

Ghana's digital payments leadership

ACCRA, Ghana - With 37% of the value of all payments now made digitally, Ghana is on course to be a leader in the region, with great potential to expand economic opportunities for businesses.



At an event bringing together key government and business players, Ghana's [Ministry of Finance](#) and the UN-based [Better Than Cash Alliance](#) released a [report](#) documenting the country's progress in creating an economy where everyone can pay and get paid digitally, instead of with cash.

The results show the country has made significant gains, including almost 100% of government payments to people and payments within the government now processed digitally. The findings also reveal there are opportunities for providing more choice to customers.

This move is already translating into direct benefits to people, particularly women, support for small businesses and cost savings for the government. The data also predicts that if the government continues to make progress, savings could reach over GHS 250 million (nearly \$60 million) each year, which may result in more than GHS 1 billion (\$230 million) by 2020.

"The future really is digitisation and how we can leverage on it for the benefit of our citizens. This is why digitising initiatives such as our flagship conditional cash transfer program [Livelihood Empowerment Against Poverty](#) (LEAP) is a key milestone," said Ken Ofori-Atta, Minister for Finance of the Republic of Ghana.

"We recognise that there is still more work to do to transition most of the country away from cash. Yet with great potential for cost savings and opportunities to increase transparency and accountability, we cannot afford not to," the Minister added.

The report provides key insights on the status of digital payments in Ghana and tangible recommendations on how to successfully move forward. In particular, three priorities emerged to help the government and citizens achieve the most benefits:

- **Investing in infrastructure for digital public utility payments:** 80% of the population uses public essential services such as water and electricity, but only 20% of the population has access to digital technology such as smart meters. By investing in smart distribution infrastructure that digitise end-to-end delivery and payment, it will increase efficiencies and ease of use for citizens – ultimately increasing adoption.
- **Digitising payment of government fees and fines:** With 97% of fees and fines currently paid in cash, the Ghanaian government could gain enormous cost savings if they commit to using digital payments exclusively and mandate all government agencies to use a central payment system.
- **Encouraging digital payments in the Fast Moving Consumer Goods (FMCG) value chain to support digitisation of small retailers and customers:** For FMCG companies operating in Ghana, 96% of distributor payments and 59% of vendor and employee payments in volume are made in checks. However, 99.9% of individual payments for consumption goods by volume are still completed in cash, as individuals continue to purchase essential consumer goods, including food, in the informal economy with small retailers. This indicates the tremendous potential impact any shift to digital payments in this value chain can have on the overall ecosystem. By transitioning away from cash, small business owners can avoid storing large amounts of cash, drive customers' adoption and boost access to formal saving and loan products which can expand their economic potential. This will especially improve the lives of women, who represent many of the small retailers in the FMCG sector.

“We want to congratulate the Government of Ghana for its leadership in building the foundation for an economy less dependent on cash. Under this leadership, the country is making considerable strides to improve transparency, accelerate opportunities for economic growth and empower women by bringing them into the formal financial system,” said Dr Ruth Goodwin-Groen, managing director of the Better Than Cash Alliance.

“Ghana is at a tipping point in its shift to digital payments. We at the Better Than Cash Alliance look forward to continued work with our colleagues across the digital ecosystem in government, companies and international organisations to continue this great progress.”

Read the full Ghana Diagnostic report [here](#), with recommendations on how to accelerate Ghana's journey towards building an inclusive digital payments ecosystem.

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