



AFI VIRTUAL WORKING GROUP MEETING

WELCOMING REMARKS

**DR. ERNEST ADDISION,
GOVERNOR, BANK OF GHANA**

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**The Executive Director, Alliance for Financial Inclusion (AFI), Mr Alfred Hanning,
Members of the Digital Financial Services, Inclusive Green Finance, and
Financial Inclusion Strategy Peer Learning Working Groups,
Distinguished Ladies and Gentlemen,**

1. Hello everyone and welcome to the Joint AFI virtual Working Group meetings. Let me first thank AFI for co-hosting these three working groups' virtual meetings during these challenging times of COVID-19. The Bank of Ghana's collaboration with AFI has grown stronger over the years as together we have shaped policies to promote financial inclusion across member countries. Today's meeting provides us with yet another opportunity to share experiences and explore innovative ways to further push the frontiers of financial inclusion through dialogue.
2. Ladies and Gentlemen, Ghana has come a long way in fostering the financial inclusion agenda, with the Bank of Ghana at the forefront. The implementation of several policy measures geared towards banking the 'unbanked' and formalising the informal financial sector, constitutes integral parts of the overall strategy to promote an inclusive financial system in the country. Starting off, the Bank facilitated the passage of the Payment Systems and Services Act, 2019 (Act 987) and set up a Payment Systems Strategy (2019-2024) to provide the enabling legal and regulatory environment for the orderly development of the payment ecosystem. These connect seamlessly with the country's National Financial Inclusion Development Strategy (NFIDS) framework.
3. Broadly, the NFIDS supports the agenda of increasing the availability of affordable and quality financial services that are provided by sound, responsible, and innovative financial institutions to the populace. In addition, Ghana has committed to increase access to formal financial services from 58



percent in 2017 to 85 percent of adult population by 2023, focusing on financially excluded groups. The increase in access to financial services is expected to create economic opportunities and contribute to poverty reduction. The strategic pillars outlined in the NFIDS to support this agenda in Ghana are financial stability; access, quality, and usage of financial services; financial infrastructure; financial consumer protection; and financial literacy and capacity.

- 4.** The concept of financial digitisation has proven to be a key pillar for financial inclusiveness especially under this pandemic era. With this backdrop underpinning Ghana's digitisation agenda, a Digital Financial Services (DFS) Policy was launched to complement the NFIDS. Among others, the DFS policy provides a strong regulatory framework for all stakeholders to support innovation, competition, and financial inclusion; enhance the use of digital infrastructure, and consequently support the emergence and growth of fintechs.
- 5.** On women financial inclusion, the Bank has spearheaded the process through various initiatives including the setting up of a gender disaggregated data portal which over the years has attracted several AFI member central banks to Ghana. More recently, the Bank also introduced the financial sector wide Online Regulatory Analytics and Surveillance System which would enhance the compilation of gender disaggregated financial data for policy formulation and decision making. This initiative demonstrates our strong commitment to the AFI Denarau Action Plan.
- 6.** The increasing numbers of financial technology firms in the country's ecosystem has further boosted the delivery of value-added financial services. This is because, we have wholly embraced the fintech agenda and set up Fintech and Innovation Office to drive the process of innovation towards financial inclusiveness. In furtherance of this, the Bank has recently issued a framework



for Digital Sandboxes as test beds and platforms to minimise time to market rate of innovative solutions.

- 7.** The Regulatory Sandbox serves as a platform for innovative technology solutions to be tested in a live environment within defined parameters and timelines. These sandboxes provide enabling environment for the development of digital talent and knowledge for scaling up financial technology firms. In addition to the introduction of the regulatory sandbox framework, the Bank has instituted Tiered Merchant Account Categories and a Crowd funding policy framework to promote modernisation of the banking industry in a manner that meets diverse groups of people, to engender financial inclusion.
- 8.** Ladies and Gentlemen, in line with the country's National Development Plan and commitment to achieving UN Sustainable Development Goals (SDGs) as well as the UN Framework Convention on Climate Change, the Bank has developed and implemented a set of sustainable banking principles. By this, the Bank has committed to promoting good environmental, social and governance practices in the banking business, financial inclusion, gender equality, resource efficiency and sustainable consumption and production.
- 9.** Broadly these principles have helped to identify, assess, mitigate, and monitor environmental and social risks, while aligning business operations to climate change risks. This mission involves several stakeholders, and the Bank is fully engaged with all financial institutions and other partners on climate change to coordinate and drive the collective response towards climate change.
- 10.** All these policy efforts are geared towards supporting the financial services industry with the view to accelerating Ghana's transition to a financially digitised, innovative, and inclusive economy. Indeed, these policies have yielded some encouraging results with increased registered mobile money accounts to over 38 million in 2020. Volume of Instant Pay also increased four folds in 2020. With high penetration of mobile money and increased digital



payments, Ghana is well positioned to become a financially included society in the medium-term.

- 11.** To conclude, Ladies and Gentlemen, let me thank AFI once again for this honour and encourage members of the various working groups to share their knowledge and experiences during the deliberations to help promote member learning experiences.

Thank you.

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