KEYNOTE ADDRESS DELIVERED BY
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AT THE AERC-SOAS INCLUSIVE FINANCIAL SERVICES POLICY PLATFORM

08 SEPTEMBER, 2021
Salutations

Ladies and Gentlemen.
1. Good afternoon to everyone.

2. It is indeed an honour to be asked to deliver the Keynote Address at this AERC-SOAS Inclusive Financial Policy Platform.

3. Let me express profound gratitude to AERC and SOAS, for organising this Policy Platform which is hosting many researchers, captains of industry and experts to share and deepen knowledge gaps in the emerging digital revolution. We as government and policy makers rely on your deep thinking and research output to polish our efforts at good economic and political governance.

4. Let me commend the consortium of UK and international partners for collaborating on this vital four-year programme of research on the role of finance in fostering inclusive financial development and sustainable growth for the benefit of African countries and others.
5. That the financial system plays a critical role in economic development and growth has long been established in the economic literature. Today’s conversation pushes that well known maxim of finance and development further up in a digital ecosystem.

6. We will all agree that the COVID-19 Pandemic did not only uncover some of the socioeconomic vulnerabilities in our societies, but the COVID experience also highlighted some of the endless possibilities in leveraging digital technology to drive an inclusive growth powered by greater access to finance of the unbanked and a more efficient payment system.

7. Indeed, it has been said that “while digital financial inclusion was already a development priority before the COVID-19 pandemic, it has really become indispensable now” if only for the simple reason that it is best medium to deliver targeted short-term relief in terms of putting money in the hands of those who need it.
8. But there is more than that. The greater benefit is that digital financial inclusion would soon become the central element of broad-based sustainable recovery efforts.

9. Building a resilient economy anchored to a stable financial ecosystem has been the focus of the government of President Nana Addo Dankwa Akufo-Addo since January 2017 when we first came into office.

10. Financially excluded general shared the following key characteristics:

   a. No identity documents
   b. No Addresses
   c. While they did not have bank accounts, most had mobile telephones

Ghana’s approach was therefore to take a holistic approach. We wanted to address these bottlenecks

11. The Ghana Card, the Digital Address System, the Mobile Money Interoperability, and the Universal QR Code have been our
transformation enablers. These are now spawning widespread applications in our everyday lives with growing digital dividends.

a) The "GhanaCard" provides a National unique biometric identification for all Ghanaians and resident foreign nationals.

b) The **Digital Property Address System** generates unique digital addresses for every property and location in Ghana including slums and villages based on GPS coordinates. It is based on a mobile application which can find any location and provide directions. This is a life-saving innovation for health, fire, and ambulance services. It is a crime fighting instrument for the police and facilitates operations of e-commerce. Currently we have put together for the first time a database of all properties in Ghana (in towns and villages). The unique addresses for all properties (House number, Street name and digital address) is generated by the Land Use and Spatial Planning Authority. Thankfully,
Google has agreed to integrate this application into Google Maps. The availability of digital addresses for all locations means that everyone, even if you live in a shack has an address and this helps financial inclusion.

c) Perhaps the greatest inclusive innovation for us is the introduction of a **Mobile Money Payments Interoperability**. This allows direct transfer of funds from Bank accounts to Mobile Money Wallets, from mobile money accounts to Bank accounts, and from mobile or bank accounts to biometric smart card payment system such as Ghana’s e-zwich card. This system deepens financial inclusion, encourages cashless transaction and provides a viable financial intermediation for businesses. A 2019 World Bank report reveals that Ghana has been the fastest growing mobile money market in Africa since 2014 with over 36.9 million registered mobile money accounts. Mobile money
transactions in Ghana in 2020 amounted to the equivalent of $100 billion.

d) Between 2016 and 2020 the number of adults with access to financial services through a traditional bank account or the mobile money account has increased from 30% to 90%

e) Banks (Ghana Association of Bankers) are in the process introducing a Bankwide wallet for the unbanked and the banked that will similarly be interoperable between mobile wallets and bank accounts.

f) With a national ID card you can open a bank account just by dialing a USSD code and providing your national ID number

g) From Ocober 1 2021, all SIM cards have to be registered with the the National ID number so it provides a very high degree of KYC transactions and eliminate fraud.
h) Currently we have a challenge that most merchants or service providers especially in the informal sector where cash transactions dominate do not accept electronic payments. Reasons include:

a. High cost of POS devices - large numbers of merchants are unable to acquire and maintain these devices

b. High processing fees (1%-3%)

c. No real time interoperability. Merchants receive payments the next day.

i) Even for merchants that accept electronic payments there is no interoperability across the different banks or telcos. So if there is a merchant acquired by Vodaphone for example, an MTN customer is not able to use their mobile money account to pay that merchant. Also if Ecobank has acquired a merchant, a GCB customer cannot use pay the merchant using
the Ecobank infrastructure. There is no interoperability

j) The introduction of a **Universal QR Code** provides real time interoperability no interoperability across the different banks or telcos. to enable Ghanaians conduct secure, convenient, and low-cost financial transactions from multiple customer funding sources—mobile wallets and bank accounts. Ghana is the first African country to implement a Universal QR code payment system.

- Any owner of a phone, whether it is a smart phone or a or feature phone can use the Universal QR CODE to make or receive payments.

- QR CODE payments are also not just for merchants. By the end of October this year every individual with a bank or mobile money account will be able to generate their own personal QR CODE. This will make payments from person to person to be seamless and very fast. So if you want to send money to someone’s
bank or momo account all you will need is their QR CODE. The generation of the QR CODE is free.

Financial Inclusion Initiatives

12. Government has launched three strategic digitization policies to accelerate a shift towards a digital payments system and more importantly, deepen financial inclusion.

13. These policies include the

   a. National Financial Inclusion and Development Strategy,
   b. Digital Financial Services Policy, and the
   c. Cash-Lite Roadmap.

National Financial Inclusion and Development Strategy
14. The National Financial Inclusion and Development Strategy (NFIDS) is anchored on five main mutually reinforcing objectives, which comprises of:

a) Promoting Financial Stability;

b) Increasing Access, Quality, and Usage of Financial Services;

c) Enhancing Financial Infrastructure;

d) Ensuring Financial Consumer Protection;

and

e) Improving Financial Capacity.

Digital Financial Services Policy

15. To complement the National Financial Inclusion and Development Strategy (NFIDS), Government launched the Digital Financial Services (DFS) policy with the aim to:

a) Enhance governance of the Digital Financial Service ecosystem;
b) Create an enabling regulatory framework that supports innovation, competition and financial inclusion;
c) Strengthen the regulatory capacity and the ability to supervise the financial sector; and
d) Support the emergence and development of fintech firms and product innovations.

**Conclusion**

16. Ladies and Gentlemen, In conclusion I must say that Ghana’s digital transformation experience provides a fresh perspective on the continent and demonstrates that technology can help modernize the financial system as well as also support greater financial inclusion.

17. The goal of Government is to consolidate all ongoing digital initiatives and initiate strategic plans to provide digital solutions to our development challenges from farm to factory to offices, and especially in the everyday interactions between
citizens and business with government, in line with the African Union Digital Transformation Agenda.

18. African governments should seriously review the findings from this research programme to fill knowledge gaps as we embark on this journey to leverage technology to enhance inclusive financial development and sustainable economic growth, and to provide solutions to the many pressing issues on the African continent.

19. It is just as important that the research findings do not just sit on shelves and archived on hard drives. The results must be disseminated widely, providing alternatives with case studies, and in easily accessible medium.

20. On this note, I wish all of you a very fruitful and constructive event.

21. Thank you for your attention