# eCedi Ghana's Central Bank Digital Currency (CBDC) Pilot



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# Background & Justification

## Background



At the 91st Monetary Policy Committee press conference on November 25, 2019, Bank of Ghana announced its intention to explore a Central Bank Digital Currency (CBDC) within the framework of the financial sector digitisation programme.

The eCedi is a value-based retail CBDC that is in its 2<sup>nd</sup> phase of a 3 phase pilot.

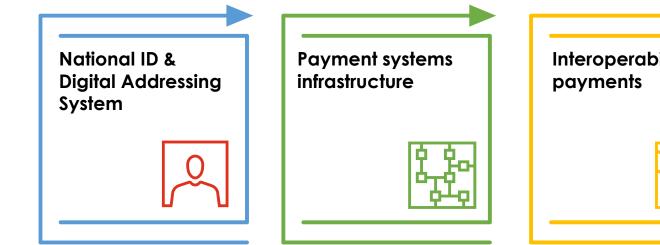


## Justification: The Case For CBDC in Ghana

- . Increasing digitization of the economy and consumer adoption of digital payments;
- 2. Anticipating the future role of the Bank of Ghana as an active facilitator of the digital economy;
- 3. Possibility of a more efficient and resilient payment system; and
- 4. Emerging risk of unregulated private 'currencies' or virtual assets.

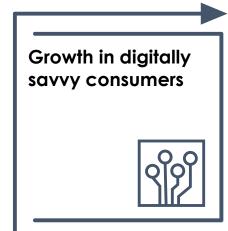
# Justification Cont'd: Key Market Enablers













# "PAINS": What Problems Are We Solving?



# Some Current Challenges Facing Central Banks

- 1. Financial inclusion at the very last mile
- 2. Competition in the payment system
- 3. Friction between traditional and emerging payment models
- 4. Cost of currency operations
- 5. Consumer protection

# Some Future Challenges Facing Central Banks





 Increasing threat of private virtual assets/cryptocurrencies Monetary Sovereignty, Financial Stability and Compliance

2. Relevance of physical form factor of money in a mostly digital future



# "GAINS": Potential Benefits for Stakeholders

## Potential Benefits for Stakeholders





#### **MERCHANTS**

CBDC will allow lower cost to merchants and would reduce complexity by providing one universal means of payment used by everyone.



#### COMMERCIAL BANKS

CBDC would ensure that commercial banks keep their role as relevant financial service provider to the people.



#### FINTECHS

A CBDC would provide a platform to build innovative services and products fostering innovation and growth.

### Potential Benefits for Stakeholders





- 1. Promote financial inclusion
- 2. Spur competition in the payment system
- 3. Strengthen the monetary policy transmission channel
- 4. Maintain monetary sovereignty
- Transparency: can be designed to avoid tax evasion, money laundering, terrorism financing etc. while protecting the privacy of honest users
- 6. Financial stability: provide consumers with a public form of money for the digital era, guaranteed by the central bank.
- 7. Reduced cost of payments

## Potential Benefits for Stakeholders



#### Consumers



- Choice and competition: The simplification of access to and usage of a digital form of cash, will ultimately make it easy for service providers to deliver more innovative products and services;
- An interoperable means of payment that can be used by everyone anywhere;
- Access to digital payment services at the last mile (Inclusiveness); and
- The efficiency gains from the entire financial sector operating with a digital form of cash is expected to translate into a lower cost of service delivery.



# **OFF-GRID**

# **Testing Scenarios**



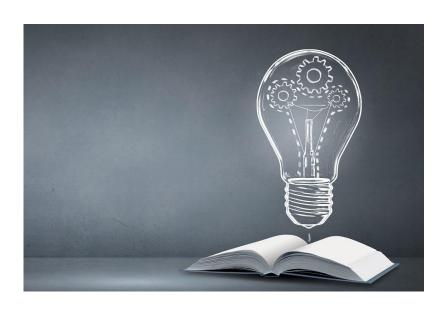




## Lessons So Far.....

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- 1. Human Centrered Design: Start with the **consumers**, design for the **consumer** and design with the **consumers**;
- 2. Stakeholder assessment must to be **thorough**;
- 3. Be aware of your environment-localise the context;
- Select technology partner carefully and enlist industry experts;
- 5. Be agile, expect to keep learning and evolve!



## THANK YOU

