

# Ethiopia's Digital Financial Transformation: A Data-Driven Forecast (2025-2027)

*A Multi-Stakeholder Analysis for the National Bank of Ethiopia Consortium*

## Executive Summary

Ethiopia is at a pivotal junction in its journey toward universal financial inclusion. The launch of Telebirr in 2021 and the entry of Safaricom/M-Pesa in 2023 have fundamentally rewritten the rules of the market.

Key findings:

- The Access Target Gap: Projected 64.6% account ownership by 2027 (vs 70% target).
- The Usage Surge: Digital payment adoption reaching 48.4% by 2027.
- The Slowdown Paradox: Efficiency gap between enrollment and unique inclusion.

## Key Insights from EDA

1. The P2P Crossover Milestone: Digital transfers have overtaken ATM cash-outs in volume.
2. The Persistent Gender Gap: 18-20pp gap remains a primary policy challenge.
3. Infrastructure Surge: 4G coverage reaching 70.8%, acting as a leading indicator for usage.

## Impact Model & Forecasts

We utilize a custom S-Curve (Logistic) Impact Model. This accounts for the build-up lag of major events like Digital ID rollout.

Forecast Summary (Base Scenario):

- 2024 (Obs): 49.0% Access | 35.0% Usage
- 2027 (Fc): 64.6% Access | 48.4% Usage

## Stakeholder Dashboard

A professional Streamlit dashboard enables real-time exploration of these projections, featuring:

- Scenario selectors (Optimistic/Base/Pessimistic).
- Channel comparison (P2P vs ATM).
- Milestone tracking for NFIS-II targets.

## **Limitations & Future Work**

1. Data Constraints: Shift toward quarterly proxy reporting is recommended.
2. Future Phase: Focus on Merchant Payment Adoption as the next major growth engine.

*Note: Full interactive visualizations and high-resolution charts are available in the project's 'reports/figures' directory and the Streamlit dashboard.*