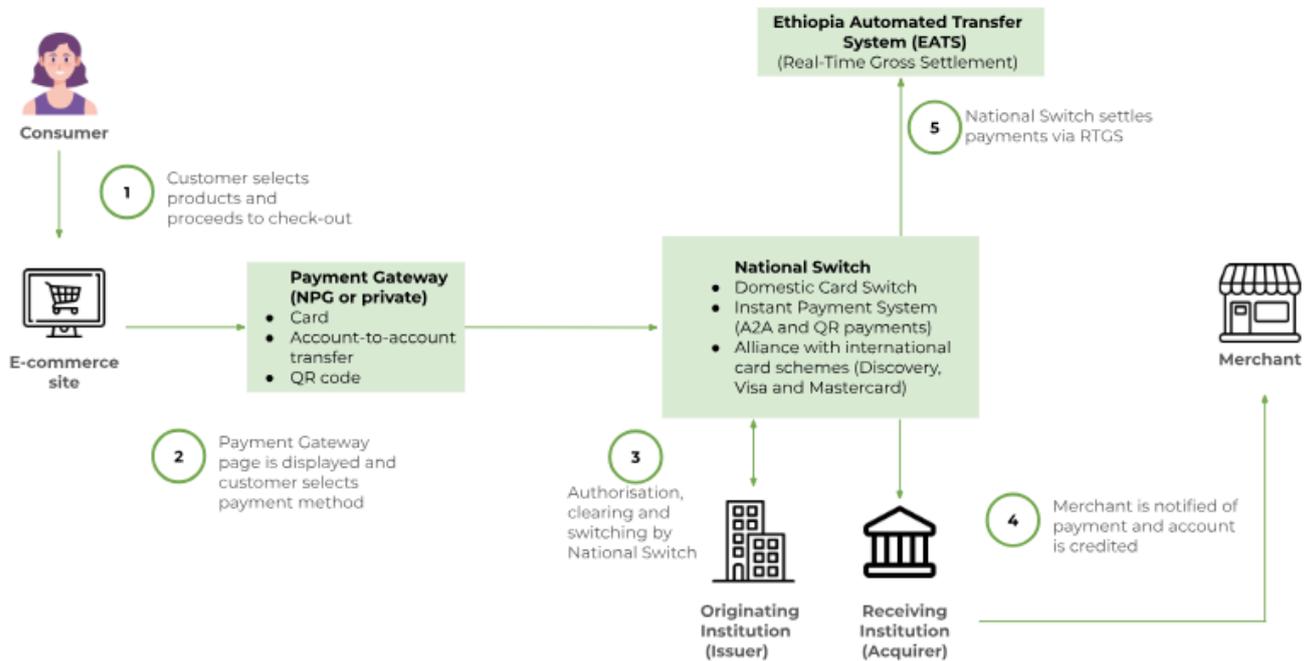


Figure 11: Merchant payments via Interoperable Account-to-Account (Request-to-Pay) - Customer journey



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Figure 12: E-Commerce Payments via Payment Gateways - Customer journey



While several merchant payment channels or methods have been implemented or are under development, the shift towards digital merchant payments is currently hampered by an underdeveloped merchant acceptance network, which limits where digital payments can be made, and the fragmented digitization of high-frequency payment flows, such as transport and government services. Furthermore, end-user barriers, including the affordability of mobile devices and a lack of awareness of all available payment options, also constrain usage. This pillar focuses on creating the demand-side pull necessary to transform digital payments from a niche service into an indispensable part of the national economy.

Objective 3.1: Drive widespread merchant acceptance and use of digital payments.

The transition from a cash-dominant economy requires a robust and accessible merchant acceptance network. Currently, the limited adoption of digital payments by micro, small, and medium-sized enterprises (MSMEs) represents a significant barrier to widespread usage. This reluctance is driven by several factors, including the perceived high cost of acceptance, and a lack of clear value propositions beyond basic payment processing which culminate in a preference for cash. This objective focuses on creating a viable business case for merchants to embrace digital payments. It involves simplifying the enrolment process for small businesses, developing a sustainable and equitable incentive(fee) structure for merchant payments, improving payment flows and operations for e-commerce, and catalysing the development of value-added services that can help merchants grow their businesses.

Table 9: Objective 3.1 - Summary of Actions

ACTION	TIMEFRAME	IMPLEMENTERS
Action 31: Establish a Merchant Acceptance Development Fund to accelerate micro-merchant adoption of digital payments, with a focus on expanding access and usage in rural and underserved areas.	24 months	Coordinator: NBE PSSD Stakeholders: All licensed financial institutions
Action 32: Create a framework for a Personal Retail Account (PRA) aimed at micro and small businesses. This risk-based account would simplify the KYC, onboarding requirements and enrolment process for micro-merchants, allowing them to use QR codes to accept digital payments, while still safeguarding against money laundering.	6 months	Coordinator: NBE PSSD Stakeholders: All licensed financial institutions
Action 33: Develop a regulatory framework for the introduction of a sustainable merchant discount rate, based on a comprehensive, data-driven assessment of the acceptance market landscape and financial-inclusion objectives.	12 months	Coordinator: NBE PSSD Stakeholders: All licensed financial institutions
Action 34: Launch a Merchant Value-Add Acceleration Program (MVAP) that would include initiatives such as providing technical assistance to PSPs to design tailored value-added services for merchants, Catalyse a pooled Merchant Working-Capital Fund amongst others initiatives	24 months	Coordinator: NBE PSSD Stakeholders: All licensed financial institutions, including POS operators and fintechs
Action 35: Convene an industry task-force (NBE, EthSwitch, banks, PIs, other acquirers) to review the QR-payment interchange: agree on a transparent issuer-acquirer-processor interchange sharing formula that optimises the incentive structures for all participants in the payment value chain, then codify it in an updated QR Scheme Rule.	6 months	Coordinator: NBE PSSD Stakeholders: All licensed financial institutions
Action 36: Review existing regulatory frameworks to permit licensed payment system operators to establish and operate escrow accounts at commercial banks and resolve the discrepancy between settlement timelines and e-commerce return policies. This review will assess the necessary risk management controls and legal frameworks required to enhance buyer-seller protection, reduce fraud, and build a trusted digital marketplace.	6 months	Coordinator: NBE PSSD Stakeholders: Ministry of Innovation and Technology

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Action 31: Establish a Merchant Acceptance Development Fund to accelerate micro-merchant adoption of digital payments

Ethiopia's digital payment ecosystem is constrained by a critically underdeveloped merchant acceptance network. With only 14,030 POS terminals—77% of which are concentrated in Addis Ababa— for an estimated 2 million MSMEs, the vast majority of small businesses do not accept digital payments.³⁷ This gap is largely driven by the high initial cost of acquiring payment devices, which deters both merchants and the financial institutions that serve them, particularly in rural areas where transaction volumes are lower.

Establishing a Merchant Acceptance Development Fund will de-risk the initial investment required to expand the network by providing targeted subsidies for the deployment of low-cost solutions, such as QR codes and mobile POS devices, in underserved regions. This approach mirrors successful initiatives like India's Payments Infrastructure Development Fund, which spurred the deployment of millions of low-cost acceptance devices in smaller towns and rural areas by subsidizing a significant portion of the acquisition cost. By creating the necessary incentive for acquirers, the fund will accelerate the onboarding of micro-merchants and rapidly expand the footprint of digital payment acceptance nationwide.

Action 32: Create a framework for a Personal Retail Account aimed at micro and small businesses.

Many of Ethiopia's micro and small merchants operate informally and cannot meet the extensive documentation requirements needed to open a standard business account. This procedural barrier effectively locks them out of the formal financial system, preventing them from accepting digital payments and perpetuating their reliance on cash. Introducing a framework for a Personal Retail Account (PRA) aims to provide a tiered, simplified transaction account with streamlined KYC requirements tailored to the realities of micro-merchants. Creating an accessible entry point into the formal financial system will enable these small businesses to begin accepting digital payments via low-cost QR codes. This will not only integrate them into the digital economy but also serve as a crucial first step towards formalizing their operations and building a verifiable financial history.

Action 33: Develop a regulatory framework for the introduction of a sustainable merchant discount rate, based on a comprehensive, data-driven assessment of the acceptance market landscape and financial-inclusion objectives.

Ethiopia's digital payments market currently operates without a merchant discount rate (MDR), meaning merchants are not charged for accepting digital payments. While this zero-fee approach can encourage initial adoption, it creates an unsustainable economic model by either pushing transaction costs onto consumers or requiring payment service providers to absorb the full cost of building and maintaining the acquiring network. In the long term, this disincentivizes the investment needed to achieve a ubiquitous acceptance ecosystem.

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Developing a data-driven regulatory framework for a future, sustainable MDR is a preparatory measure, not an immediate implementation, to be undertaken later in the strategic period once the merchant network has reached a greater level of maturity. A comprehensive assessment of the market landscape will inform the design of an MDR structure that is equitable, transparent, and balances the costs and incentives for all participants—merchants, consumers, and financial institutions. The goal is to create a viable long-term pricing model that supports continued investment in the ecosystem while ensuring affordability for all. This approach will also align Ethiopia's payments ecosystem with international standards, where MDRs are a common feature of mature markets.

Action 34: Launch a Merchant Value-Add Acceleration Program (MVAP)

For many merchants, the business case for adopting digital payments extends beyond simple transaction processing. Merchants often prefer cash because its associated costs—such as security risks and time spent on handling—are hidden, whereas any fees for digital services are explicit. To overcome this, the value proposition for digital acceptance must be clear and compelling. Current platforms are often perceived as too narrowly focused, failing to offer the integrated services that can help merchants manage and grow their core operations. A Merchant Value-Add Acceleration Program will stimulate the development of these much-needed services. By providing technical assistance and incentives, the program will encourage payment service providers to build and offer a suite of tailored tools for merchants. These could include inventory management systems, digital payroll solutions, and access to working capital loans based on transaction data. This will create a more holistic value proposition, transforming digital payment platforms from a simple utility into an indispensable business management tool, thereby deepening their adoption and usage.

Action 35: Convene an industry taskforce (NBE, EthSwitch, banks, PIIIs, other acquirers) to review the QR-payment interchange

The full potential of Ethiopia's national interoperable QR code standard remains unrealized due to stalled adoption by payment service providers. A primary obstacle is the absence of a clearly defined and commercially viable interchange framework. Financial institutions that invest in acquiring merchants by providing them with QR codes and onboarding support require fair compensation for their efforts. Similarly, issuers whose customers initiate payments need a clear value proposition. Without a transparent formula for sharing revenue between the issuer, acquirer, and processor, the economic incentives to expand the QR network are weak. This disincentivizes the investment required to build a ubiquitous, low-cost acceptance network and for participants to join the QR scheme. Convening an industry task force to collaboratively review and agree upon a new interchange model is therefore critical to establish a fair and transparent sharing formula that appropriately rewards each participant's contribution. Codifying this agreement into an updated QR Scheme Rule will provide the commercial certainty needed to accelerate widespread use of the national QR payment system.

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Action 36: Review existing regulatory frameworks to permit licensed payment system operators to establish and operate escrow accounts at commercial banks and resolve the discrepancy between settlement timelines and e-commerce return policies.

The growth of Ethiopia's e-commerce sector is significantly constrained by a lack of trust in transactions between unfamiliar buyers and sellers. Escrow services are a standard mechanism for mitigating this risk by having a neutral third party hold funds until the terms of a transaction are met. However, the current regulatory environment presents two key obstacles to implementing such a system. First, licensed Payment System Operators (PSOs) are not permitted to establish and operate escrow accounts at commercial banks, preventing the development of this critical trust-building infrastructure. Second, there is a fundamental misalignment between payment settlement timelines, which are typically completed within two days (T+2), and e-commerce return policies, which often allow for a seven-day window. This discrepancy means funds could be released to a seller before a buyer's return period has expired, undermining consumer protection.

Reviewing the existing regulatory framework is therefore essential. This will involve considering developing clear guidelines to permit licensed PSOs to manage escrow accounts, establishing robust risk management controls, and aligning settlement rules with commercial realities. By doing so, this action will provide the necessary buyer-seller protection, reduce the risk of fraud, and build the foundational trust required for a secure and thriving digital marketplace.

Objective 3.2: Digitize high-frequency payment flows.

High-volume, high-frequency payment streams are powerful drivers of digital payment adoption. At present, key economic sectors such as public transport, agriculture, and healthcare are characterized by a heavy reliance on cash transactions. This objective aims to accelerate the digitization of these critical payment ecosystems. By creating interoperable, efficient digital payment solutions for these recurring use cases, it will generate a compelling and practical reason for millions of Ethiopians to integrate digital payments into their daily lives.



Table 10: Objective 3.2 - Summary of Actions

ACTION	TIMEFRAME	IMPLEMENTERS
Action 37: Fully digitalise payments for government-operated transport services, including train and bus transportation.	48 months	Coordinator: Ministry of Transport and Logistics, Transport Operators Stakeholders: All licensed financial institutions
Action 38: Integrate digital payments with the agricultural input supply system, such as fertilizer distribution, leveraging existing fintechs and cooperative structures	24 months	Coordinator: Ministry of Agriculture Stakeholders: All licensed financial institutions and Agriculture fintechs
Action 39: Digitize payments across the public healthcare ecosystem by scaling successful pilot programs and expanding the integration of digital solutions to all public healthcare facilities, pharmacy supply chains, community and social health insurance schemes, and G2P disbursements to healthcare workers for per diems, salaries, and duty allowances.	36 months	Coordinator: Ministry of Health (Digital Health Payment Initiative, DHPI) Stakeholders: NBE, Ministry of Finance, All licensed financial institutions

Action 37: Fully digitalise payments for government-operated transport services, including train and bus transportation.

The transportation sector represents a significant and largely untapped opportunity for digitization. As a service used daily by millions of Ethiopians, public transport payments are a high-frequency, low-value use case that can serve as an ideal catalyst for shifting consumer behaviour from cash to digital. Digitizing payments across all government-operated transport services will create a powerful and highly visible use case, normalizing digital transactions in everyday life. This will not only enhance efficiency and reduce cash-handling costs for transport authorities but will also provide a compelling, routine reason for a large segment of the population to adopt and regularly use digital wallets. This will transform a daily necessity into a key driver of habitual digital payment adoption.

Action 38: Integrate digital payments with the agricultural input supply system, such as fertilizer distribution, leveraging existing fintechs and cooperative structures

Ethiopia's agricultural sector, which employs the majority of the nation's workforce, remains heavily reliant on cash. This dependence creates significant inefficiencies and leakages in critical transactions, such as the procurement of fertilizer and other inputs, while simultaneously limiting farmers' access to the formal financial system. Integrating digital payments directly into the agricultural input supply chain can help address these challenges. By leveraging the capabilities of existing agriculture-focused fintechs and the extensive network of farmer cooperatives, this action will create a more transparent and efficient mechanism for distributing subsidies and paying for essential inputs. This will not only streamline the agricultural supply chain but will also serve as a crucial entry point for millions of farmers into the broader digital financial ecosystem.

Action 39: Digitize payments across the public healthcare ecosystem

Ethiopia's public healthcare system, a critical service for millions, currently relies heavily on cash-based transactions, which creates inefficiencies, leakages, and operational burdens. While successful digital payment pilots have demonstrated a viable alternative, these solutions have not yet been scaled to achieve system-wide impact. Institutionalizing digital payments as a foundational component of the health sector's digital public infrastructure requires scaling up existing pilots to digitize financial flows across the entire ecosystem. This involves embedding interoperable payment options in all public healthcare facilities and pharmacies; digitizing the full lifecycle of community and social health insurance schemes, from premium collection to reimbursements; and streamlining government-to-person (G2P) payments for healthcare worker salaries and allowances. A comprehensive approach will enhance transparency, improve the efficiency of health financing, and reduce the risks associated with cash handling, ultimately strengthening service delivery across the sector.

Objective 3.3: Deepen widespread end-user adoption and usage of digital payments.

While expanding access to financial accounts is a critical first step, sustained usage is the ultimate measure of a successful digital payment ecosystem. Low activity rates indicate that many account holders have not yet fully transitioned towards digital payments. This is often due to a combination of deeply ingrained habits, a lack of awareness of the full capabilities of digital payment systems, such as the Automated Clearing House (ACH) for bulk payments, and direct barriers to access. A key barrier is the affordability of internet-enabled mobile devices, which are the primary channel for digital services. This objective focuses on addressing these end-user challenges by promoting underutilized payment channels and tackling fundamental access issues like handset affordability to drive deeper and more consistent engagement.

Table 11: Objective 3.3 - Summary of Actions

ACTION	TIMEFRAME	IMPLEMENTERS
<p>Action 40: Promote ACH to corporates:</p> <ul style="list-style-type: none"> - Digital channel mandate: Require all PSPs to feature a prominent "ACH Pay" option on their corporate internet-banking and mobile-banking interfaces. - Open ACH APIs: Publish standard APIs that let ERP, HR, and supplier-management platforms trigger ACH payments (salary runs, vendor batches) from within their native workflows. 	12 months	<p>Coordinator: NBE PSSD</p> <p>Stakeholders: All licensed financial institutions</p>
<p>Action 41: Drive down mobile phone costs and widen access.</p> <p>Incentivize production incentives for local assembly, and roll out targeted handset-subsidy vouchers for low-income users, making mobile devices affordable and accessible nationwide.</p>	36 months	<p>Coordinator: Ministry of Finance</p> <p>Stakeholders: Telecommunications operators, Ministry of Innovation and Technology, Ethiopian Communications Authority</p>

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Action 40: Promote ACH to corporates:

Ethiopia's Automated Clearing House (ACH) is a highly efficient, low-cost mechanism for processing bulk payments, yet it remains significantly underutilized by the corporate sector. Many businesses continue to rely on more cumbersome and expensive methods for high-volume transactions, such as salary and vendor disbursements, which limits the potential of the national payment infrastructure. Promoting ACH usage among corporations is essential for shifting these large transaction volumes onto formal digital rails. This will be achieved through two complementary initiatives.

First, requiring all payment service providers to feature a prominent ACH payment option on their corporate internet and mobile banking interfaces will address the challenge of visibility and access. By making ACH a standard and easily accessible feature, this will encourage its use for routine bulk payment needs. Second, publishing open APIs will allow for deep integration with the systems that businesses use daily. This enables corporate Enterprise Resource Planning (ERP), HR, and supplier-management platforms to trigger ACH payments, such as salary runs and vendor batches, from within their native workflows. This integration removes manual friction and positions ACH as the most efficient channel for high-volume corporate payments, driving a substantial increase in transaction flows through the national digital payment system.

Action 41: Drive down mobile phone costs and widen access.

Access to an affordable mobile device is the primary gateway to the digital economy, yet its high cost remains a fundamental barrier to inclusion in Ethiopia. This challenge is particularly acute for women; while 86% of men own a mobile phone, this figure drops to 65% for women. The gap is even more pronounced for smartphones with ownership at just 27% for men and 15% for women.³⁸ The device is essential for accessing user-friendly, app-based financial services. The limited access to smartphones is in part driven by their cost, which prevents a significant portion of the population from moving beyond basic USSD services. Driving down the cost of mobile phones will directly address this access barrier. A multi-faceted approach could include the provision of incentives for local assembly, and the implementation of targeted handset-subsidy programs for low-income users. Making mobile devices more affordable is a critical enabling action to ensure that all Ethiopians, particularly women, have the tools to fully participate in the digital economy.

Pillar 4 - Developing Human Digital and Financial Capacity

Advanced infrastructure and innovative products are only effective if citizens can use them confidently, regulators can supervise them effectively, and industry professionals can build and maintain them securely. A significant human capacity gap across the entire ecosystem remains a critical barrier to deepening digital financial inclusion in Ethiopia. This challenge extends from consumers who lack the digital and financial literacy to use services with confidence, to a private sector that needs more specialized

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digital financial services skills in areas like cybersecurity and data analytics. At the same time, regulatory bodies require new capabilities in data science and emerging technologies to enable proactive, data-driven supervision.

This pillar addresses these critical gaps by investing in human capital at all levels. It aims to ensure every stakeholder, from the first-time user to the industry expert and the regulator, has the knowledge and skills needed to thrive in a rapidly evolving digital economy.

Objective 4.1: Build widespread digital and financial capability among all Ethiopians.

A key barrier to the adoption and sustained use of digital payments is the widespread low level of digital and financial literacy. This knowledge gap can lead to a lack of consumer confidence, a fear of making errors, and an inability to fully leverage the benefits of digital services. To address this, a concerted effort is needed to build the capabilities of all Ethiopians. This objective focuses on implementing coordinated and tailored educational initiatives that reach diverse segments of the population.

Table 12: Objective 4.1 - Summary of Actions

ACTION	TIMEFRAME	IMPLEMENTERS
Action 42: Develop a collaborative cost-sharing mechanism for the ecosystem to drive digital financial literacy and coordinate digital and financial literacy campaigns tailored by product and user segment.	Fund - 24 months Campaigns - Rolling basis	Coordinator: Ethiopian Bankers Association Stakeholders: All licensed financial institutions, AEMFI, NBE Financial Consumer Protection and Education Directorate (FCPED), NBE FIS
Action 43: Empower agent networks and leaders of traditional community-based financial service providers like Equb and Ebir to serve as community influencers for digital payments by upskilling and training them to provide accurate, safe, and practical digital payment knowledge to consumers.	24 months	Coordinator: NBE FIS Stakeholders: All licensed financial institutions, Equb/Edir Associations, Ethiopian Cooperative Commission (ECC)

Action 42: Develop a collaborative cost-sharing mechanism for the ecosystem to drive digital financial literacy and coordinate digital and financial literacy campaigns

A fundamental obstacle to the adoption of digital payments in Ethiopia is not a lack of technology, but a deficit in user knowledge and confidence. Recent data highlights this clearly: 66% of women and 60% of men report not knowing how to use mobile money, while 45% of potential users fear making handset errors.³⁹ This knowledge gap is particularly pronounced among the elderly and in rural communities, where many individuals are unfamiliar with basic functions such as changing a PIN or checking a balance, and often do not understand fee structures. This widespread lack of practical skills is a direct cause of low adoption and the continued reliance on cash. While targeted, multilingual campaigns are essential for building these necessary skills, their high cost can make them unsustainable for any single entity to bear.

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Developing a collaborative cost-sharing mechanism provides a sustainable path for funding these critical initiatives. For example, the framework could allow the entire ecosystem to contribute to a central fund for digital and financial literacy, led by the Ethiopian Bankers Association. This pooled-resource approach reduces the financial burden on individual providers and enables the coordination of campaigns that are tailored to specific products and user segments, ensuring that literacy efforts are both impactful and financially viable over the long term. To this end, NBE can develop national digital financial literacy campaigns and leverage the shared resources of the fund to execute them. Alternatively, NBE can provide guidelines for service-provider driven campaigns, whereby individual licensed financial institutions can draw on pooled resources to deliver their own compliant campaigns.

Action 43: Empower agent networks and leaders of traditional community-based financial service providers like Equb and Ebir to serve as community influencers for digital payments by upskilling and training them to provide accurate, safe, and practical digital payment knowledge to consumers.

For many Ethiopians, particularly in rural areas, agents and leaders of community savings groups are the primary and most trusted human touchpoints for the financial ecosystem. Their role often extends beyond simple transaction processing to that of informal educators and troubleshooters for their communities. However, without formal training, the quality and accuracy of the guidance they provide can be inconsistent, potentially exposing users to risks or misinformation. Empowering these existing networks to serve as official community influencers leverages this deep-seated trust to scale digital literacy at the last mile. Providing agents and community finance leaders with structured training on digital safety, product usage, and fraud prevention transforms them into a powerful and effective channel for delivering practical, hands-on education. This approach builds consumer confidence within a familiar and trusted context, accelerating the safe adoption of digital payments where it matters most.

Objective 4.2: Enhance regulatory human capacity (data analytics, AI, emerging trends)

The rapid evolution of the digital payments landscape requires a parallel evolution in regulatory and supervisory capabilities. As the ecosystem becomes more complex and data-rich, traditional oversight methods are insufficient. Effective supervision now depends on the ability to analyze large datasets, understand emerging technologies like artificial intelligence, and anticipate market trends. Currently, there is a need to build these modern skills within the National Bank of Ethiopia and other relevant government bodies. This objective is focused on equipping regulatory staff with the technical capacity for proactive, data-driven supervision, ensuring that oversight remains effective and responsive to innovation.

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Table 13: Objective 4.2 - Summary of Actions

ACTION	TIMEFRAME	IMPLEMENTERS
Action 44: Build the capacity of NBE and other relevant government staff through on-the-job training on digital financial services subjects such as consumer protection, cybersecurity, data analytics, artificial intelligence, machine learning, and emerging fintech innovation	Rolling basis	Coordinator: NBE Ethiopian Institute of Financial Studies Stakeholders: NBE, Ministry of Innovation and Technology, Ministry of Finance, Bankers Association, All licensed financial institutions, Ethiopian Artificial Intelligence Service
Action 45: Conduct regular research on emerging payment technologies and trends as well as to anticipate future challenges and opportunities and develop proactive strategies / actions	Rolling basis	Coordinator: NBE Innovation Unit (once established) Stakeholders: NBE Ethiopian Institute of Financial Studies, NBE PSSD

Action 44: Build the capacity of NBE and other relevant government staff through on-the-job training on digital financial services subjects such as consumer protection, cybersecurity, data analytics, artificial intelligence, machine learning, and emerging fintech innovation

Supervising a rapidly evolving digital financial ecosystem requires regulatory capabilities that match the pace of technological change. The increasing complexity of financial products, the sophistication of cybersecurity threats, and the emergence of technologies like AI render traditional oversight and consumer protection methods insufficient. To effectively manage this new landscape, a shift towards a more proactive, data-driven supervisory approach is necessary. Building specialized capacity within regulatory bodies through targeted, on-the-job training directly addresses this need. Developing in-house expertise in data science, AI, and emerging fintech trends equips the NBE and other government staff to analyze market data, identify systemic risks, and craft agile, evidence-based policies. This enhanced skillset is essential for fostering innovation while simultaneously protecting consumers and ensuring the stability of the financial system.

Action 45: Conduct regular research on emerging payment technologies and trends as well as to anticipate future challenges and opportunities and develop proactive strategies / actions

A reactive regulatory posture, where policies are developed only in response to market developments, can stifle innovation and leave the ecosystem vulnerable to unforeseen risks. To effectively guide the market, the regulator must be forward-looking, anticipating the impact of global trends and new technologies on the local context. Conducting regular research enables a shift to this proactive stance. Studying emerging technologies and trends allows the regulator to anticipate market shifts, understand the potential implications of innovations like stablecoins or new data-driven business models, and develop informed, forward-looking strategies that support sustainable and responsible growth.

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Objective 4.3: Develop and enhance relevant digital skills across the industry (cybersecurity, AI, data analytics, etc.)

The growth and security of the digital finance industry depend on a workforce with specialized technical skills. There is a recognized gap across the sector in critical areas such as consumer protection, cybersecurity, data analytics, artificial intelligence, and machine learning, and the development of innovative financial products. This skills shortage can constrain the ability of financial service providers to scale securely and compete effectively. This objective aims to address this industry-wide challenge by fostering a robust talent pipeline. It involves creating targeted talent development programs and collaborative training initiatives to build a pool of professionals with the essential skills required to drive the next phase of growth in Ethiopia's digital economy.

Table 14: Objective 4.3 - Summary of Actions

ACTION	TIMEFRAME	IMPLEMENTERS
Action 46: Establish a digital finance talent acceleration program to build a talent pipeline for key DFS skills based on ongoing assessments of sector needs to build specialized capacity across the ecosystem. Organise targeted skill-development trainings for the staff of payment service providers, focusing on emerging issues like consumer protection, cybersecurity, data analytics, artificial intelligence, and machine learning	Program establishment - 12 months Trainings- Rolling basis	Coordinator: NBE Ethiopian Institute of Financial Studies Stakeholders: NBE, Ministry of Innovation and Technology, Telecommunications Operators, Education and Training Authority, Ministry of Education

Action 46: Establish a digital finance talent acceleration program to build a talent pipeline for key DFS skills

A persistent skills gap within financial institutions and fintechs in critical areas such as consumer protection, cybersecurity, data analytics, artificial intelligence, and machine learning constrains the sector's growth and resilience. This short supply of specialized local talent often leads to an over-reliance on external vendors, resulting in implementation delays, reduced agility, and vendor lock-in that can stifle innovation. Establishing a digital finance talent acceleration program directly addresses this challenge by building a sustainable pipeline of skilled professionals. Through ongoing needs assessments and targeted training, the program will equip industry staff with specialized, practical expertise in the most critical and emerging fields. This will enable financial institutions to develop robust in-house capabilities, reducing their dependence on third parties and fostering a more secure, innovative, and competitive digital financial ecosystem.

Pillar 5 - Galvanizing a Trusted and Resilient Ecosystem

Trust is the foundation of a thriving digital payments ecosystem. Ensuring the system is secure, reliable, affordable, and user-centric is critical for digital payments to become the preferred medium of exchange. While Ethiopia's ecosystem has grown rapidly, this has been accompanied by emerging threats and operational challenges that can undermine consumer confidence.

The overarching challenge is to strengthen the integrity and reliability of the entire ecosystem from end to end. This requires a multi-faceted approach that addresses key risks: tackling the rise of security threats such as social engineering fraud; guarding against service disruptions; strengthening consumer protection through clear rules and effective recourse mechanisms; improving the quality and consistency of the user experience; and ensuring transaction fees are both affordable and transparent. This pillar focuses on creating a secure and dependable environment where consumers feel protected, building the deep-rooted trust necessary for digital payments to become an integral part of daily life.

Objective 5.1: Ensure the security of the digital payments ecosystem

As digital transaction volumes grow, so does the exposure to sophisticated security threats, including organized social engineering fraud. A reactive approach to security is no longer sufficient to protect consumers and maintain confidence in the ecosystem. This objective focuses on shifting the industry towards a proactive and collaborative security posture. This involves establishing shared fraud and threat intelligence systems, leveraging advanced technologies for real-time detection, and strengthening authentication mechanisms through the integration of the national digital ID (Fayda) with the national payment system. The aim is to create a multi-layered security framework that can pre-emptively identify and mitigate risks across the entire payments landscape.

Table 15: Objective 5.1 - Summary of Actions

ACTION	TIMEFRAME	IMPLEMENTERS
Action 47: Implement a shared AI-based fraud detection technology within the NBE which is accessible to all national payment systems in Ethiopia	12 months	Co-coordinators: NBE PSSD, NBE Cybersecurity and Fraud Directorate (once established) Stakeholders: All licensed financial institutions
Action 48: Implement a national threat intelligence shared system within the NBE that is accessible to all payment systems in Ethiopia	12 months	Co-coordinators: NBE Information Systems Directorate, NBE Cybersecurity and Fraud Directorate (once established) Stakeholders: Information Network Security Administration (INSA), FIA, All licensed financial institutions, NBE PSSD

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ACTION	TIMEFRAME	IMPLEMENTERS
Action 49: Establish a dedicated Cybersecurity and Fraud Directorate at the NBE for the financial sector	6 months	Coordinator: NBE Stakeholders: None
Action 50: Establish a shared cybersecurity and fraud desk at all switch operators for cybersecurity and fraud management operations at the switch level	6 months	Coordinator: Switch Operators Stakeholders: NBE, INSA
Action 51: Establish a National Financial Sector Cybersecurity Framework in collaboration with INSA. Develop and mandate a unified, risk-based framework for all NBE-licensed entities, harmonising existing directives and aligning with international standards (e.g., NIST, ISO 27001).	12 months	Coordinator: Information Network Security Administration (INSA) Stakeholders: NBE PSSD, NBE FCPED
Action 52: Launch industry-driven national awareness campaigns on an ongoing basis for fraud and cybersecurity including a focus on socially engineered fraud	Rolling basis	Coordinator: NBE FIS Stakeholders: NBE PSSD, INSA
Action 53: Implement directive for Authorised Push Payment (APP) fraud: The directive should focus on clarifying the responsibilities of banks and consumers in their contracts and mandating reimbursement only when the bank's staff, agents, or system is at fault.	12 months	Coordinator: NBE FCPED Stakeholders: None
Action 54: Mandate participation in the National Public Key Infrastructure: Mandate all licensed banks, MFIs, PIs and PSOs to embed Ethiopia's National PKI into their core-banking systems, payment gateways and customer channels, using its digital certificates to sign and verify all interbank messages, authenticate payment instructions, provide non-repudiation, and enable fully remote, e-signature onboarding.	Mandate - 6 months Market implementation - 12 months	Coordinator: INSA Stakeholders: NBE PSSD, All licensed financial institutions
Action 55: Publish an annual (minimum) fraud report identifying national fraud trends and mitigation strategies	Rolling basis	Coordinator: NBE FCPED Stakeholders: All licensed financial institutions, INSA, Financial Intelligence Service (FIS)
Action 56: Develop and issue an Electronic Fund Transfers Guideline to define roles and minimum standards for all electronic payments	6 months	Coordinator: NBE PSSD Stakeholders: All licensed financial institutions
Action 57: Develop and issue Minimum Transaction Security Standards covering all payment channels, mandating specific security features	6 months	Coordinator: NBE PSSD Stakeholders: INSA, NBE FCPED, FIS, All licensed financial institutions
Action 58: Implement a directive outlining the procedures for placing a lien on accounts involved in fraud or suspending accounts suspected of fraudulent activity	6 months	Coordinator: FIS Stakeholders: NBE PSSD, NBE FCPED, INSA
Action 59: Mandate Fayda ID as the unique KYC identifier for all accounts and wallets by 2030	60 months	Coordinator: NBE BSD Stakeholders: National ID Program

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Action 47: Implement a shared AI-based fraud detection technology within the NBE which is accessible to all national payment systems in Ethiopia

The digital payments ecosystem faces a growing threat from sophisticated, organized fraud. Criminal networks often operate across multiple financial institutions, using call centre-like setups to execute social engineering scams that are difficult for any single provider to detect. An approach where each institution monitors only its own transactions is insufficient to counter these coordinated, cross-platform attacks, as the broader pattern of fraudulent activity remains invisible.

Implementing a shared, AI-based fraud detection system, housed within the National Bank of Ethiopia, provides a centralized, system-wide defence. By analyzing anonymized transaction data from across the entire ecosystem in real-time, the system can identify complex suspicious patterns that would otherwise go unnoticed, such as a single account receiving multiple payments from various victims in a short period. This centralized intelligence allows for the immediate flagging of fraudulent activity, protecting consumers, reducing financial losses, and enhancing the security of the entire industry.

Action 48: Implement a shared national threat intelligence system within the NBE that is accessible to all payment systems in Ethiopia

A major vulnerability in Ethiopia's digital payments ecosystem is the lack of a coordinated, sector-wide cybersecurity and threat intelligence mechanism. At present, information on cyber incidents—including phishing campaigns, ransomware, malware, distributed denial-of-service (DDoS) attacks, insider threats, and sophisticated fraud typologies—remains fragmented within individual institutions. This siloed approach prevents collective defence, leaving the ecosystem exposed to repeated exploitation of the same vulnerabilities across banks, MFIs, PIs, PSOs, and telecom operators. This action will establish a Shared National Cybersecurity and Threat Intelligence System within the National Bank of Ethiopia (NBE), functioning as a secure, centralized hub for real-time intelligence exchange.

To ensure integrity and trust, the platform will be governed by a formal cybersecurity framework defining data-sharing protocols, confidentiality safeguards, classification standards, and escalation procedures, in alignment with national cybersecurity and data protection laws. It will also be linked to regional and global cyber threat intelligence networks, ensuring Ethiopia's financial system benefits from global early-warning signals and contributes to broader resilience efforts.

By creating a shared, ecosystem-wide view of cyber threats, the system will shift the sector from a reactive to a proactive cybersecurity posture. A threat identified by one institution will immediately reinforce the defences of all, strengthening consumer trust, protecting national payment infrastructure, and safeguarding Ethiopia's digital economy.

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Action 49: Establish a dedicated Cybersecurity and Fraud Directorate at the NBE for the financial sector

The increasing sophistication and volume of cyber threats and financial fraud require specialized, continuous, and coordinated oversight. Without a dedicated supervisory body, responsibility for managing these complex risks can become fragmented, hindering the development of a unified and proactive security posture for the nation's financial system. Establishing a dedicated Cybersecurity and Fraud Directorate within the NBE centralizes this critical function. The directorate will serve as the financial sector's focal point for risk monitoring, incident response, and the development of security standards. It will also facilitate seamless collaboration with other national bodies, such as the Information Network Security Administration (INSA) and the Financial Intelligence Service (FIS), to ensure a cohesive national strategy for combating financial crime and enhancing the overall resilience of the ecosystem.

Action 50: Establish a shared cybersecurity and fraud desk at all switch operators for cybersecurity and fraud management operations at the switch level

When fraudulent transactions cross between different financial service providers, coordinating an effective response and resolving disputes becomes complex and slow. Individual institutions lack visibility into the full, end-to-end transaction chain, which can delay resolution for consumers. Establishing a shared cybersecurity and fraud desk at the national switch operator addresses this operational gap. Positioned at the heart of the payment system, switches have a unique view of interoperable transactions. A dedicated desk at this level can therefore act as a neutral and central coordination point for incident management. This centralizes the resolution of complex fraud cases involving multiple participating institutions, and strengthens the integrity of the entire network.

Action 51: Establish a National Financial Sector Cybersecurity Framework in collaboration with INSA

The absence of a unified, sector-specific cybersecurity framework creates inconsistent security standards across the financial ecosystem, leaving institutions vulnerable to an increasingly sophisticated threat landscape. A tailored framework is required to address the unique risks inherent in financial services and to establish a common baseline for security across all licensed entities.

Establishing a National Financial Sector Cybersecurity Framework will harmonize existing directives into a single, risk-based standard. Aligning this framework with globally recognized standards is critical for elevating the industry's security posture. The NIST Cybersecurity Framework, for instance, provides a practical, risk-based approach for managing cyber threats across five core functions: Identify, Protect, Detect, Respond, and Recover. Similarly, ISO 27001 offers a systematic methodology for managing sensitive information and ensuring robust security controls. Adopting these international best practices will ensure that Ethiopia's financial sector is benchmarked against a high global standard, building resilience and fostering trust in the digital ecosystem.

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Action 52: Launch industry-driven national awareness campaigns on an ongoing basis for fraud and cybersecurity including a focus on socially engineered fraud

Social engineering fraud is the most prevalent type in Ethiopia, a threat that is magnified by widespread gaps in digital and financial literacy, particularly among rural populations, women, and the elderly. Fraudsters exploit this by impersonating bank officials or other authorities to trick unsuspecting individuals into revealing sensitive information or transferring money. This erodes consumer trust and creates a significant barrier to the adoption and use of digital payment services.

Launching sustained, nationwide awareness campaigns will directly address this vulnerability. The campaigns will be localized, multilingual, and disseminated through diverse and trusted channels, including radio, television, and community leaders, to reach all segments of the population. The messaging will be simple and practical, educating users on how to identify common scams, the importance of protecting their PINs and personal information, and the clear steps to take if they suspect they have been targeted by fraudsters.

Despite their importance, implementing awareness campaigns on a continuous basis is an expensive endeavour for individual institutions. Therefore, this action will seek to leverage the cost-sharing mechanisms developed under Action 41, to reduce the burden on individual institutions and coordinate campaigns effectively.

Action 53: Implement directive for Authorised Push Payment (APP) fraud: The directive should focus on clarifying the responsibilities of banks and consumers in their contracts and mandating reimbursement only when the bank's staff, agents, or system is at fault.

A significant regulatory gap in Ethiopia is a lack of clarity on where responsibility and fault lies between financial institutions and consumers during instances of fraud. This often leaves the burden of loss from digital payment fraud almost entirely on the consumer. This lack of a clear compensation mechanism weakens the incentive for financial institutions to invest in the advanced security systems needed to prevent such fraud and is a major barrier to building trust in the digital ecosystem.

Implementing a directive for Authorised Push Payment (APP) fraud can help clarify the responsibilities and liability of consumers and financial institutions in preventing fraud. Such a policy would mandate that consumers are reimbursed in instances where financial institutions' staff, agents, or systems are at fault for causing fraud or failing to adequately prevent fraud. Importantly, this would shift the responsibility for reimbursing victims, requiring both the sending and receiving financial institutions to share the cost of the loss, provided the consumer has acted with reasonable care and the financial institution can be deemed at fault. This creates a powerful financial incentive for all providers in the payment chain to invest in stronger fraud detection systems and collaborate more effectively to prevent fraudulent transactions. The United Kingdom,

for instance, has implemented a mandatory [APP Scams Reimbursement Requirement](#) where liability is split between the sending and receiving institutions. Similarly, Nigeria's Central Bank has mandated the Nigeria Inter-Bank Settlement System (NIBSS) to directly debit banks for fraudulent transactions, reinforcing stricter accountability measures in the financial sector. These policies incentivize industry-wide investment in advanced anti-fraud technologies.

Action 54: Mandate participation in the National Public Key Infrastructure

Secure digital transactions depend on the ability to cryptographically verify the identities of all parties and confirm the integrity of the data being exchanged. Without a common, trusted infrastructure to manage these digital identities, security measures remain fragmented across the ecosystem, creating vulnerabilities and limiting the potential for high-trust digital services. Ethiopia's established National Public Key Infrastructure (PKI), with the Information Network Security Administration (INSA) acting as the central root of trust, provides a foundational security layer for the entire country. However, financial institutions are largely yet to integrate with the PKI.

Mandating all financial institutions integrate this existing PKI into their core systems, payment gateways, and customer channels will establish a uniform, high standard of security. This integration enables the use of digital certificates to secure interbank communications, authenticate payment instructions. It will also provide non-repudiation for transactions, meaning it creates cryptographic proof that a payment was sent and cannot be denied by the sender, thereby building a more trusted and legally sound environment for all digital financial interactions.

In addition, a key benefit of PKI integration is that it can facilitate legally recognized e-signatures for services like remote account opening. For example, India's PKI underpins its [DigiLocker](#) platform, enabling robust electronic Know Your Customer (e-KYC) processes by allowing financial institutions to securely pull authentic, digitally signed identity documents. This strengthens the ecosystem by hardening the account opening process against fraud and the creation of mule accounts.

Action 55: Publish an annual (minimum) fraud report identifying national fraud trends and mitigation strategies.

The effectiveness of any system-wide fraud prevention strategy is compromised by delayed and inconsistent fraud reporting from financial institutions, limiting the ability to build a unified intelligence framework and detect emerging threats. NBE's ongoing Data Automation Project aims will help provide a centralized fraud-reporting portal that will standardize this process. Furthermore, a new directive is currently being developed to require all regulated entities to log incidents using a consistent format and timeframe. This will create a comprehensive, near-real-time national database of fraud activity, providing the essential data needed for the AI-based detection and threat intelligence systems to function effectively.

This action aims to leverage the aggregated and anonymized data from the ongoing fraud data collection efforts and will be used to produce an annual public fraud report. This report will provide a detailed analysis of fraud incidents and fraud patterns across the country, highlighting the most common typologies, affected consumer segments and sectors affected. This serves to guide targeted awareness campaigns, inform regulatory priorities, and foster a culture of transparency and shared responsibility in the fight against financial crime.

Action 56: Develop and issue an Electronic Fund Transfers Guideline to define roles and minimum standards for all electronic payments

As Ethiopia's digital payments ecosystem grows, the absence of a single, comprehensive regulatory framework governing electronic fund transfers (EFT) creates ambiguity for both consumers and providers. This can lead to inconsistent standards for transaction processing, unclear liability in the case of errors or disputes, and a fragmented approach to consumer protection across different payment channels and institutions. Developing and issuing a dedicated EFT Guideline will establish a foundational set of rules for all electronic payments. This guideline will clearly define the roles, responsibilities, and liabilities of all participants in a payment chain, from the originator to the beneficiary. It will also set minimum operational and security standards for all electronic transactions, ensuring a consistent, predictable, and secure environment for the entire ecosystem and providing the legal certainty required to build lasting trust in digital payments.

Action 57: Develop and issue Minimum Transaction Security Standards covering all payment channels, mandating specific security features

The security measures implemented across Ethiopia's digital payment channels, such as USSD, mobile apps, payment gateways and POS, are inconsistent. This disparity creates vulnerabilities that can be exploited by fraudsters and causes confusion for consumers, who may not understand the differing levels of risk associated with each channel. This lack of a uniform security baseline undermines trust and exposes the ecosystem to unnecessary risk.

Issuing a set of Minimum Transaction Security Standards will establish a mandatory, consistent level of security for all digital payments, regardless of the channel used. These standards will mandate specific, proven security features tailored to the risk profile of each channel. For example, they could require multi-factor authentication for high-value transfers, mandate the adoption of 3-D Secure protocols for all online card payments to prevent unauthorized use, and require tokenization to protect sensitive card data during transactions. By creating a harmonized security framework, these standards will reduce fraud, protect consumers, and build greater confidence across the entire digital payments landscape.

Action 58: Implement a directive outlining the procedures for placing a lien on accounts involved in fraud or suspending accounts suspected of fraudulent activity.

A critical challenge in fraud response is the lack of a clear legal framework that allows financial institutions to act swiftly to freeze stolen funds. Banks are often hesitant to suspend accounts without a formal court order, a process that can take up to a week, by which time the fraud proceeds have typically been transferred multiple times and withdrawn. Implementing a clear directive will provide financial institutions with the legal authority and a standardized procedure to place a temporary hold (lien) on funds or suspend accounts that are credibly suspected of being involved in fraudulent activity. This will enable rapid intervention, significantly increasing the chances of recovering funds for victims and disrupting the financial operations of fraud networks.

Action 59: Mandate Fayda ID as the unique KYC identifier for all accounts and wallets by 2030

The absence of a universal, unique identifier for customers across the financial system complicates Know Your Customer (KYC) processes and creates opportunities for identity-related fraud. The national digital ID system, Fayda, is considered a gamechanger for mitigating this risk, but its full potential can only be realized through universal adoption within the financial sector.

Designating the Fayda ID as the primary, mandatory identifier for all new and existing financial accounts will create a foundational “trust anchor” for the entire ecosystem. Linking every account to a single, verifiable digital identity will streamline and strengthen e-KYC, drastically reduce the scope for identity fraud, and enable a more holistic view of customer relationships, which is essential for responsible digital lending and other advanced financial services.

Objective 5.2: Ensure the resilience of the digital payments ecosystem.

The reliability of digital payment services depends on the stability of underlying infrastructures, including power grids and telecommunications networks. Service disruptions, caused by outages or other operational failures, can erode consumer trust and disrupt economic activity. The ecosystem’s resilience is therefore a critical concern. This objective is focused on strengthening the operational integrity of all payment systems. It requires a systematic approach to identifying and mitigating single points of failure, enhancing disaster recovery and business continuity plans for all providers, and ensuring that the national payment infrastructure maintains high availability.

Table 16: Objective 5.2 - Summary of Actions

ACTION	TIMEFRAME	IMPLEMENTERS
Action 60: Strengthen disaster recovery and business continuity plans for all financial service providers, PIs and PSOs, including requiring audits, mandating 24/7 availability of payment infrastructure, and ensuring backup solutions are functional	24 months	Coordinator: NBE PSSD Stakeholders: All licensed financial institutions

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Action 60: Strengthen disaster recovery and business continuity plans for all financial service providers, PIs and PSOs, including requiring audits, mandating 24/7 availability of payment infrastructure, and ensuring backup solutions are functional

The reliability of the digital payments ecosystem depends on the operational resilience of every participant. While the NBE has established recovery plan directives for banks, rigorous enforcement and auditing are required to ensure these plans are effective. This includes verifying that redundant systems are not only functional but are also optimally located in geographically separate sites to prevent a single localized event, such as a power or network outage, from impacting both primary and backup systems. Strengthening and enforcing business continuity requirements for all licensed entities is therefore essential. This involves mandating that all providers have robust, regularly tested disaster recovery plans and functional backup solutions. Requiring periodic independent audits of these plans will ensure they are not merely documents, but are practical and effective, thereby enhancing the overall stability and resilience of the national payment system.

Objective 5.3: Strengthen consumer protection

For users to fully trust digital payments, they must be confident that they will be treated fairly and have access to effective recourse when issues arise. Existing financial consumer protection frameworks may not adequately address the specific challenges of digital financial services, such as resolving electronic transaction errors, handling disputes, or protecting user data. This objective aims to build user confidence by establishing clear and enforceable rules for consumer protection for digital financial services. It focuses on creating simple, accessible, and effective recourse mechanisms and ensuring that all providers adhere to high standards of transparency and fair practice.

Table 17: Objective 5.3 - Summary of Actions

ACTION	TIMEFRAME	IMPLEMENTERS
Action 61: Strengthen the national Financial Consumer Protection (FCP) framework by amending the existing directive to include a dedicated, comprehensive section specific to protection of digital financial services consumers	6 months	Coordinator: NBE FCPED Stakeholders: NBE BSD
Action 62: Amend the customer redress and dispute resolution mechanism to include a provision for directly notifying the National Bank of Ethiopia as an additional escalation channel for end-users. Additionally, develop inclusive and accessible escalation mechanisms that enable customers to easily submit such cases to the National Bank	6 months	Coordinator: NBE FCPED Stakeholders: All licensed financial institutions

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Action 61: Strengthen the national Financial Consumer Protection (FCP) framework by amending the existing directive to include a dedicated, comprehensive section specific to protection of digital financial services consumers

While Ethiopia has a foundational Financial Consumer Protection (FCP) Directive, its broad nature does not fully address the specific risks inherent in digital financial services, such as agent-related fraud or the complexities of instant payment disputes. As the National Bank of Ethiopia works to strengthen this framework, it is critical to embed principles that are fit for a digital-first environment.

Amending the directive to include a dedicated section for digital financial services provides an opportunity to adopt a modern, outcomes-based approach to consumer protection. This approach moves beyond simple rules-based compliance and holds providers accountable for delivering fair and appropriate results for their customers. By focusing on key outcomes, such as ensuring products are suitable, information is transparent, assets are protected from fraud, and effective redress is accessible. The updated framework will establish clear, specific rules for the digital financial services creating a more predictable and secure ecosystem, building the consumer trust that is essential for widespread adoption.

Action 62: Amend the customer redress and dispute resolution mechanism to include a provision for directly notifying the National Bank of Ethiopia as an additional escalation channel for end-users. Additionally, develop inclusive and accessible escalation mechanisms that enable customers to easily submit such cases to the National Bank.

When digital payment disputes are not resolved to a customer's satisfaction by their financial service provider, the current framework lacks a clear, accessible, and authoritative final recourse. This gap can leave consumers feeling powerless and can significantly erode trust in the digital ecosystem, as users may be hesitant to adopt services if they believe they have no effective way to resolve issues.

Amending the national dispute resolution mechanism to formally establish the National Bank of Ethiopia as an additional escalation channel provides consumers with a crucial backstop and increases provider accountability. This will be complemented by the development of inclusive and accessible channels, such as a simple online portal, email, USSD menu, contact number or AI chatbot, that allow end-users to easily submit and track their unresolved cases with the NBE. This streamlined approach to escalation will ensure that all consumers have access to a timely and effective redress process, reinforcing confidence in the formal financial system.

Objective 5.4: Improve user experience and service quality

A seamless and intuitive user experience is critical for building comfort and encouraging the sustained use of digital payment services. Inconsistent or poorly designed interfaces can lead to user errors, frustration, and a reluctance to transact digitally, particularly among less experienced users. This objective focuses on promoting a high standard of service quality across the industry. It involves establishing minimum user experience (UX) guidelines for all digital payment platforms to ensure that services are simple, accessible, and consistent, thereby reducing friction and building user confidence through ease of use.

Table 18: Objective 5.4 - Summary of Actions

ACTION	TIMEFRAME	IMPLEMENTERS
<p>Action 63: Commission an audit of user experience relating to digital financial services offerings and develop a set of Minimum User Experience (UX) Guidelines for all digital payment services, outlining standards for accessibility, simplicity, security, and consistency across platforms to ensure intuitive design, reduce user errors, and build trust in digital payment systems.</p>	18 months	<p>Coordinator: NBE PSSD Stakeholders: NBE FCPED</p>
<p>Action 64: Develop a robust annual Digital Payments Index for Ethiopia which tracks key dimensions, including infrastructure maturity level, payment adoption and usage, innovation, user experience, cost and affordability, and security and trust, to provide a holistic view of the country's digital payments ecosystem using readily available data.</p>	Rolling basis	<p>Coordinator: NBE PSSD Stakeholders: None</p>

Action 63: Commission an audit of user experience relating to digital financial services offerings and develop a set of Minimum User Experience (UX) Guidelines for all digital payment services

Complex design of digital financial service applications in Ethiopia creates a significant barrier to adoption, particularly for users with lower digital literacy. This lack of a user-centric design standard leads to errors, frustration, and a general reluctance to use digital services. Commissioning a comprehensive audit of the current user experience across the market will provide the evidence base needed to develop a set of Minimum User Experience (UX) Guidelines. These guidelines will establish clear and mandatory standards for all digital payment services, covering critical aspects such as design simplicity, accessibility for users with disabilities, the availability of multiple local languages, standardized navigation, and the clear communication of transaction fees and details. By ensuring that all platforms are intuitive, secure, and easy to navigate, these guidelines will directly reduce user errors, build consumer confidence, and foster a more inclusive and user-friendly digital ecosystem.

Action 64: Develop a robust annual Digital Payments Index for Ethiopia

To effectively measure progress and guide policy, Ethiopia requires a comprehensive tool that moves beyond tracking simple transaction volumes. A holistic view of the

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digital payments ecosystem is necessary to understand the complex interplay between infrastructure development, consumer adoption, and market health. Developing a robust annual Digital Payments Index for Ethiopia will provide this crucial diagnostic capability. By tracking key dimensions such as infrastructure readiness, payment adoption, innovation, user experience, and security, the index will offer a data-driven snapshot of the country's progress. To effectively track the penetration and deepening of digital payments, the Reserve Bank of India (RBI) launched a similar [Digital Payments Index](#), which provides a comprehensive, multi-dimensional view of its ecosystem by tracking parameters such as payment enablers, infrastructure, performance, and consumer centricity. Adopting a similar multi-faceted approach will allow Ethiopian policymakers to identify which specific areas are driving growth, pinpoint emerging challenges, and make more targeted, evidence-based interventions.

Objective 5.5: Improve the affordability and transparency of digital payment transaction fees

The cost of transactions is a primary factor influencing the decision to use digital payments over cash, especially for low-income users and small businesses. Opaque pricing structures and high fees can be a significant barrier to adoption and frequent use. This objective is focused on ensuring that digital payments are an affordable and attractive alternative to cash. This will be achieved by mandating the clear and simple disclosure of all transaction fees and addressing the underlying drivers of high costs, including indirect charges like USSD charges, to make digital payments accessible to all Ethiopians.

Table 19: Objective 5.5 - Summary of Actions

ACTION	TIMEFRAME	IMPLEMENTERS
Action 65: Mandate clear disclosure of transaction pricing for every transaction including digital and offline transactions	12 months	Coordinator: NBE FCPED Stakeholders: NBE PSSD
Action 66: Launch a Consumer P2P Transaction Fee Reform Initiative that audits current transfer charges across all providers to introduce a consumer-friendly pricing structure and incentives that reduce end-user costs, especially for P2P low-value transactions.	24 months	Coordinator: NBE PSSD Stakeholders: All licensed financial institutions
Action 67: Broker an agreement with Mobile Network Operators (MNOs) to zero-rate fees on digital payment transactions made via USSD. This removes the indirect cost of USSD transactions, which is a significant barrier for low-income users, making digital payment services accessible to a wider segment of the population.	12 months	Coordinator: NBE PSSD Stakeholders: Telecommunications operators, ECA
Action 68: Conduct a "Cost of Cash Study in Ethiopia: A Comparative Analysis of Cash and Digital Payment" Study for Ethiopia to serve as an advocacy tool demonstrating the broader economic benefits of digital payments, and use it to drive policy reforms	6 months	Coordinator: NBE PSSD Stakeholders: None

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Action 65: Mandate clear disclosure of transaction pricing for every transaction including digital and offline transactions

A significant barrier to trust and adoption, as identified in focus group discussions, is the perception that digital transaction costs are excessively high and non-transparent. Users, including merchants, are often unclear about how fees and taxes are applied, which incentivizes a preference for cash, especially for smaller transactions, or leads to inefficient practices like maintaining multiple bank accounts to minimize fees.

Mandating clear, simple, and upfront disclosure of all pricing for every transaction will directly address this issue. This will require providers to display the full cost to the user before a transaction is confirmed, eliminating hidden charges and allowing consumers to make informed financial decisions. This transparency is a cornerstone of fair treatment and is critical for building consumer confidence.

Action 66: Launch a Consumer P2P Transaction Fee Reform Initiative that audits current transfer charges across all providers to introduce a consumer-friendly pricing structure and incentives that reduce end-user costs, especially for P2P low-value transactions.

High transaction fees for person-to-person (P2P) transfers are a significant barrier to the widespread adoption of digital payments, particularly for low-income segments of the population. For users transacting in small amounts, even a minor fee can represent a substantial portion of the transaction's value, making cash a more economically rational choice for daily use. This pricing friction prevents the habitual use of digital payments and slows the transition away from a cash-based economy. Launching a consumer P2P transaction fee reform initiative will address this cost barrier. The initiative will begin with a comprehensive audit of current transfer charges across all providers to understand the components and drivers of end-user pricing. Based on this data-driven analysis, the goal is to foster a more consumer-friendly pricing environment by encouraging market-based structures, such as tiered fees for low-value transactions, that better align with a high-volume, low-margin business model. By making everyday digital transfers more affordable, this will provide a compelling incentive for price-sensitive users to enter and actively participate in the digital ecosystem, driving transaction volumes and deepening financial inclusion.

Action 67: Broker an agreement with Mobile Network Operators (MNOs) to zero-rate tariffs/fees on digital payment transactions made via USSD.

For a large portion of Ethiopians, particularly in rural areas and among low-income groups, USSD technology is the primary gateway to digital financial services. Unlike app-based services that require smartphones and data connectivity, USSD functions on any mobile device, making it the most accessible channel for financial inclusion. However, the indirect cost of USSD session charges levied by mobile network operators acts as a disincentive for its use. This fee, while small, can be a significant barrier for price-sensitive users, making them revert to cash for their daily transactions.

Brokering an agreement with MNOs to zero-rate fees for digital financial service transactions made via USSD will remove this critical access barrier. By eliminating the indirect cost associated with these transactions, digital payments become more affordable and attractive for the most financially vulnerable segments of the population. This will accelerate adoption among feature phone users, deepen financial inclusion, and ensure that the benefits of the digital economy are accessible to all Ethiopians, regardless of their device or location.

Action 68: Conduct a “Cost of Cash Study in Ethiopia: A Comparative Analysis of Cash and Digital Payment” Study for Ethiopia to serve as an advocacy tool demonstrating the broader economic benefits of digital payments, and use it to drive policy reforms

In a developing digital payment ecosystem, the visible fees associated with digital transactions often create the perception that cash is a “free” alternative. This overlooks the significant, yet often hidden, costs that a cash-dominant economy imposes on individuals, businesses, and the government. These include direct costs such as currency printing, distribution, and security, as well as indirect costs like lost productivity from time spent accessing cash, leakages from corruption and tax evasion, and the risks associated with theft.

Conducting a comprehensive “Cost of Cash Study in Ethiopia: A Comparative Analysis of Cash and Digital Payment” will quantify these hidden economic burdens. By providing a data-driven analysis of the true cost of using physical currency, the study will create a clear, evidence-based case for accelerating the transition to digital payments. The findings will serve as an advocacy tool, enabling policymakers to design targeted incentives for digital adoption and helping the public and private sectors to better understand the substantial efficiency gains and economic benefits of moving towards a less-cash society.

Pillar 6 - Enabling Innovation and Value-Added Services Beyond Payments

A mature digital ecosystem must be a dynamic platform for innovation that delivers a wide range of valuable financial services to citizens and businesses, including tailored new products which can capture underserved market segments and further entrench users of underutilised accounts. While Ethiopia has successfully liberalized its market to allow new players, the environment for innovation remains constrained by a regulatory framework that is still catching up to the pace of technological change. Key challenges include slow product approval processes, a lack of clear rules for emerging services like digital lending, and concerns around market imbalances that can stifle fair competition.

The primary challenge is to create the conditions necessary for a competitive digital financial services market to flourish, moving beyond basic transactions to unlock the full potential of digital finance. This requires modernizing regulatory oversight through tools like regulatory sandboxes and supervisory technology, creating legal clarity for new products such as digital credit and insurance, and actively fostering a level playing field for all market participants. This pillar focuses on building an agile yet robust environment that unlocks responsible innovation and ensures a competitive market.

Objective 6.1: Regulatory and Supervisory capacity for innovation and data management

A dynamic digital finance market requires an agile regulatory framework that can keep pace with technological change. Traditional, manual approaches to licensing and supervision can create bottlenecks, slowing down product approvals and limiting the regulator's ability to monitor a fast-growing market effectively. This objective is focused on modernizing the National Bank of Ethiopia's oversight capabilities. It involves adopting supervisory technology (SupTech) to enable data-driven monitoring and operationalizing a regulatory sandbox to allow new products to be tested in a controlled environment before a full market launch.

Table 20: Objective 6.1 - Summary of Actions

ACTION	TIMEFRAME	IMPLEMENTERS
Action 69: Deploy a RegTech Platform at the NBE for streamlined licensing & compliance management	12 months	Coordinator: NBE Information Systems Management Directorate Stakeholders: NBE PSSD, NBE BSD
Action 70: Deploy a SupTech data-lake for continuous off-Site supervision to stream transactional and prudential data, layered with advanced analytics to detect anomalous patterns	24 months	Coordinator: NBE Information Systems Management Directorate Stakeholders: NBE PSSD, NBE BSD
Action 71: Establish a dedicated innovation unit within the National Bank of Ethiopia	12 months	Coordinator: NBE Stakeholders: None
Action 72: Approve, operationalise and continuously improve the regulatory sandbox	Rolling basis	Coordinator: NBE PSSD, NBE Innovation Unit (once established) Stakeholders: Innovative Finance Lab

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Action 69: Deploy a RegTech Platform at the NBE for streamlined licensing & compliance management

Feedback from market participants highlights that, despite improvements, the current process for authorizing new digital financial products is slow and bureaucratic, involving multiple NBE departments and creating significant delays. This lengthy time-to-market acts as a considerable deterrent to innovation for both new and incumbent players in the ecosystem.

Deploying a Regulatory Technology (RegTech) system will directly address this inefficiency. By automating and streamlining the workflows for licensing, product approval, and ongoing compliance management, the system will create a more efficient, transparent, and predictable regulatory process. This reduces the administrative burden on innovators and accelerates the pace at which new products can be brought to market, fostering a more dynamic and responsive financial sector.

Action 70: Deploy a SupTech data-lake for continuous off-Site supervision to stream transactional and prudential data, layered with advanced analytics to detect anomalous patterns

The NBE's current supervisory approach relies heavily on the periodic, manual submission of reports from financial institutions. This method is inefficient and provides only a static, backward-looking view of the market, which is inadequate for supervising a dynamic, real-time digital payments ecosystem.

Deploying a Supervisory Technology (SupTech) data-lake will modernize the NBE's supervisory capabilities. By enabling the automated, near-real-time streaming of transactional and prudential data from regulated entities, the system will allow for continuous off-site monitoring. Layering this with advanced analytics will enhance the NBE's ability to detect anomalies, identify emerging systemic risks, and conduct more effective, evidence-based supervision.

Action 71: Establish a dedicated innovation unit within the National Bank of Ethiopia (NBE)

For fintechs and other innovators, navigating the regulatory landscape can be complex, and a lack of a clear, knowledgeable point of contact within the regulator can stifle new ideas. A dedicated and accessible channel is needed to facilitate communication and guide innovators through the regulatory process.

Establishing a dedicated innovation unit within the NBE will create this essential interface. The unit will serve as a central hub of expertise on emerging technologies and business models, providing regulatory clarity to the private sector and fostering a more collaborative and pro-innovation engagement between the regulator and the market.

Action 72: Approve, operationalise and continuously improve the regulatory sandbox

While the legal basis for a regulatory sandbox has been established in Ethiopia, the sandbox is not yet fully operational. This deprives the ecosystem of a critical mechanism for testing new and innovative financial products in a controlled, live environment, and limits the NBE's ability to gather the evidence needed to craft informed regulations for emerging technologies.

Approving and operationalizing the regulatory sandbox system can de-risk innovation. A fully functional sandbox will provide a clear and safe pathway for fintechs to test their solutions with real customers, subject to defined safeguards. This will accelerate the ecosystem's product development cycle and enable the NBE to develop agile, future-proof regulations based on practical evidence.

Objective 6.2: Build a thriving market for innovative, adjacent digital financial services

The long-term value of a digital payment ecosystem lies in its ability to serve as a platform for a wide range of financial services. Currently, the development of innovative products beyond payments, such as digital credit, insurance, investment and savings, is constrained by a lack of regulatory clarity for these emerging areas. This uncertainty acts as a barrier to entry for new providers and new ideas. This objective aims to create a clear and enabling framework for these adjacent services. It involves developing specific directives for new product categories and introducing a risk-based, tiered licensing regime that lowers entry barriers for startups while ensuring appropriate oversight.

Table 21: Objective 6.2 - Summary of Actions

ACTION	TIMEFRAME	IMPLEMENTERS
Action 73: Roll out a risk-based, tiered licensing regime for every payment licence class. For each existing category (PSO, PII) create clear tiers that align capital, governance, reporting and audit requirements with an applicant's scale, transaction limits and systemic risk, allowing small start-ups to launch under lighter rules while larger operators graduate to stricter obligations as they grow	12 months	Coordinator: NBE PSSD Stakeholders: All licensed financial institutions
Action 74: Expand and unbundle licence categories to match market specialisations: Amend the the licensing regime to introduce distinct licences for emerging payment service providers such as payment-initiation providers, account-information service providers giving firms a precise regulatory home and promoting innovation without compelling every entrant into the PSO or PII buckets. The associated directive should also include provisions on whether multiple licenses can be held and in which scenarios	12 months	Coordinator: NBE PSSD Stakeholders: All licensed financial institutions

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ACTION	TIMEFRAME	IMPLEMENTERS
Action 75: Develop clear directives for digital lending (credit, peer-to-peer lending), digital savings, and digital insurance products	24 months	Coordinator: NBE BSD Stakeholders: NBE PSSD, NBE Insurance Supervision Directorate (ISD), NBE Microfinance Institutions Directorate
Action 76: Develop a framework to streamline capital market settlements by mandating the use of the Automated Clearing House (ACH) for all bulk disbursements, including dividend payments and broker-to-client payouts.	12 months	Coordinator: Ethiopia Capital Market Authority (ECMA) Stakeholders: NBE PSSD
Action 77: Develop a license category or letter of no-objection to enable partnerships between licensed stockbrokers and licensed banks and PII to enable retail investor access to the capital market through digital banking or wallet apps.	Rolling basis	Coordinator: NBE PSSD Stakeholders: ECMA
Action 78: Study virtual assets such as stablecoins, cryptocurrencies, and Central Bank Digital Currency (CBDC), map their current use in Ethiopia, and identify concrete, locally viable use-cases for future policy and product development. Furthermore, publish white papers and, if deemed necessary, implement the required regulatory frameworks and pilot programs.	48 months	Coordinator: NBE Innovation Unit (once established) Stakeholders: None

Action 73: Roll out a risk-based, tiered licensing regime for every payment licence class.

The current “one-size-fits-all” licensing regime, with its high initial capital requirements, can create a significant barrier to entry for early-stage fintechs and startups. This approach can stifle innovation by imposing compliance burdens on small firms that are disproportionate to their scale and risk profile, discouraging new entrants from bringing valuable solutions to the market.

Rolling out a risk-based, tiered licensing regime will address this challenge by creating a more proportionate and accessible regulatory pathway. For each existing license category, such as Payment System Operator (PSO) and Payment Instrument Issuer (PII), this approach will establish clear tiers that align capital, governance, and reporting requirements with an applicant’s operational scale, transaction limits, and systemic risk. This allows smaller firms to launch under a lighter set of rules and graduate to stricter obligations as they grow, fostering a more dynamic, competitive, and innovative digital payments market.

Action 74: Expand and unbundle licence categories to match market specialisations

As the ecosystem matures and new innovations arise, the two broad license categories of PIs and PSOs may not be sufficiently granular for the increasingly specialized nature of the fintech industry. This lack of specificity creates regulatory uncertainty for firms offering niche services, such as payment initiation or account information aggregation, compelling them to operate under frameworks not designed for their specific activities.

Expanding and unbundling the existing license categories will provide a precise regulatory home for these specialized business models. Amending the licensing regime to introduce distinct licenses for emerging payment service providers will promote innovation by providing legal clarity and reducing the need for firms to fit into broad categories that may not be appropriate for their specific activities. The associated directive will also establish clear provisions on whether and in which scenarios firms can hold multiple licenses, ensuring a comprehensive and predictable regulatory environment.

Action 75: Develop clear directives for digital lending (credit, peer-to-peer lending), digital savings, digital investment, and digital insurance products

The absence of specific guiding directives for emerging sectors like digital lending, digital savings, and insurtech creates a regulatory vacuum. Current financial regulations were designed for traditional, branch-based institutions and do not adequately address the unique products, delivery channels, and risks associated with digital-first financial services. This uncertainty hinders investment and the development of a market for valuable services that go beyond basic payments, limiting consumer choice and the potential for deeper financial inclusion.

Developing clear, tailored directives for these adjacent digital financial services will provide the legal certainty required for these markets to grow responsibly. By establishing specific guidelines for product design, consumer protection, and risk management that are fit-for-purpose in a digital context, these directives will foster a trusted and competitive environment. This will unlock responsible innovation in value-added services, expanding the range of financial tools available to all Ethiopians.

Action 76: Develop a framework to streamline capital market settlements by mandating the use of the Automated Clearing House (ACH) for all bulk disbursements, including dividend payments and broker-to-client payouts.

As Ethiopia's capital market develops, the processes for managing bulk disbursements such as dividend payments and broker-to-client payouts are likely to be inefficient if reliant on traditional, manual methods. These processes can be costly, slow, and prone to error, creating friction for both issuers and investors and failing to leverage the efficiencies of the national digital payment infrastructure.

Developing a framework that mandates the use of the ACH for all capital market bulk disbursements will establish a streamlined, secure, and low-cost settlement mechanism from the outset. The ACH is ideally suited for processing high-volume, recurring payments,

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and its mandatory use will ensure timely and reliable distributions to investors. This will not only enhance the operational efficiency of the capital market but will also drive significant transaction volume through the underutilized ACH system, strengthening the integration between the capital markets and the national payments ecosystem.

Action 77: Develop a license category or letter of no-objection to enable partnerships between licensed stockbrokers and licensed banks and PIIIs to enable retail investor access to the capital market through digital banking or wallet apps.

For most Ethiopians, accessing the nascent capital market is likely to be complex, requiring engagement with traditional brokerage channels that are not easily accessible. This creates a high barrier to entry for retail investors, limiting broad-based participation in the nation's economic growth. Furthermore, regulatory ambiguity often discourages partnerships between licensed financial institutions and stockbrokers, stifling innovation in investment services.

Establishing a clear regulatory pathway—either through a dedicated license category or a formal letter of no-objection—will enable partnerships that embed investment services directly into digital banking and mobile money applications. This will democratize access to the capital market, allowing millions of Ethiopians to make retail investments seamlessly through the apps they already use. Facilitating such partnerships is a critical step in fostering a more inclusive investment culture and developing a vibrant market for innovative, value-added financial services that extend beyond payments.

Action 78: Study virtual assets such as stablecoins, cryptocurrencies, and Central Bank Digital Currency (CBDC), map their current use in Ethiopia, and identify concrete, locally viable use-cases for future policy and product development. Furthermore, publish white papers and, if deemed necessary, implement the required regulatory frameworks and pilot programs.

The rapid global emergence of virtual assets, including stablecoins, cryptocurrencies, and CBDCs, presents both opportunities and risks that are not yet fully understood within the Ethiopian context. The absence of a clear, evidence-based national policy on these technologies creates uncertainty and prevents a strategic approach to managing potential threats or harnessing potential benefits for the economy.

A systematic and comprehensive study will map the current formal and informal usage of virtual assets in Ethiopia, analyze their potential to address local challenges such as improving cross-border remittance efficiency, and identify concrete, viable use-cases. The study's findings will provide an evidence base for policymakers, culminating in the publication of white papers to articulate a clear national stance and, if deemed appropriate, the development of a formal regulatory framework to govern the digital asset ecosystem. The studies will also provide further guidance on whether launching specific virtual assets, such as a CBDC, is appropriate and necessary.

Objective 6.3: Foster a fair and competitive market for digital payments.

A healthy and innovative digital payments market is one where all providers have a fair opportunity to compete. Market imbalances, where dominant players can control access to essential infrastructure or engage in anti-competitive practices, can stifle innovation and lead to higher costs for consumers. This objective is focused on ensuring a level playing field for all participants. It involves developing a competition policy specific to the financial sector and mandating fair, transparent, and non-discriminatory access to essential infrastructure, such as telecommunication channels, for all licensed financial service providers.

Table 22: Objective 6.3 - Summary of Actions

ACTION	TIMEFRAME	IMPLEMENTERS
Action 79: Develop a financial sector-specific competition policy to create a fair playing field for the ecosystem	12 months	Coordinator: Ministry of Trade and Regional Integration Stakeholders: NBE PSSD, NBE FCPED, NBE BSD, ECA
Action 80: Issue a 'Fair Access' Directive for Essential Infrastructure: Mandate that Mobile Network Operators provide all licensed financial service providers with open and non-discriminatory access to essential infrastructure, including mobile data access to apps, USSD channels, and APIs, on transparent terms	6 months	Coordinator: Ethiopian Communications Authority (ECA) Stakeholders: NBE PSSD, Telecommunications Operators
Action 81: Establish a Digital Finance Competition and Fair Access Monitoring Team or Capability: Create a specialized team or capability within the NBE to actively monitor the market for anti-competitive behavior and provide a formal mechanism for resolving disputes related to infrastructure access and pricing. NB: This is conditional upon the completion of the development of a competition policy for the financial sector (Action 79)	6 months	Coordinator: NBE Financial Consumer Protection and Education Directorate (FCPED) Stakeholders: ECA

Action 79: Develop a financial sector-specific competition policy to create a fair playing field for the ecosystem

While Ethiopia's digital payments market has been liberalized to allow new entrants, concerns persist that the competitive landscape is not level for all participants. A small number of large providers hold a disproportionate market share, particularly in lucrative areas like government payments, creating an imbalanced playing field. Although recent directives have aimed to open up key payment flows to all providers, a lack of clear implementation guidelines and enforcement mechanisms limits their effectiveness.

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Developing a financial sector-specific competition policy will provide the National Bank of Ethiopia with the targeted authority needed to address these unique market dynamics. A dedicated policy will establish clear and enforceable rules to prevent anti-competitive practices. By creating a framework that ensures all licensed providers, regardless of size or ownership structure, can compete on fair terms, this action will foster a more vibrant, innovative, and equitable digital payments ecosystem.

Action 80: Issue a 'Fair Access' Directive for Essential Infrastructure

Access to essential telecommunications infrastructure, such as USSD channels and mobile data, is a critical prerequisite for all financial service providers to deliver digital products to consumers. In a market where Mobile Network Operators (MNOs) are also major competitors in the payments space, there is a risk that they could use their control over this infrastructure to create an unlevel playing field, for instance by charging non-transparent or discriminatory prices to competing banks and fintechs.

Issuing a 'Fair Access' directive for essential infrastructure will mitigate this risk. The directive will mandate that MNOs provide all licensed financial service providers with open and non-discriminatory access to core infrastructure, including USSD gateways and data channels, on transparent and commercially reasonable terms. This will ensure that the infrastructure layer of the market is competitively neutral, allowing all providers to innovate and compete on the merits of their services, ultimately benefiting consumers with greater choice and better products.

Action 81: Establish a Digital Finance Competition and Fair Access Monitoring Team or Capability

The development of new policies for competition and fair access is a critical step, but their effectiveness depends entirely on active monitoring and enforcement. Without a dedicated body to oversee market conduct, anti-competitive behaviour can go undetected, and disputes over issues like infrastructure access or pricing can remain unresolved, undermining the integrity of the regulatory framework.

Establishing a specialized team within the National Bank of Ethiopia to monitor competition will provide the necessary enforcement capability. This team will be tasked with actively overseeing the market for anti-competitive practices, investigating complaints from industry participants, and providing a formal mechanism for resolving disputes. This shifts the regulatory posture from passive to proactive, ensuring that the rules designed to create a fair and competitive market are consistently applied and enforced.

This action will be conditional upon the completion of the development of a competition policy for the financial sector (Action 79), to give the monitoring team the necessary enforcement authority regarding competition.

CROSS-CUTTING ENABLERS

The successful implementation of Ethiopia's National Digital Payments Strategy hinges on three cross-cutting enablers. These foundational elements are not standalone pillars but are woven throughout the strategy's objectives and actions, providing the essential support structure for achieving the nation's digital finance ambitions.

1. An Agile and Supportive Legal and Regulatory Environment

Progress will depend heavily on a regulatory environment that is both agile and supportive of innovation. While this strategy does not dedicate a standalone pillar to regulation, numerous actions across all six pillars involve amending existing legal frameworks or introducing new ones. The National Bank of Ethiopia's role extends beyond supervision to that of a key facilitator for market development. Bolstering the NBE's own capacity is therefore crucial. A proactive, predictable, and responsive regulatory approach will be essential to safely foster the innovation required to meet the strategy's goals.

2. Collaboration Across Government, Regulators, and Industry

Since the first national strategy, Ethiopia's digital payments landscape has matured significantly, with a growing number of licensed participants, from fintechs to established financial institutions. The successful implementation of this next strategic phase will rely heavily on the active participation and investment of these industry players. Their commitment to collaboration, particularly in developing shared infrastructure and adhering to principles of fair competition, will be a critical determinant of success. Close partnership between the public and private sectors is therefore not just beneficial, but essential.

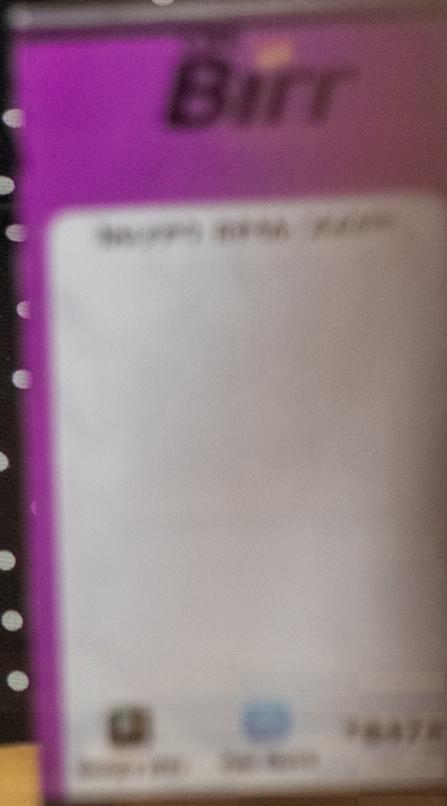
3. Coordination with National Development Reforms and Policies

This strategy is designed to be a vital component of Ethiopia's broader national development agenda, not to operate in isolation. Its objectives are deeply interwoven with other key national policies, including the Digital Ethiopia 2030 strategy, various national reform programs, and the National Bank of Ethiopia's own strategies for financial inclusion and agricultural finance. To successfully and efficiently deliver outcomes, active and ongoing coordination with the ministries and agencies implementing sectoral strategies, particularly in health and agriculture, will be crucial to leverage synergies and avoid duplicated efforts.

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IMPLEMENTATION FRAMEWORK

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IMPLEMENTATION PLAN

The actions identified for the implementation of the National Digital Payments Strategy (2026 - 2030) have been prioritized based on their expected impact on accelerating digital payments and their ease of implementation. The general approach we have adopted is to implement the most urgent actions first, alongside quick wins that can be delivered with minimal effort, while also sequencing those actions that have dependencies or enable follow-on initiatives. This ensures resources are focused on interventions that deliver early momentum, create strong foundations, and build towards more complex reforms.

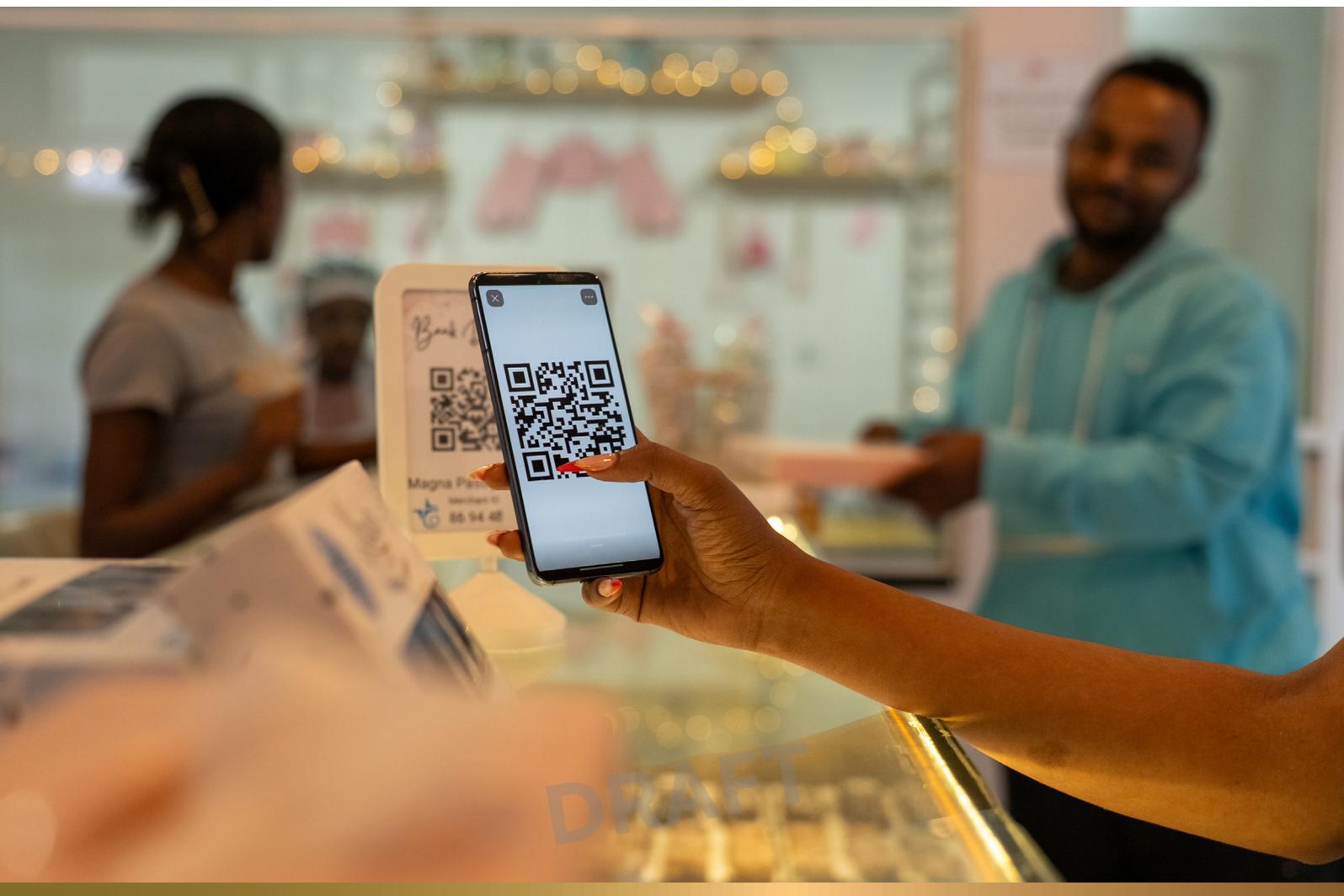


Table 23: Priority Levels

LEVEL	DEFINITION
Quick Win	High impact and high ease of implementation—actions that are critical to accelerating the adoption of digital payments and can be completed quickly, since they require a low level of effort or are already in progress
High Priority	Medium impact and high ease of implementation—actions that will help drive digital payments and can be completed quickly, since they are low effort
High Priority, Longer Term Implementation	High impact and medium ease of implementation—actions that are critical to accelerating the adoption of digital payments but require a longer-term horizon for implementation due to their complexity and wide range of stakeholders
Medium Priority	Medium impact and medium ease of implementation—actions that, while not critical, will help drive digital payments and will require additional effort to implement due to technical or process complexity or number of stakeholders
Lower	Low or medium impact and low ease of implementation—actions that are less critical and require additional effort for implementation.

Based on the priority levels defined above, the implementation plan shows the specific actions to be undertaken, the lead implementers, indicative timelines, and the performance measures that will be used to track progress.

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Table 24: Implementation Framework

NO.	ACTION	ACTION COORDINATOR	OTHER STAKEHOLDERS	PRIORITY LEVEL
Pillar 1: Building towards a Robust and Interoperable Digital Public Infrastructure				
Objective 1.1: Enhance and scale national, real-time, and fully interoperable payment infrastructure.				
1	Expand and operationalize additional interoperable instant payment system use-cases	EthSwitch	NBE PSSD, all licensed financial institutions	High Priority
2	Build a unified e-government service platform which aggregates and centralizes all public service payments into a single system. This would include all government services and use-cases (e.g. licences, taxes, fuel and utility payments, etc.)	EthSwitch	NBE, Ministry of Finance, Ministry of Innovation and Technology, Regional Governments	High Priority, Long Term Implementation
3	Interconnect the National Payment Gateway with the Unified E-Government Service Portal to achieve interoperability of P2G payments and provide choice to end-users	EthSwitch	NBE, Ministry of Finance, Ministry of Innovation and Technology	High Priority, Long Term Implementation
4	Create a shared G2P infrastructure, an API-enabled “Disbursement Hub”, that every social-transfer programme can use to generate payment files. Connect the Hub directly to the Ethiopian Instant Payment System so funds reach beneficiaries in real time while allowing each recipient to choose the PSP in which to receive their transfer.	NBE, EthSwitch	Ministry of Innovation and Technology, Ministry of Agriculture, Ministry of Women and Social Affairs, Ministry of Finance, all licensed financial institutions	High Priority, Long Term Implementation

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KEY PERFORMANCE INDICATORS

TIMELINE	PERFORMANCE INDICATOR	BASELINE	TARGET
30 months	Number of live use cases	Three live use cases (P2P, P2B, B2B)	Eight live use-cases operational on EIPS such as P2B, P2G, G2P, B2P, Cross-border
	Total transaction volumes on Ethiopia Instant Payment System (EIPS) as a percentage of total digital payment volumes	3.21%	30% of national digital payment flows
	Total value of transactions processed on EIPS as a percentage of total digital payment values	3.75%	20% of national digital payment flows
24 months	Status of a unified e-government service platform which aggregates and centralizes all public service payments into a single system.	Unified e-government service platform not established	Unified e-government service platform project formally launched
	Percentage of government services available on the the unified e-government platform	0% of government services available on e-government platform (Platform not established)	All government services onboarded on to the platform
	Number of service requests per day	0 service requests (Platform not established)	80,000 service requests per day
6 months	Status of NPG—EIPS integration with the Unified E-Government Service Portal	No interconnection established	Interconnection fully live
	Value of e-government platform collections processed per day	0 birr (Platform and EIPS linkage not established)	1 billion birr per day
24 months	Status of a national G2P Disbursement Hub	No national G2P disbursement hub exists.	National G2P Disbursement Hub Hub fully operational
	Percentage of social transfers processed via the disbursement hub	Less than 10% of G2P payments are digital, and those that are digital typically flow through single-bank channels	- 80% of all G2P payments nationwide processed digitally via the hub

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NO.	ACTION	ACTION COORDINATOR	OTHER STAKEHOLDERS	PRIORITY LEVEL
5	Standardize account numbering for all licensed account-based financial service providers to resolve duplication and routing issues caused by customers at different account providers having the same account number	NBE - Bank Supervision Directorate (BSD), Ethiopia Bankers Association, Association of Ethiopian Microfinance Institutions	Banks, MFIs, all other account-based financial service providers	Medium Priority
6	Mandate industry adoption of advanced messaging standards like ISO20022 for enriched data exchange	NBE - Payment and Settlement Systems Directorate (PSSD)	All licensed financial institutions	High Priority, Long Term Implementation

Objective 1.2: Enable efficient, secure, and affordable cross-border payments.

7	Develop a clear policy guidance note on outbound cross-border payments based on a thorough assessment of Ethiopia's foreign exchange position and associated risks. If the guidance note concludes that the foreign exchange position allows for the enhancement of outbound retail payments, the following actions can be implemented: i) Issue an "Outbound Remittance Directive" that authorises licensed banks, PSOs, MFIs, and PIs to provide low-value cross-border transfers via cards, mobile wallets, and digital banking, by connecting to approved international payment networks, thereby giving Ethiopians a legal, affordable way to send money abroad under clear FX and AML rules.	NBE Foreign Exchange Reserve Management	Ministry of Finance, Prime Minister's Office, Ministry of Foreign Affairs, NBE PSSD, All licensed financial institutions	High Priority, Long Term Implementation
8	Tourism Payments: Link the domestic payment system with bilateral and regional payments systems (EthQR, Account-to-Account), prioritising countries that have the highest number of tourists to Ethiopia or have a significant Ethiopian population, enabling frictionless cross-border account-to-account and QR-code payments.	Ministry of Tourism	EthSwitch	High Priority
9	Advocate for Ethiopia's ratification and full implementation of the AfCFTA Digital Trade Protocol by publishing evidence on its ability to unlock cross-border e-commerce and digital payment flows	NBE	AfCFTA, Ministry of Trade and Regional Integration, NBE FRMD	Medium Priority

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KEY PERFORMANCE INDICATORS

TIMELINE	PERFORMANCE INDICATOR	BASELINE	TARGET
12 months	Percentage of banks adopting standardized bank account numbering	(0%) - Account numbering framework not yet established	100% adoption of standardized bank account numbering across all licensed banks,
Mandate - 6 months	Status of mandate	No mandate in place	- Mandate on ISO 20022 adoption issued and enforced
Market implementation - 12 months	Percentage of banks, PIs, and PSOs adopting ISO20022	0% adoption rate	- 100% adoption of advanced messaging standards
Rolling Basis	Status of NBE's guidance note on outbound cross-border retail payments	i) NBE's guidance note on outbound cross-border retail payments not issued	Issued guidance note on outbound cross-border retail payments
	Status of NBE Outbound Remittance Directive authorizing banks/PSPs/MFIs/PIIs to provide outbound retail transfers.	No directive in place	Outbound Remittance Directive finalized and in force
	Number of licensed providers offering outbound remittance services	Number of licensed providers offering outbound remittance services: 0 — outbound remittances are currently not legally permitted for banks/PSPs/MFIs/PIIs due to FX restrictions.	At least 10+ licensed providers (banks/PSPs/MFIs/PIIs) authorised to offer outbound remittance services under a clear NBE directive by 2029.
Rolling Basis	- Number of connections between domestic payment system and regional payment systems	- 1 bilateral connection in progress with the UAE	5 total bilateral or multilateral connections complete (one per year)
24 months	AfCFTA Digital Trade Protocol Ratification Status	Not yet ratified the Digital Trade Protocol.	Ethiopia ratifies the AfCFTA Digital Trade Protocol (1) - 2027.
	Advocacy outputs — Number of policy briefs, research papers, or stakeholder engagements published/submitted to influence ratification and implementation	Advocacy outputs: 0 policy briefs, research papers, or stakeholder engagements published specifically on the Digital Trade Protocol's impact on cross-border e-commerce and payments.	At least 3—4 advocacy outputs (policy briefs, research papers, stakeholder workshops) published to influence ratification and implementation - 2026—2029.

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NO.	ACTION	ACTION COORDINATOR	OTHER STAKEHOLDERS	PRIORITY LEVEL
Objective 1.3: Establish a functional and progressive data exchange (sharing) mechanism.				
10	Constitute a National Digital Public Infrastructure Working Group—bringing together relevant government ministries, the National ID Program, NBE, EthSwitch, INSA, and other private-sector representatives—to coordinate and fast-track interoperability between payments and other digital public infrastructure, as well as coordinate data-protection reforms	Prime Minister's Office	NBE, National ID Program, Ministry of Finance, Ministry of Innovation and Technology, INSA, EthSwitch, MESOB	Quick Win
11	Develop a data exchange framework, including data protection, data exchange protocols, security standards, consent management protocols, and dispute resolution mechanisms	NBE PSSD	Ethiopian Communications Authority (ECA), Information Network Security Administration (INSA)	High Priority, Long Term Implementation
12	Develop foundational shared infrastructure for safe and secure consent management and data exchange	NBE PSSD	All licensed financial institutions	High Priority, Long Term Implementation
13	Expand and enhance the credit reference bureau at NBE to support both traditional and digital lending	NBE - Credit Reference and Movable Collateral Registry Directorate	NBE PSSD, NBE BSD	High Priority
14	Develop a clear framework for enabling a private-sector-led credit reference bureau to support digital and traditional lending across all financial service providers. The framework should enhance consumer protection rights related to consumer access to dispute credit reports	NBE - Credit Reference and Movable Collateral Registry Directorate	NBE PSSD, NBE BSD	Quick Win

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KEY PERFORMANCE INDICATORS

TIMELINE	PERFORMANCE INDICATOR	BASELINE	TARGET
3 months	Status of a National Digital Public Infrastructure Working Group (measured as “Not started / In progress (0), Established (1)”).	(0) — no dedicated DPI coordination body exists that links NBE, EthSwitch, National ID Program, ministries, and private sector.	National Digital Public Infrastructure Working Group established (1) by 2026.
	Number of working group periodic meetings	0 meetings held as the working group has not been created	At least 2 periodic meetings held annually from 2026—2029 (minimum 8 meetings total by 2029).
12 months	Status of an approved and published data exchange framework (measured as “Not started / In progress (0), Completed(1)”).	Not started	Approved and published data exchange framework
12 months	Status of shared infrastructure development for safe and secure consent management and data exchange	Not Started	Shared infrastructure for safe and secure consent management and data exchange is live
24 months	Status of expansion and enhancement of the Credit Reference Bureau to include both banks and digital lenders	Expansion: Not started (bureau mainly covers banks; digital lenders/MFIs not integrated)	Credit reference bureau expanded to include major banks, MFIs, and licensed digital lenders, with alternative data sources (e.g. telecom, utilities) feeding in
	Percentage of integrated lenders with API-based access to the bureau	0% of integrated lenders with API-based access to the bureau	50% of licensed lenders with API-based access to the bureau
	Average turnaround time for generating a credit report	Several days (manual processes)	24 hours turnaround time for generating a credit report
6 months	Status of a clear framework for enabling a private-sector-led credit reference bureau to support digital lending across all financial service providers	Not started / In development (no dedicated framework published)	Framework developed and published by NBE, covering digital and traditional lending.
	Number of private digital credit reference bureaus established and licensed	No private digital credit reference bureaus licensed in Ethiopia.	1 licensed private credit reference bureau operational under the framework
	Number of consumer protection provisions included in the framework	No explicit consumer protection provisions tied to private credit bureaus.	3 provisions explicitly included in the framework (At minimum: right of access, right to dispute/correct, and protection of consumer data/consent).

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NO.	ACTION	ACTION COORDINATOR	OTHER STAKEHOLDERS	PRIORITY LEVEL
15	Launch a Fayda authentication service for secure and seamless identity authentication & verification accessible to all eligible private firms including payment service providers and public sector agencies	NBE PSSD	National ID Program, NBE BSD, All licensed financial institutions	Quick Win

Objective 1.4: Promote shared infrastructure to expand coverage and reach

16	Review the agent regulations and establish two distinct regulations for i) banking services, and ii) mobile money services, clearly defining the permissible activities for each distinct service (banking and mobile money) while also enabling shared agent networks	NBE PSSD	NBE BSD	Quick Win
17	Build a shared-agent platform and establish independent operating entities to deploy, maintain, and govern the network's technical infrastructure, and day-to-day operations	EthSwitch	NBE PSSD, All licensed financial institutions	Medium Priority

Pillar 2: Reaching All Ethiopians: Narrow Inclusion Gaps Across Gender, Geography, Youth and PWDs

Objective 2.1: Narrow the Gender Gap through data-driven design tailored to women's needs

18	Enhance the mechanisms for disaggregated data collection to ensure that every licensed financial institution collects gender, age, and location data at onboarding, tags each transaction with these fields, runs automated quality checks, and submits anonymised datasets to NBE for public release	NBE PSSD	NBE Financial Inclusion Secretariat (FIS), All licensed financial institutions	Quick Win
19	Identify champions within trusted, women-centric community structures and delivery channels, such as women-led savings groups, health networks, and agent clusters, to serve as the primary vehicle for digital financial services onboarding, peer-to-peer training, and ongoing user support	NBE FIS	All licensed financial institutions, Ministry of Women and Social Affairs (MoWSA)	High Priority

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KEY PERFORMANCE INDICATORS

TIMELINE	PERFORMANCE INDICATOR	BASELINE	TARGET
6 months	Status of Fayda authentication service for secure and seamless identity authentication & verification	Pilot is in progress with 4 licensed banks	Launched — Fayda authentication service fully live
	Percentage of financial service providers integrated with and using the Fayda authentication service	0% (4 financial service providers integrated with the Fayda authentication service but at pilot stage).	100% of financial service providers integrated and actively using the service
6 months	Status of revised agent regulatory framework	0: Not revised	1 : Finalised and published agent regulatory framework
	Agent active rate (percentage of agents that are active on a monthly basis)	16%	60% active rate
24 months	Status of shared-agent platform and operating entity	0 - Not Started	1 - Live shared-agent platform built and independent operating entity established with clear governance, liquidity management, and technical infrastructure in place.
12 months	Status of enhanced mechanisms for disaggregated data collection	0 - Not started	1 - Mechanisms enhanced and fully established
	Percentage of licensed FSPs reporting complete disaggregated data as per the required framework	0 (Incomplete data due to optional collection of gender data during account opening)	100% of licensed FSPs.
Rolling basis	Number of champions identified within women-centric community structures	0: Women champions have not yet been identified	At least 100 champions identified and trained (pilot phase): 2026
	Percentage of women who cite digital literacy as a barrier to digital payment usage	36%	≤10% of women who cite digital literacy by 2030

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NO.	ACTION	ACTION COORDINATOR	OTHER STAKEHOLDERS	PRIORITY LEVEL
20	Launch a “Women Product Innovation Program” that provides technical-assistance grants to support the creation of tailored digital financial service products and other value-added services specifically for women.	Innovative Finance Lab, NBE Innovation Unit (once established)	NBE PSSD, Ministry of Women and Social Affairs, all financial institutions, fintechs, NBE FIS	Medium Priority
21	Launch a Women-Agent Acceleration Initiative Equip new women agents with free or subsidised starter kits, tailored training, and access to a revolving working-capital fund. Establish a mentorship network that pairs experienced female agents with newcomers. PSPs must submit quarterly, sex-disaggregated agent data so NBE can publish progress scorecards.	NBE FIS	NBE PSSD, All licensed financial institutions	High Priority
22	Commission a gender-responsive diagnostic of the Ethiopia payment system and services, examining both the PSO layer (EthSwitch and PSS and the endpoint FSPs (banks, PIs, MFIs), to pinpoint women’s access and usage barriers and feature preferences, then publish a roadmap of technical and policy fixes that embed gender-intentional design across the entire payments stack.	NBE PSSD	All licensed financial institutions	High Priority

Objective 2.2: Narrow the rural-urban divide through network and infrastructure expansion and tailored products

23	Build a Shared Core-Banking Platform for SACCOs: Establish a shared core-banking system that any SACCO can join at zero or heavily subsidised cost, with pre-built APIs to the Ethiopia Instant Payment System, the National Payment Gateway, and digital KYC tools	Association of Ethiopian Microfinance Institutions	Ethiopian Cooperative Commission (ECC), EthSwitch, Ministry of Finance	High Priority, Long Term Implementation
24	Conduct a diagnostic of the shared MFI core banking system and expand its capabilities and address existing challenges such as enhancing data privacy for participating MFIs	Association of Ethiopian Microfinance Institutions	MFIs, NBE Microfinance Institutions Supervision Directorate (MISD)	Quick Win

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KEY PERFORMANCE INDICATORS

TIMELINE	PERFORMANCE INDICATOR	BASELINE	TARGET
24 months	Status of the Women Product Innovation Program	0: Not started	Launched and operational Women Product Innovation Program
	Gender gap in account ownership	18% gender gap in account ownership	Gap reduced to 5% or less
	Gender gap in percentage of adults who made or received a digital payment in the last year	10% gender gap	Gender gap reduced to 3% or less
12 months	Status of women agent acceleration program (measured as "not launched (0)", "launched (1)")	0: Not Launched	1: Launched and operational women's agent acceleration program
	Percentage of financial agents that are female	5%	40%
6 months	Status of a gender-responsive diagnostic of the Ethiopia payment system and services (measured as "Not started / In progress (0), Commissioned (1)").	0: Not commissioned	Commissioned gender-responsive diagnostic of the Ethiopia payment system and services
	Stage of a roadmap of technical and policy fixes that embed gender-intentional design across the entire payments stack (measured as "Not published (0), Published (1)").	0: Not published	Published roadmap of technical and policy fixes
36 months	Status of the Shared Core-Banking Platform	Not launched (0)	Launched and operational shared Core-Banking Platform
	Percentage of SACCOs onboarded onto the shared core-banking platform	0% (no shared core-banking platform in place).	25% of licensed SACCOs onboarded
6 months	Status of diagnostic of the shared MFI core-banking system	Not started (0).	Completed diagnostic of the shared MFI core-banking system
	Status of enhancements to the MFI core-banking system	No enhancements (0)	Expanded & enhanced MFI core banking system

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NO.	ACTION	ACTION COORDINATOR	OTHER STAKEHOLDERS	PRIORITY LEVEL
25	Accelerate the onboarding of all remaining MFIs onto the existing shared core banking platform through targeted technical and financial support	Association of Ethiopian Microfinance Institutions	MFIs, NBE Microfinance Institutions Supervision Directorate (MISD)	High Priority
26	Integrate the existing MFI shared core banking systems with the Ethiopia Instant Payment System and Ethiopia Automated Transaction System	Association of Ethiopian Microfinance Institutions	MFIs, NBE Microfinance Institutions Supervision Directorate (MISD), EthSwitch, NBE PSSD	High Priority
27	Integrate VSLAs, including Equb and Edir, into the formal financial system by conducting a nationwide mapping exercise, analyzing the findings in a landscape study, developing a national VSLA formalization and digitization roadmap, and implementing it through pilot programs	NBE FIS	Ethiopian Cooperative Commission (ECC), Local administrative authorities	High Priority, Long Term Implementation
28	Establish a Rural Digital Finance Innovation Lab that brings the digital finance ecosystem players and community level actors together to design, pilot, and scale digital financial products and use cases for underserved rural communities, with all successful solutions connected to national payment rails. This should include sector-focused products for key sectors like agriculture and health which have high potential for encouraging rural adoption	Innovative Finance Lab, NBE Innovation Unit (once established)	Ministry of Innovation and Technology, NBE PSSD, Ministry of Agriculture Rural Finance Service Unit, NBE FIS, All licensed financial institutions	Medium Priority

Objective 2.3: Encourage inclusive digital payment design features to cater to all other underserved segments of society (e.g. persons with disabilities)

29	Establish a Persons With Disability (PWD) Digital Finance Incubation Lab which convenes digital finance ecosystem providers to ideate, design, pilot and launch digital financial products and use cases for people with disabilities (PWDs), integrating successful innovations and capabilities as national standards in relevant regulations for scale	Innovative Finance Lab, NBE Innovation Unit (once established)	Ministry of Innovation and Technology, NBE FIS, All licensed financial institutions	Medium Priority
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KEY PERFORMANCE INDICATORS

TIMELINE	PERFORMANCE INDICATOR	BASELINE	TARGET
12 months	Percentage of MFIs fully onboarded onto the shared core banking platform	65% of MFIs onboarded	100% of MFIs onboarded
12 months	Status of MFI shared core banking integration with EIPS	Not started (0)	MFI shared banking platform fully integrated with EIPS
	Status of MFI shared core banking integration with EATS	Not started (0)	MFI shared banking platform fully integrated with EATS
48 months	Status of nationwide VSLA/Equb/Edir mapping	Not started	Mapping completed (1)
	Status of landscape study publication	Not started	Landscape study published and finalized with recommendations for formalization & digitization
	Status of roadmap publication	Not started	National VSLA formalization and digitization roadmap published
	Number of pilot projects launched.	0 - Not started	5 pilot projects launched
	Percentage of VSLAs digitized	0% (Limited number of VSLAs digitized, if any)	25% of VSLAs digitized
24 months	Status of Rural Digital Finance Innovation Lab	Not launched (0)	Rural Digital Finance Innovation Lab formally established
	Number of innovative rural financial products piloted and scaled through the lab	No products piloted (0)	At least 8 innovative rural DFS products and use cases piloted
	Rural-urban gap in the percentage of adults who made or received a digital payment in the last year	24% rural-urban gap	8% rural-urban gap or lower
24 months	Status of a Persons With Disability (PWD) Digital Finance Incubation Lab	Not Started (0)	Formally established Persons With Disability (PWD) Digital Finance Incubation Lab
	Number of PWD-focused digital financial products or use cases developed through the Lab that are commercially launched and integrated into national standards	No PWD-specific DFS products (0)	At least 5 PWD-focused DFS products piloted and launched commercially

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NO.	ACTION	ACTION COORDINATOR	OTHER STAKEHOLDERS	PRIORITY LEVEL
30	Establish a Youth Digital Finance Innovation Lab, which convenes digital finance ecosystem providers to ideate, design, pilot, and launch digital financial products and use cases targeting youth segments, integrating successful innovations and capabilities as national standards in relevant regulations for scale	Innovative Finance Lab, NBE Innovation Unit (once established)	Ministry of Innovation and Technology, NBE FIS, All licensed financial institutions	Medium Priority

Pillar 3: Increasing Widespread Adoption and Deepening Usage

Objective 3.1: Drive widespread merchant acceptance and use of digital payments.

31	Establish a Merchant Acceptance Development Fund to accelerate micro-merchant adoption of digital payments, with a focus on expanding access and usage in rural and underserved areas	NBE PSSD	All licensed financial institutions	High Priority
32	Create a framework for a Personal Retail Account (PRA) aimed at micro and small businesses. This risk-based account would simplify the KYC, onboarding requirements and enrollment process for micro-merchants, allowing them to use QR codes to accept digital payments, while still safeguarding against money laundering	NBE PSSD	All licensed financial institutions	Quick Win
33	Develop a regulatory framework for the introduction of a sustainable merchant discount rate, based on a comprehensive, data-driven assessment of the acceptance market landscape and financial-inclusion objectives	NBE PSSD	All licensed financial institutions	Lower Priority
34	Launch a Merchant Value-Add Acceleration Program (MVAP) that would include initiatives such as providing technical assistance to PSPs to design tailored value-added services for merchants, Catalyse a pooled Merchant Working-Capital Fund amongst others initiatives	NBE PSSD	All licensed financial institutions, including POS operators and fintechs	Medium Priority

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KEY PERFORMANCE INDICATORS

TIMELINE	PERFORMANCE INDICATOR	BASELINE	TARGET
24 months	Status of a Youth Digital Finance Innovation Lab	Not Started (0)	Formally established Youth Digital Finance Innovation Lab
	Number of youth-focused digital financial products or use cases developed through the Lab that are commercially launched and integrated into national standards	No youth-focused digital financial products or use cases (0)	5 youth-focused DFS products piloted and commercially launched
24 months	Status of a Merchant Acceptance Development Fund to accelerate micro-merchant adoption of digital payments	Not established (0)	Fund formally established (1)
	Number of micro-merchants onboarded through the fund	Not collected (0) No fund-supported merchant onboarding currently.	At least 20,000 micro-merchants onboarded through the Fund
	Percentage of users who made a merchant payment in the last 30 days	24% of adults	60% of adults
6 months	Status of regulatory framework for PRAs	Not established (0)	PRA framework published & adopted (1)
	Number of micro-merchants onboarded using the PRA framework	No fund-supported merchant onboarding currently (0).	At least 20,000 - 50,000 micro-merchants onboarded under PRA accounts
12 months	Status of Merchant Service Charge (MSC) framework	No framework (0)	a Merchant Service Charge (MSC) framework
24 months	Status of MVAP program (Not launched = 0 / Launched = 1)	Not Launched (0)	MVAP program officially launched
	Status of the pooled Merchant Working-Capital Fund	Not established	Merchant Working Capital fund established and operational
	Number of merchant-focused value-added services (VAS) launched under MVAP support	0 merchant-focused VAS piloted under MVAP	At least 5 merchant-focused VAS piloted and taken to commercial scale through MVAP support

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NO.	ACTION	ACTION COORDINATOR	OTHER STAKEHOLDERS	PRIORITY LEVEL
35	Convene an industry task-force (NBE, EthSwitch, banks, PIs, other acquirers) to review the QR-payment interchange: agree on a transparent issuer-acquirer-processor interchange sharing formula that optimises the incentive structures for all participants in the payment value chain, then codify it in an updated QR Scheme Rule	NBE PSSD	All licensed financial institutions	Quick Win
36	Review existing regulatory frameworks to permit licensed payment system operators to establish and operate escrow accounts at commercial banks and resolve the discrepancy between settlement timelines and e-commerce return policies. This review will assess the necessary risk management controls and legal frameworks required to enhance buyer-seller protection, reduce fraud, and build a trusted digital marketplace	NBE PSSD	Ministry of Innovation and Technology	Medium Priority

Objective 3.2: Digitize all government and other high-frequency payment flows.

37	Fully digitalise payments for government-operated transport services, including train and bus transportation	Ministry of Transport and Logistics, Transport Operators	All licensed financial institutions	High Priority, Long Term Implementation
38	Integrate digital payments with the agricultural input supply system, such as fertilizer distribution, leveraging existing fintechs and cooperative structures	Ministry of Agriculture	All licensed financial institutions and Agriculture fintechs	High Priority
39	Digitize payments across the public healthcare ecosystem by scaling successful pilot programs and expanding the integration of digital solutions to all public healthcare facilities, pharmacy supply chains, community and social health insurance schemes, and G2P disbursements to healthcare workers for per diems, salaries, and duty allowances	Ministry of Health (Digital Health Payment Initiative, DHPI)	NBE, Ministry of Finance, All licensed financial institutions	High Priority, Long Term Implementation

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KEY PERFORMANCE INDICATORS

TIMELINE	PERFORMANCE INDICATOR	BASELINE	TARGET
6 months	Status of issuer—acquirer—processor interchange formula codified in an updated QR Scheme Rule	No transparent issuer—acquirer—processor interchange formula codified in an updated QR Scheme Rule	Transparent interchange formula agreed upon and codified into a formally issued QR Scheme Rule
	Percentage of financial institutions adopting national QR codes	25%	100%
6 months	Status of regulatory review of directives for escrow accounts	No formal regulatory review has been initiated.	Amended directives approved and published
	Number of PSOs operating escrow services	0 PSOs operating escrow services	At least 5 PSOs operating escrow services
48 months	Status of digital payment integration in government-operated transport	Pilot stage in Ethiopia (limited trials on Addis Ababa Light Rail and selected city bus routes)	Full digitalisation across all government-operated transport;
	Percentage of transport fares collected digitally	Digital fare payments are negligible (<5%)	60% of fares collected digitally.
24 months	Status of integration of digital payments in agricultural input distribution	Pilots limited in scope	National rollout begins with full integration into payment systems
	Percentage of agriculture inputs paid for digitally	Not collected: estimates from pilot projects suggest less than 5%	50% of fertilizer/input transactions digitised, with measurable increase in transaction value.
36 months	Status of digitization of public healthcare payments	Pilot stage: MoH launched a transformative nationwide Digital Health Payment Initiative (DHPI) in August 2024 and has signed SLAs with 8 leading FSPs	Payments fully digitized across the public healthcare which to include integration of digital solutions to all public healthcare facilities, pharmacy supply chains, community and social health insurance schemes, and G2P disbursements to healthcare workers for per diems, salaries, and duty allowances
	Percentage of public health payments made digitally	Less than 5% of healthcare-related transactions made digitally	50% of healthcare transactions digitised.

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NO.	ACTION	ACTION COORDINATOR	OTHER STAKEHOLDERS	PRIORITY LEVEL
Objective 3.3: Deepen widespread end-user adoption and usage of digital payments.				
40	<p>Promote ACH to corporates:</p> <ul style="list-style-type: none"> - Digital channel mandate: Require all PSPs to feature a prominent “ACH Pay” option on their corporate internet-banking and mobile-banking dashboards. - Open ACH APIs: Publish standard APIs that let ERP, HR, and supplier-management platforms trigger ACH payments (salary runs, vendor batches) from within their native workflows. 	NBE PSSD	All licensed financial institutions	Medium Priority
41	<p>Drive down mobile phone costs and widen access.</p> <p>Incentivize production incentives for local assembly, and roll out targeted handset-subsidy vouchers for low-income users, making mobile devices affordable and accessible nationwide</p>	Ministry of Finance	Telecommunications operators, Ministry of Innovation and Technology, Ethiopian Communications Authority	High Priority

Pillar 4: Developing Human Digital and Financial Capacity

Objective 4.1: Build widespread digital and financial capability among all Ethiopians.

42	<p>Develop a collaborative cost-sharing mechanism for the ecosystem to drive digital financial literacy and coordinate digital and financial literacy campaigns tailored by product and user segment</p>	Ethiopian Bankers Association	All licensed financial institutions, Association of Ethiopian Microfinance Institutions, NBE Financial Consumer Protection and Education Directorate (FCPED), NBE FIS	High Priority
43	<p>Empower agent networks and leaders of traditional community-based financial service providers like Equb and Ebir to serve as community influencers for digital payments by upskilling and training them to provide accurate, safe, and practical digital payment knowledge to consumers</p>	NBE FIS	All licensed financial institutions, Equb/ Edir Associations, Ethiopian Cooperative Commission (ECC)	Medium Priority

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KEY PERFORMANCE INDICATORS

TIMELINE	PERFORMANCE INDICATOR	BASELINE	TARGET
12 months	Status of ACH corporate enablement directive	No directive exists	Directive issued (status = 1)
	Status of Open ACH API standard publication	No Open ACH API standard has been published by NBE or EthSwitch	API standard published by NBE/ EthSwitch (Status = 1).
	Volume of ACH transactions	No official national measurement of corporate ACH usage exists.	To be determined following collection and reporting of ACH volumes
36 months	Status of handset subsidy / local assembly incentive program	No handset subsidy or production incentive scheme yet (0)	Handset subsidy / local assembly incentive program launched (status = 1).
	Smartphone penetration rate	35—40% of adults	Smartphone penetration: 70% of adults.
Fund - 24 months Campaigns - Rolling basis	Status of a shared Digital & Financial Literacy Fund	0: No shared fund established	Shared Fund established
	Number of coordinated national digital & financial literacy campaigns launched annually through the Fund	0 coordinated national campaigns; only scattered provider-led efforts	5 campaigns annually, localized by product and user segment
	Percentage of the adult population aware of key digital payment services (disaggregated by gender/region)	20% (overall awareness)	80% of adults aware; gender/regional gaps reduced
24 months	Status of an Agent & Community-Leader Digital Awareness Program	No structured agent/ community leader training program exists	Program formally launched (Status = 1)
	Number of agents and community leaders (Equb/Edir heads) trained	Not measured - scattered trainings by NGO/PSP INITIATIVES	5,000 agents/leaders trained; rural account ownership
	Percentage of rural population with a transactional account	43%	70%

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NO.	ACTION	ACTION COORDINATOR	OTHER STAKEHOLDERS	PRIORITY LEVEL
Objective 4.2: Enhance regulatory human capacity (data analytics, AI, emerging trends)				
44	Build the capacity of NBE and other relevant government staff through on-the-job training on digital financial services subjects such as consumer protection, cybersecurity, data analytics, artificial intelligence, machine learning, and emerging fintech innovation	NBE Ethiopian Institute of Financial Studies	NBE, Ministry of Innovation and Technology, Ministry of Finance, Bankers Association, All licensed financial institutions, Ethiopian Artificial Intelligence Service	Medium Priority
45	Conduct regular research on emerging payment technologies and trends as well as to anticipate future challenges and opportunities and develop proactive strategies / actions	NBE Innovation Unit (once established)	NBE Ethiopian Institute of Financial Studies, NBE PSSD	Lower Priority

Objective 4.3: Develop and enhance relevant digital skills across the industry (cybersecurity, AI, data analytics, etc.)

46	Establish a digital finance talent acceleration program to build a talent pipeline for key DFS skills based on ongoing assessments of sector needs to build specialized capacity across the ecosystem. Organise targeted skill-development trainings for the staff of payment service providers, focusing on emerging issues like consumer protection, cybersecurity, data analytics, artificial intelligence, and machine learning	NBE Ethiopian Institute of Financial Studies	NBE, Ministry of Innovation and Technology, Telecommunications Operators, Education and Training Authority, Ministry of Education	Medium Priority
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Pillar 5: Galvanizing a Trusted and Resilient Ecosystem

Objective 5.1: Ensure the security of the digital payments ecosystem.

47	Implement a shared AI-based fraud detection technology within the NBE which is accessible to all national payment systems in Ethiopia	NBE PSSD, NBE Cybersecurity and Fraud Directorate (once established)	All licensed financial institutions	High Priority
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KEY PERFORMANCE INDICATORS

TIMELINE	PERFORMANCE INDICATOR	BASELINE	TARGET
Rolling basis	Status of an NBE/Government Staff Capacity-Building Program on Emerging Tech	No formal, institutionalized capacity-building program	Program launched (Status = 1)
	Number of internal trainings held	0	5 internal trainings annually covering data science, AI, and fintech innovation;
Rolling basis	Status of dedicated staff/resources allocated to research within NBE PSSD.	0 - No dedicated staff	Dedicated staff/resources allocated to research within NBE PSSD.
	Number of research reports or white papers on emerging payment technologies released per year	None released	3 to 5 annual outputs
Program establishment - 12 months	Status of a digital finance talent acceleration program	No structured talent acceleration program exists.	Launch digital finance talent acceleration program
Trainings - Rolling basis	Number of trainings held per year	0	5+ trainings annually
12 months	- Status of a shared AI-based fraud detection technology	- 0, as real-time centralised detection is not yet in place.	- Full national rollout; integrated across all licensed PSPs/PSOs.

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NO.	ACTION	ACTION COORDINATOR	OTHER STAKEHOLDERS	PRIORITY LEVEL
48	Implement a national threat intelligence shared system within the NBE that is accessible to all payment systems in Ethiopia	NBE Information Systems Directorate, NBE Cybersecurity and Fraud Directorate (once established)	Information Network Security Administration (INSA), FIA, All licensed financial institutions, NBE PSSD	High Priority
49	Establish a dedicated Cybersecurity and Fraud Directorate at the NBE for the financial sector	NBE	None	High Priority
50	Establish a shared cybersecurity and fraud desk at all switch operators for cybersecurity and fraud management operations at the switch level	Switch Operators	NBE, INSA	High Priority
51	Establish a National Financial Sector Cybersecurity Framework in collaboration with INSA. Develop and mandate a unified, risk-based framework for all NBE-licensed entities, harmonising existing directives and aligning with international standards (e.g., NIST, ISO 27001).	Information Network Security Administration (INSA)	NBE PSSD, NBE FCPED	Quick Win
52	Launch industry-driven national awareness campaigns on an ongoing basis for fraud and cybersecurity including a focus on socially engineered fraud	NBE FIS	NBE PSSD, INSA	High Priority
53	Implement directive for Authorised Push Payment (APP) fraud: The directive should focus on clarifying the responsibilities of banks and consumers in their contracts and mandating reimbursement only when the bank's staff, agents, or system is at fault.	NBE FCPED	None	Medium Priority

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KEY PERFORMANCE INDICATORS

TIMELINE	PERFORMANCE INDICATOR	BASELINE	TARGET
12 months	Status of a national threat intelligence shared system	No national threat intelligence shared system exists	Fully institutionalised national threat intelligence shared system
	Volume of fraud cases as a percentage of total transaction volumes	0.0153% (2024) (This figure could be higher, as it is currently underreported)	0.0008% of transaction value (with accurate reporting)
6 months	Status of a dedicated Cybersecurity and Fraud Directorate at the NBE for the financial sector	No dedicated Cybersecurity and Fraud Directorate at the NBE for the financial sector	A dedicated Cybersecurity and Fraud Directorate at the NBE for the financial sector
6 months	Status of shared cybersecurity and fraud desks at switch operators	No shared cybersecurity and fraud desks exist	Shared fraud/cybersecurity desks established and operational at all licensed switch operators
12 months	Status of a National Financial Sector Cybersecurity Framework	No National Financial Sector Cybersecurity Framework	Framework approved and published
	Percentage of licensed FSPs adopting the cybersecurity framework	0% of licensed FSPs	100% of licensed FSPs adopt the framework
Rolling basis	Status of a national fraud & cybersecurity awareness campaign	No coordinated, national-level fraud & cybersecurity awareness campaign exists	National campaign launched
	Number of fraud awareness campaigns held	0 fraud awareness campaigns held	≥5 campaigns annually, leveraging TV, radio, outdoor media, and social media
12 months	Status of directive for Authorised Push Payment (APP) fraud	0 -No directive	Implemented directive for Authorised Push Payment (APP) fraud

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NO.	ACTION	ACTION COORDINATOR	OTHER STAKEHOLDERS	PRIORITY LEVEL
54	Mandate participation in the National Public Key Infrastructure: Mandate all licensed banks, MFIs, PIs and PSOs to embed Ethiopia's National PKI into their core-banking systems, payment gateways and customer channels, using its digital certificates to sign and verify all interbank messages, authenticate payment instructions, provide non-repudiation, and enable fully remote, e-signature onboarding	INSA	NBE PSSD, All licensed financial institutions	High Priority
55	Publish an annual (minimum) fraud report identifying national fraud trends and mitigation strategies	NBE FCPED	All licensed financial institutions, INSA, Financial Intelligence Service (FIS)	High Priority
56	Develop and issue an Electronic Fund Transfers Guideline to define roles and minimum standards for all electronic payments	NBE PSSD	All licensed financial institutions and payment service providers	Quick Win
57	Develop and issue Minimum Transaction Security Standards covering all payment channels, mandating specific security features	NBE PSSD	INSA, NBE FCPED, FIS, All licensed financial institutions	Quick Win
58	Implement a directive outlining the procedures for placing a lien on accounts involved in fraud or suspending accounts suspected of fraudulent activity	Financial Intelligence Service (FIS)	NBE PSSD, NBE FCPED, INSA	Quick Win
59	Mandate Fayda ID as the unique KYC identifier for all accounts and wallets by 2030	NBE BSD	National ID Program	High Priority, Long Term Implementation

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KEY PERFORMANCE INDICATORS

TIMELINE	PERFORMANCE INDICATOR	BASELINE	TARGET
Mandate - 6 months Market implementation - 12 months	Status of PKI mandate for financial institutions	No sector-wide financial mandate exists yet for embedding it in core-banking/payment systems.	PKI mandate formally issued
	Percentage of licensed banks, PIIIs, PSOs embedding the national PKI in their internal systems	0% (Limited PKI integration, if any)	100% of licensed banks, PIIIs, and PSOs fully compliant
Rolling basis	Percentage of regulated financial providers submitting fraud incident data into the portal	0% (Portal not yet implemented)	100% of regulated financial providers submitting data in real time
	Publication of National Fraud Reports	None published by NBE or FCPED.	Publication of 5 annual fraud reports at the end of the strategy cycle
6 months	Status of Electronic Fund Transfers Guideline	Electronic Fund Transfers (EFT) Guideline not yet developed (0)	Fully developed and issued Electronic Fund Transfers Guideline (1)
6 months	Status of Minimum Transaction Security Standards	No national mandate or coordinated implementation (0)	Standards issued and published
	Percentage of licensed providers certified as compliant with the standards	0 (Standards not yet established)	50% of licensed providers certified as compliant within 12 months of issuance.
6 months	Status of Directive (Not Started, In Development, Issued)	Not Started	Directive issued outlining the procedures for placing a lien on accounts
60 months	Status of directive mandating Fayda ID as the unique KYC identifier for all accounts and wallets	No directive has been issued to mandate Fayda ID	Directive issued for Fayda ID to be the unique KYC identifier for all accounts and wallets by 2030
	Percentage of individual transactional accounts linked to a single Fayda ID	Fayda has begun rollouts, but FIs are not yet systematically linking accounts/wallets to Fayda IDs.	100% of all accounts and wallets linked to Fayda IDs

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NO.	ACTION	ACTION COORDINATOR	OTHER STAKEHOLDERS	PRIORITY LEVEL
Objective 5.2: Ensure the resilience of the digital payments ecosystem.				
60	Strengthen disaster recovery and business continuity plans for all financial service providers, PIs and PSOs, including requiring audits, mandating 24/7 availability of payment infrastructure, and ensuring backup solutions are functional	NBE PSSD	All licensed financial institutions	High Priority, Long Term Implementation
Objective 5.3: Strengthen consumer protection, guaranteeing transparency, clear compensation mechanisms and effective redress.				
61	Strengthen the national Financial Consumer Protection (FCP) framework by amending the existing directive to include a dedicated, comprehensive section specific to protection of digital financial services consumers	NBE FCPED	NBE BSD	Quick Win
Objective 5.4: Improving user experience and service quality				
62	Amend the customer redress and dispute resolution mechanism to include a provision for directly notifying the National Bank of Ethiopia as an additional escalation channel for end-users. Additionally, develop inclusive and accessible escalation mechanisms that enable customers to easily submit such cases to the National Bank	NBE FCPED	All licensed financial institutions	Quick Win
63	Commission an audit of user experience relating to digital financial services offerings and develop a set of Minimum User Experience (UX) Guidelines for all digital payment services, outlining standards for accessibility, simplicity, security, and consistency across platforms to ensure intuitive design, reduce user errors, and build trust in digital payment systems	NBE PSSD	NBE FCPED	Quick Win

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KEY PERFORMANCE INDICATORS

TIMELINE	PERFORMANCE INDICATOR	BASELINE	TARGET
24 months	Status of NBE directive on Disaster Recovery (DR) & Business Continuity Planning (BCP)	No comprehensive DR/BCP directive for the payments ecosystem	Issued NBE directive on DR
	Percentage of licensed FSPs, PIIIs, and PSOs with independently audited DR/BCP plans in place	0%	100% of all licensed FSPs, PIIIs, and PSOs maintain independently audited DR/BCP plans annually
6 months	Status of amended Financial Consumer Protection (FCP) framework with a dedicated DFS consumer protection section	Not amended	Amended existing directive in the national Financial Consumer Protection (FCP) framework to include a dedicated, comprehensive section specific to protection of digital financial services consumers
6 months	Status of amended customer redress & dispute resolution directive	Customer redress and dispute resolution mechanism not amended	Amended directive institutionalised with periodic reviews
	Status of escalation mechanism for NBE	No escalation mechanism exists	Inclusive and accessible escalation mechanisms established to enable customers easily submit cases to the National Bank
	Percentage of escalated cases resolved by NBE within defined service-level timelines	Not applicable as NBE does not currently handle escalated consumer disputes	90% resolved within SLA
18 months	Status of national UX audit of digital financial services	No sector-wide audit of digital financial services user experience	UX audit commissioned and completed
	Status of Minimum UX Guidelines publication	None exist; providers design interfaces independently,	UX Guidelines published
	Percentage of licensed financial institutions adopting guidelines	0% of licensed financial institutions adopt guidelines currently	100% of licensed financial institutions compliant with national UX Guidelines,

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NO.	ACTION	ACTION COORDINATOR	OTHER STAKEHOLDERS	PRIORITY LEVEL
64	Develop a robust annual Digital Payments Index for Ethiopia which tracks key dimensions, including infrastructure maturity level, payment adoption and usage, innovation, user experience, cost and affordability, and security and trust, to provide a holistic view of the country's digital payments ecosystem using readily available data	NBE PSSD	None	Lower Priority

Objective 5.5: Improve the affordability and transparency of digital payment transaction fees

65	Mandate clear disclosure of transaction pricing for every transaction including digital and offline transactions	NBE FCPED	NBE PSSD	Quick Win
66	Launch a Consumer P2P Transaction Fee Reform Initiative that audits current transfer charges across all providers to introduce a consumer-friendly pricing structure and incentives that reduce end-user costs, especially for P2P low-value transactions	NBE PSSD	All licensed financial institutions	High Priority
67	Broker an agreement with Mobile Network Operators (MNOs) to zero-rate fees on digital payment transactions made via USSD. This removes the indirect cost of USSD transactions, which is a significant barrier for low-income users, making digital payment services accessible to a wider segment of the population	NBE PSSD	Telecommunications operators, ECA	Quick Win
68	Conduct a "Cost of Cash Study in Ethiopia: A Comparative Analysis of Cash and Digital Payment" Study for Ethiopia to serve as an advocacy tool demonstrating the broader economic benefits of digital payments, and use it to drive policy reforms	NBE PSSD	None	High Priority

Pillar 6: Enabling Innovation & Value-Added Services Beyond Payments

Objective 6.1: Regulatory and Supervisory capacity for innovation and data management

69	Deploy a RegTech Platform at the NBE for streamlined licensing & compliance management	NBE Information Systems Management Directorate	NBE PSSD, NBE BSD	High Priority
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KEY PERFORMANCE INDICATORS

TIMELINE	PERFORMANCE INDICATOR	BASELINE	TARGET
Rolling basis	Status of Digital Payments Index (DPI) publication	Digital Payments Index not established	Digital Payments Index institutionalised with annual release and public dashboard.
12 months	Status of directive mandating transaction pricing disclosure	No dedicated directive has been issued	Directive issued mandating clear disclosure of transaction pricing for every transaction including digital and offline transactions
24 months	Status of P2P Fee Reform Initiative	Fee Reform Initiative not started	Fee reform initiative issued
	Percentage of users citing “high cost” as a barrier to using digital payments (disaggregated)	- Male: 24% - Female: 18%	Cost-barrier perception reduced to Male ≤5%, Female ≤5%.
12 months	Status of USSD zero-rating agreement	No zero-rating agreement in place	Agreement brokered
	Percentage of licensed MNOs implementing USSD zero-rating for DFS transactions	0% of licensed MNOs have implemented USSD zero-rating for digital payment transactions	100% (two of them) of licensed MNOs implementing zero-rating
6 months	Status of Cost of Cash Study in Ethiopia	Cost of Cash Study In Ethiopia has not been conducted	Cost of Cash Study In Ethiopia conducted
12 months	Status of RegTech platform implementation	Not Started	RegTech platform procured, piloted and implemented

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NO.	ACTION	ACTION COORDINATOR	OTHER STAKEHOLDERS	PRIORITY LEVEL
70	Deploy a SupTech data-lake for continuous off-Site supervision to stream transactional and prudential data, layered with advanced analytics to detect anomalous patterns	NBE Information Systems Management Directorate	NBE PSSD, NBE BSD	High Priority
71	Establish a dedicated innovation unit within the National Bank of Ethiopia	NBE	None	Quick Win
72	Approve, operationalise and continuously improve the regulatory sandbox	NBE PSSD, NBE Innovation Unit (once established)	Innovative Finance Lab	Quick Win

Objective 6.2: Build a thriving market for innovative, value-added digital financial services.

73	Roll out a risk-based, tiered licensing regime for every payment licence class. For each existing category (PSO, PII) create clear tiers that align capital, governance, reporting and audit requirements with an applicant's scale, transaction limits and systemic risk, allowing small start-ups to launch under lighter rules while larger operators graduate to stricter obligations as they grow	NBE PSSD	All licensed financial institutions	Lower Priority
74	Expand and unbundle licence categories to match market specialisations: Amend the licensing regime to introduce distinct licences for emerging payment service providers such as payment-initiation providers, account-information service providers giving firms a precise regulatory home and promoting innovation without compelling every entrant into the PSO or PII buckets. The associated directive should also include provisions on whether multiple licenses can be held and in which scenarios.	NBE PSSD	All licensed financial institutions	Lower Priority
75	Develop clear directives for digital lending (credit, peer-to-peer lending), digital savings, and digital insurance products	NBE BSD	NBE PSSD, NBE Insurance Supervision Directorate (ISD), NBE Microfinance Institutions Directorate	Quick Win

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KEY PERFORMANCE INDICATORS

TIMELINE	PERFORMANCE INDICATOR	BASELINE	TARGET
24 months	Status of SupTech data lake	Not implemented	SupTech data lake completed
	Percentage of FSPs streaming data to the data lake	0% (Semi-automated reporting)	100% of FSPs streaming data
12 months	Status of a dedicated innovation unit within the National Bank of Ethiopia	No dedicated innovation unit established	Innovation unit established
Rolling basis	Status of regulatory sandbox	Regulatory sandbox not operational	Sandbox institutionalized with rolling cohorts
	Number of innovations tested per cohort (assuming one cohort per year at the initial stage)	0 (Sandbox is not yet operationalized)	10 innovations tested per cohort
12 months	Status of risk-based, tiered licensing regime roll out for PIIIs	No tiered licensing directive in place for PIIIs	Tiered licensing launched for PIIIs
	Status of risk-based, tiered licensing regime roll out for PSOs	No tiered licensing directive in place for PSOs	Tiered licensing launched for PSOs
	Number of new entrants licensed under tiered regime	0 (tiered licensing not established)	3 PSPs/PIIs aligned under framework per year
12 months	Status of unbundled licensing amendment	Only 2 license categories (PSO, PII) available	Amended licensing regime to introduce distinct licences for emerging payment service providers
24 months	Status of digital lending directive	Directive for digital lending (credit, peer-to-peer lending) not implemented	Developed and implemented directive for digital lending (credit, peer-to-peer lending)
	Status of digital savings directive	Directive for savings not implemented	Developed and implemented directive for digital savings
	Status of digital insurance directive	Directive for digital insurance not implemented	Developed and implemented directive for digital insurance products

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NO.	ACTION	ACTION COORDINATOR	OTHER STAKEHOLDERS	PRIORITY LEVEL
76	Develop a framework to streamline capital market settlements by mandating the use of the Automated Clearing House (ACH) for all bulk disbursements, including dividend payments and broker-to-client payouts	Ethiopia Capital Market Authority (ECMA)	NBE PSSD	Lower Priority
77	Develop a license category or letter of no-objection to enable partnerships between licensed stockbrokers and licensed banks and PIs to enable retail investor access to the capital market through digital banking or wallet apps	NBE PSSD	ECMA	Lower Priority
78	Study virtual assets such as stablecoins, cryptocurrencies, and Central Bank Digital Currency (CBDC), map their current use in Ethiopia, and identify concrete, locally viable use-cases for future policy and product development. Furthermore, publish white papers and, if deemed necessary, implement the required regulatory frameworks and pilot programs	NBE Innovation Unit (once established)	None	Lower Priority

Objective 6.3: Foster a fair and competitive market for digital payments.

79	Develop a financial sector-specific competition policy to create a fair playing field for the ecosystem	Ministry of Trade and Regional Integration	NBE PSSD, NBE FCPED, NBE BSD, ECA	High Priority
80	Issue a 'Fair Access' Directive for Essential Infrastructure: Mandate that Mobile Network Operators provide all licensed financial service providers with open and non-discriminatory access to essential infrastructure, including mobile data access to apps, USSD channels, and APIs, on transparent terms	Ethiopian Communications Authority (ECA)	NBE PSSD, Telecommunications Operators	Quick Win
81	Establish a Digital Finance Competition and Fair Access Monitoring Team or Capability: Create a specialized team or capability within the NBE to actively monitor the market for anti-competitive behavior and provide a formal mechanism for resolving disputes related to infrastructure access and pricing. NB: This is conditional upon the completion of the development of a competition policy for the financial sector (Action 79)	NBE Financial Consumer Protection and Education Directorate (FCPED)	ECA	Quick Win

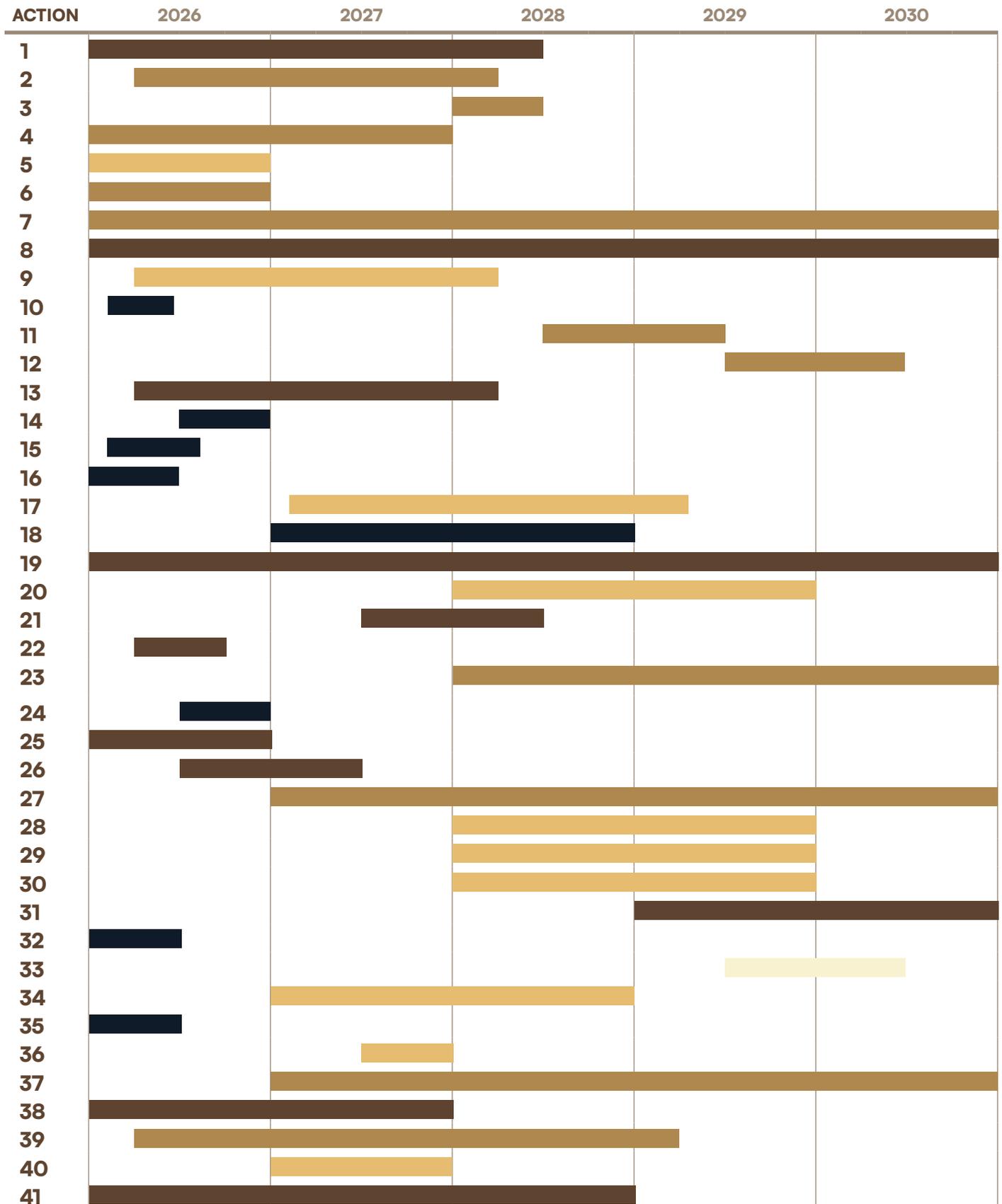
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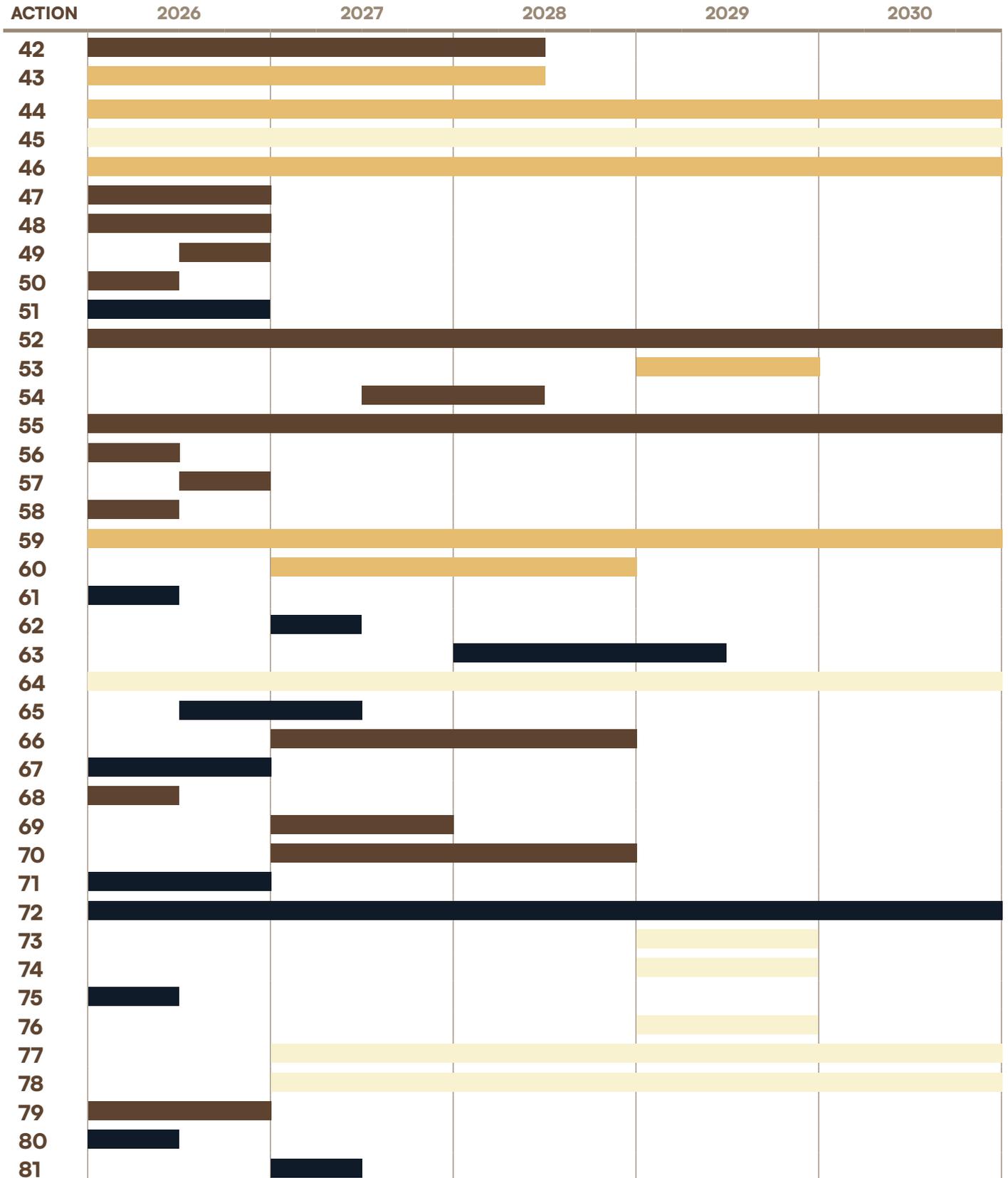
TIMELINE	PERFORMANCE INDICATOR	BASELINE	TARGET
12 months	Status of framework mandating ACH for bulk disbursements	No framework mandating ACH for bulk disbursements	Clear framework developed to streamline capital market settlements by mandating the use of ACH for all bulk disbursements
	Percentage of settlements processed via ACH	0%	100% of bulk disbursements processed via ACH
Rolling basis	Number of authorized partnerships between stockbrokers and banks/PIIs	0 (Limited authorized partnerships per year, if any)	3 authorized partnerships per year
48 months	Status of Virtual Assets & CBDC Study and mapping of current use cases in Ethiopia	No study of virtual assets or mapping of current use cases in Ethiopia has been conducted	Virtual Assets & CBDC study completed and published
	Number of white papers or research report published	No report or white paper published	Three white papers/research reports published at the end of the strategy cycle
	Status of regulatory framework for specific cryptocurrency applications (e.g. CBDC), if deemed necessary	No regulatory framework in place	Regulatory framework developed, if deemed necessary
	Status of pilot program for specific cryptocurrency applications (e.g. CBDC), if deemed necessary	Pilot program not started	Pilot program in progress, if deemed necessary
12 months	Status of a financial sector-specific competition policy	No financial sector specific competition policy developed or implemented	Developed and implemented Financial sector-specific competition policy
6 months	Status of a 'Fair Access' Directive for Essential Infrastructure	No Fair Access directive issued for Essential infrastructure	A Fair Access directive for Essential Infrastructure issued where MNOs are mandated to provide open and non-discriminatory access to essential infrastructure for all licensed FSPs
6 months	Status of a Digital Finance Competition and Fair Access Monitoring Unit	Digital Finance Competition and Fair Access Monitoring Team or Capability not established	Established Digital Finance Competition and Fair Access Monitoring Team or Capability within the NBE
	Percentage of overall disputes resolved	0 (complaints handled ad hoc)	80% disputes resolved within SLA

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Implementation Timelines



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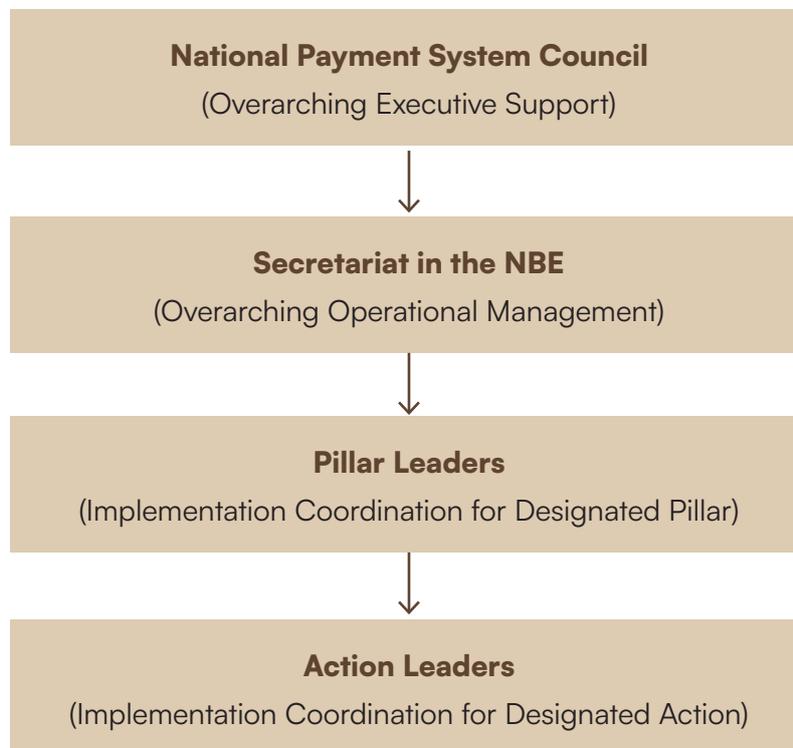
Legend: Quick Win High Priority High Priority, Longer Term Implementation Medium Priority Lower Priority

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GOVERNANCE STRUCTURE

A streamlined governance structure with shorter reporting lines has been developed, building on lessons from the previous strategy. Experience showed that agility is critical for maintaining momentum and ensuring decisions can be taken quickly. The revised structure as shown below, also strengthens inclusivity by formally incorporating industry associations into the **National Payment System Council**, ensuring broader representation and collaboration across stakeholders.

Figure 13: Governance Structure for NDPS (2026 - 2030)



A new **National Payment System Council** will be established as the highest governing body for the strategy, providing executive-level support and mandate for its implementation. The Council will be chaired by the **NBE Governor** to ensure it is active and directly connected to the implementation process. It will include representatives from key implementing ministries and industry associations (such as the Bankers Association, Microfinance Association, and Fintech Association) to guarantee broad stakeholder representation.

The **Secretariat** is the NBE's Payments and Settlement Systems Directorate, who will manage the overall implementation. It will administer the strategy, develop detailed implementation plans, supervise milestones and deliverables, facilitate meetings and

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information-sharing across all governance levels, collect and analyze data, monitor risks, and escalate issues as necessary.

Pillar Leaders will coordinate implementation within their designated pillar, serving as the central point of contact for the underlying actions. They will provide timely updates to the Secretariat through the monitoring and evaluation framework, and escalate bottlenecks to ensure support is provided promptly. The proposed pillar leaders are:

- Pillar 1 - EthSwitch S.C
- Pillar 2 - NBE Financial Inclusion Secretariat
- Pillar 3 - NBE Payment and Settlement Systems Directorate (PSSD)
- Pillar 4 - NBE Ethiopian Institute of Financial Studies
- Pillar 5 - NBE Financial Consumer Protection and Education Directorate
- Pillar 6 - NBE PSSD

Finally, **Action Leaders** will coordinate with ecosystem collaborators to implement specific actions, mitigate risks as they arise, and report on implementation status and milestones achieved to their respective Pillar Leaders. They will also highlight bottlenecks to enable timely resolution.

RISK AND MITIGATION PLAN

The successful execution of a strategy of this scale and complexity requires a proactive and structured approach to risk management. The following plan and matrix outline the primary risks that could impede progress and the corresponding mitigation strategies designed to address them.

A key element of this plan is embedded within the strategy's governance structure, which is designed for agility and rapid response. The clear reporting lines from Action Leaders to Pillar Leaders, and from the Secretariat to the National Payment System Council create an efficient pathway for escalating challenges and unblocking implementation bottlenecks before they become critical. This ensures that risks identified at the operational level are quickly brought to the attention of decision-makers who can provide the necessary support and direction.

Furthermore, while the matrix below details the overarching strategic risks, the comprehensive implementation plan will provide a more granular layer of risk management. Action teams for each of the 80 actions will define a set of potential risks and tailored mitigation measures, ensuring that risk is managed at every level of the strategy's execution.

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Table 25: Risk Mitigation Matrix

RISK CATEGORY	RISK DESCRIPTION	RISK LEVEL	MITIGATION STRATEGIES
Political & Regulatory	Delays in approving or implementing necessary directives, proclamations, and regulations. A shift in government priorities could divert focus and resources away from the strategy.	High Risk	The National Payment System Council, chaired by the NBE Governor and including key ministries, provides high-level buy-in and an escalation point. The strategy is closely aligned with broader national policies like Digital Ethiopia 2030 to ensure continued relevance. In addition, a Socialisation Plan has been developed alongside the strategy to foster buy-in by involving and sensitizing stakeholders from the strategy's development stage to its approval and launch.
Implementation Capacity	Limited technical and human resource capacity within key implementing bodies (e.g., NBE, EthSwitch, partner ministries) to manage multiple complex, large-scale projects simultaneously.	High Risk	Pillar 4 is dedicated to building regulatory and industry capacity. The implementation plan will be phased to manage workload, and the strategy allows for the use of external technical assistance for specialized projects. Further, the strategy will leverage a wider body of action coordinators compared to the first NDPS, given the evolution of the DFS industry.
Stakeholder Coordination	A lack of alignment, collaboration, or active participation from key public and private sector stakeholders. Competing commercial interests may hinder progress on shared infrastructure initiatives.	High Risk	The governance structure is designed to foster collaboration by including industry associations in the Council. Clear roles and responsibilities will be defined in the implementation plan, supported by dedicated working groups for major cross-cutting initiatives. The strategy's Socialisation Plan will also drive buy-in.
Technology & Cybersecurity	Delays in the procurement, development, and deployment of critical technology platforms. The integrity of the ecosystem could be compromised by escalating cybersecurity threats, undermining user trust.	Medium Risk	Pillar 5 is focused entirely on building a trusted and resilient ecosystem. This includes actions to establish a national cybersecurity framework, shared fraud detection systems, and threat intelligence sharing. Technology projects will undergo rigorous feasibility studies and phased rollouts. Critical security-related actions have been prioritized earlier in the strategic period.
Financial & Resourcing	Insufficient or delayed allocation of financial resources from public and private sector partners, jeopardizing the implementation of capital-intensive actions like infrastructure development and innovation funds.	Medium Risk	The implementation plan will include high-level cost estimates to guide budgeting and resource mobilization. The strategy advocates for public-private partnerships and cost-sharing models to distribute the financial burden and will be used to engage development partners.
Market Adoption	Low uptake of digital payment services by the target population (consumers and merchants) despite the availability of infrastructure, due to persistent issues of trust, affordability, or a lack of relevant use cases.	Medium Risk	Pillars 2 and 3 are designed specifically to drive adoption by focusing on financial inclusion, targeted literacy campaigns (Pillar 4), digitizing high-frequency payment flows, and improving the business case for merchants and agents. The strategy ultimately aims to avail compelling digital payments use-cases to encourage usage, while simultaneously addressing barriers faced by key user segments.
Macroeconomic	Significant macroeconomic instability, including severe foreign exchange shortages or high inflation, could constrain private sector investment, limit the affordability of imported technology, and reduce consumer disposable income.	Low Risk	While direct control is limited, the strategy aims to build a more efficient and resilient domestic economic infrastructure. By reducing the costs associated with cash and improving the efficiency of payments, the strategy can help mitigate some of the frictions in the economy.

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MONITORING, EVALUATION AND LEARNING PLAN

The MEL plan ensures that implementation of the NDPS is **evidence-based, accountable, and adaptive**. It establishes mechanisms to track progress against the strategy's ten overarching goals, monitor action-level KPIs, and measure outcomes through midline and endline evaluations. It also creates platforms for structured stakeholder dialogue and promotes continuous learning across the ecosystem.

The MEL framework consists of four main components:

A) Baseline, Midline, and Endline Assessments: Assessments are central to ensuring the NDPS remains evidence-driven and adaptive. They provide objective measurement of progress at critical points in the strategy cycle, allowing policymakers and stakeholders to validate assumptions, adjust priorities, and evaluate long-term impact. Each stage builds on the previous one, creating a continuous thread of evidence from design to completion.

- **Baseline (2025):** Data collection completed during the strategy design phase, establishing the reference point against which all future progress will be measured.
- **Midline (2028):** A comprehensive evaluation midway through implementation (Year 3), focusing on performance against both overarching goals and action-level KPIs. This assessment will guide mid-course corrections and recalibration of resources.
- **Endline (2030):** A final independent evaluation and public dissemination of results, measuring overall impact against the 10 strategic goals and KPIs.

B) Ecosystem Stakeholder Engagement: Regular stakeholder engagement will ensure ownership, alignment, and joint problem-solving. These sessions will provide structured feedback on risks, regulatory changes, and interdependencies with other national reforms (e.g., financial inclusion strategy, telecom reform, national ID), ensuring MEL is integrated with the wider policy ecosystem. Engagement will take place **twice yearly** through:

- **First session (Q2):** Small, focused session with key actors (NBE, MoF, EthSwitch, MFIs, PIs, PSOs, private sector, development partners) to review implementation priorities.
- **Second session (Q4):** Held as a closed-door session during the Annual Payments Conference to review progress, share lessons, and agree on course corrections.

C) Progress Tracking: To maintain transparency, accountability, and momentum, progress will be tracked through a combination of real-time dashboards and structured annual reporting. This system not only measures performance against key indicators but also highlights risks, successes, and lessons learned, ensuring that all stakeholders have a clear view of how the NDPS is advancing.

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- **Quarterly Progress Tracker:**

A publicly accessible Google Sheets dashboard updated every quarter with progress against key indicators. The **NBE Payment and Settlement Systems Directorate (PSSD) will be responsible** for updates and validation in collaboration with ecosystem players. **See the Monitoring, Evaluation and Learning dashboard [here](#).**

Within the MEL dashboard, **each strategic action is tracked through a dedicated page that captures:**

- Action name, objective, and priority level.
- Lead institution and supporting stakeholders.
- Milestones and timelines.
- Key performance indicators linked to overarching NDPS goals.
- Identified risks and mitigation measures.
- Progress updates displayed using a traffic-light system (on track, delayed, completed).

This structure ensures both **granular tracking at the action level** and **consolidated visibility at the strategy level**, making it easier to spot bottlenecks, dependencies, and areas needing intervention.

- **Annual Progress Reports:** This will be published at the end of each year, consolidating tracker data with qualitative insights.

D) Learning & Knowledge Sharing: Capturing and sharing lessons is essential to ensure that the NDPS evolves as an adaptive strategy rather than a static plan. The MEL framework therefore emphasizes structured learning processes that transform monitoring data and stakeholder experiences into actionable insights.

- **Annual Learning Report:** Incorporated into the Annual Progress Report, this concise (<10 pages) document summarizes lessons, success stories, and challenges. It will also highlight innovative practices, case studies from ecosystem players, and comparative insights from peer countries. Dissemination will take place at the Annual Payments Conference and online to ensure wide access and uptake.
- **Feedback Loops:** Stakeholder forums capture perspectives from across the ecosystem, which are fed back into implementation. Beyond forums, feedback will be systematically collected through surveys, structured interviews, and community consultations to ensure that end-user experiences inform decision-making.
- **Capacity Building:** Findings from the MEL process will be used to design targeted training and knowledge-sharing sessions for regulators, financial institutions, and ecosystem partners, ensuring lessons directly strengthen institutional capacity.

Table 26: Timeline of MEL Activities (2025–2030)

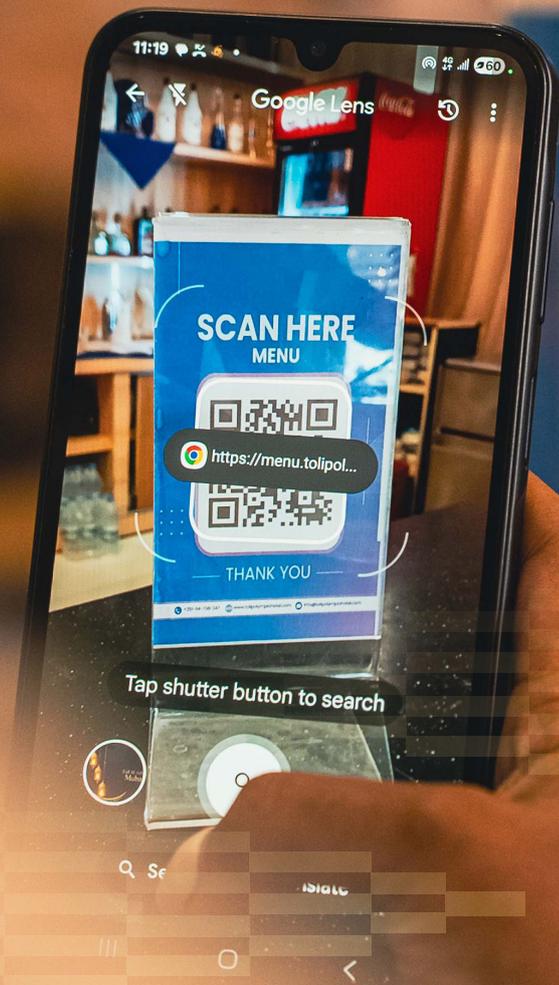
YEAR	ACTIVITY	TIMING	OUTPUT
2025	Baseline data collection (completed)	Q3 2025	NDPS 2026-2030
2026	Quarterly tracker updates	Q1–Q4 2026	Updated public dashboards Annual Progress and Learning Report (tracker data with qualitative insights, key lessons, success stories, and challenges)
	Stakeholder Forum I (small group)	Q2 2026	Stakeholder debrief report
	Stakeholder Forum II (Annual Payments Conference, closed-door session)	Q4 2026	Stakeholder debrief report
2027	Quarterly tracker updates	Q1–Q4 2027	Updated public dashboards Annual Progress Report
	Stakeholder Forum I (small group)	Q2 2027	Stakeholder debrief report
	Stakeholder Forum II (Annual Payments Conference, closed-door session with market players)	Q4 2027	Stakeholder debrief report
2028	Quarterly tracker updates	Q1–Q4 2028	Updated public dashboards Annual Progress Report
	Midline Evaluation	Q2–Q3 2028	Midline Evaluation Report (public)
	Stakeholder Forum I (small group)	Q2 2028	Stakeholder debrief report
	Stakeholder Forum II (Annual Payments Conference, closed-door session with market players)	Q4 2028	Stakeholder debrief report
2029	Quarterly tracker updates	Q1–Q4 2029	Updated public dashboards Annual Progress Report
	Stakeholder Forum I (small group)	Q2 2029	Stakeholder debrief report
	Stakeholder Forum II (Annual Payments Conference, closed-door session with market players)	Q4 2029	Stakeholder debrief report
2030	Quarterly tracker updates	Q1–Q4 2030	Updated public dashboards Annual Progress Report
	Endline Evaluation	Q2 2030	Final Evaluation Report (public)
	Stakeholder session I (small group)	Q2 2030	Stakeholder debrief report
	Stakeholder session II	Q4 2030	Stakeholder debrief report

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Endnotes

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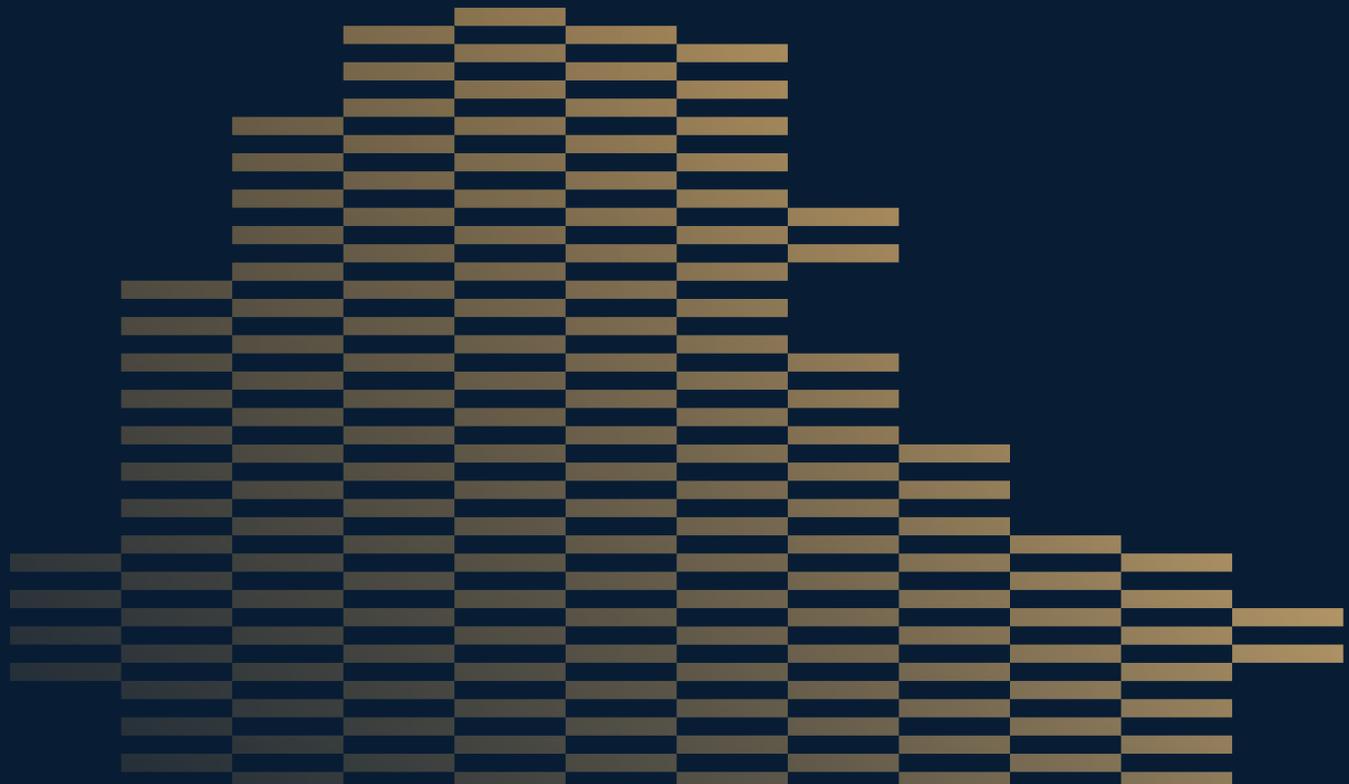
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October 2025



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