



RemitSCOPE

Africa



Ghana

Country diagnostic
2023

PRELIMINARY RELEASE

ACKNOWLEDGEMENTS

This country diagnostic is an update of the one that was commissioned by the International Fund for Agricultural Development (IFAD) to DMA Global (DMAG) in implementation of the PRIME Africa initiative, co-financed by the European Union, and presented at the first National Remittance Stakeholder Network in Ghana in July 2020. Development of this diagnostic was coordinated by Pedro De Vasconcelos (Financing Facility for Remittances, IFAD) and Leon Isaacs (DMAG), with extensive contributions by team members of both institutions.

The contents of this diagnostic were updated in Q1 and Q2 2023.

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ISBN 978-92-9266-327-8

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ACRONYMS

ACH	automated clearing house
ACP-EU	Africa, Caribbean and the Pacific – European Union
ADB	Agricultural Development Bank
AfDB	African Development Bank
AML/CFT	anti money-laundering/combating the financing of terrorism
ATM	automated teller machine
BOG	Bank of Ghana
BTCA	Better than Cash Alliance
CGAP	Consultative Group to Assist the Poor
CDD	customer due diligence
CICO	cash-in/cash-out
DMAG	DMA Global
ECOWAS	Economic Community of West African States
FATF	Financial Action Task Force
FFR	Financing Facility for Remittances
FIC	Financial Intelligence Centre
Fintech	financial technology
FSP	financial service provider
forex	foreign exchange
GACH	Ghana Automated Clearing House
GDP	gross domestic product
GhIPSS	Ghana Interbank Payment and Settlement Systems Limited
GIS	Ghana Interbank Settlement
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
IFAD	International Fund for Agricultural Development
IMTO	international money transfer operator
IOM	International Organization for Migration
KPMG	Klynveld Peat Marwick Goerdeler International Limited
KYC	know-your-customer
MFI	microfinance institution
MMO	mobile money operators
MMP	mobile money provider
MSME	micro, small and medium enterprises
MTO	money transfer operator
NBFI	non-bank financial institution
NFID	National Financial Inclusion and Development Strategy
NRG	non-resident Ghanaians
NRSN	National Remittance Stakeholder Network
NRTF	National Remittance Task Force
P2G	person-to-government
P2P	peer-to-peer
POS	point of sale
PRIME Africa	Platform for Remittances, Investments and Migrants' Entrepreneurship in Africa
PSP	payment system provider
RGF	Remittance Grant Facility
RSP	remittance service provider
RTGS	real-time gross settlement system
SDG	Sustainable Development Goal
SDI	specialized deposit-taking institution
SECO	State Secretariat for Economic Affairs (Switzerland)
UBA	United Bank for Africa
UN DESA	United Nations Department for Economic and Social Affairs
UNCDF	United Nations Capital Development Fund

Changes in the Ghanaian remittances market since Q2 2020

This document provides an update to the original Ghana country diagnostic that was produced in 2020. This section focuses on significant changes that have occurred since that time.

In general, there have not been major structural changes to the Ghana remittance market in the last three years. More recently the volume of remittances flowing to Ghana has shown steady growth, with the United States and Nigeria continuing to be the main send countries, with growing flows from Europe. Informal flows remain popular for transactions with bordering countries.

Ghana has experienced major economic instability over the last year that has had a major impact on the country in terms of hyperinflation and currency devaluation. The situation has since stabilised but increased costs in the Ghana economy have affected both RSPs and remittance beneficiaries negatively. Despite this, the financial environment continues to have a well-developed payment system, leveraging full interoperability between bank accounts and mobile money so that Ghana has one of the highest financial inclusion rates in Africa (note that different measurement approaches between methodologies mean an empirical measure is not possible driven by the large uptake of mobile wallet based accounts. The launch of an e-levy on electronic transfers threatened to erode the penetration of mobile money. The government responded with a reduction in the e-levy rate.

There have been some regulatory changes in Ghana to advance the market. The Guidelines for Inward Remittance by Payment Service Providers were introduced to provide clarity to RSPs licensed and partnering with MTOs to terminate remittances under the Payment Systems and Services Act 2019. The Bank of Ghana launched a regulatory sandbox in 2022 to enable the innovation and testing of financial products, services and business models. Remittance innovation has been identified as priority area for inclusion within a sandbox cohort to enable small scale, live testing of financial products, services and business models by all licensed financial service providers, and unlicensed Fintech startups.

In spite of higher costs due to real economy factors, Ghana's remittance market structure remains competitive and has grown with a number of IMTOs, online remittance specialists, corridor and regional specialists operating in the market. Fintechs are present and are innovating beyond domestic payment services.

The awareness and innovation of remittance-specific linked products is growing and there are currently two RSPs offering insurance-linked remittance services to Ghanaian customers. Further opportunities should be created to support this area.

The PRIME Africa project has driven major enhancements in stakeholder engagement in Ghana. There have been ongoing National Remittance Stakeholder Network meetings to discuss and make progress in the remittances market. A remittances road map for Ghana has been developed and continues to evolve. Additionally, a Community of Practice has been established. Three operators were provided with technical assistance under the PRIME Africa funded Remittance Access and Innovation (RAI) programme to improve their risk assessment processes to enable improved access to remittances for customers. Furthermore, three new initiatives were launched focused on digital penetration, financial inclusion and literacy and remittance linked products.

Executive summary

This research is part of a series of country diagnostics in selected African countries, in implementation of the [Platform for Remittances, Investments and Migrants' Entrepreneurship in Africa \(PRIME Africa\)](#) initiative. The diagnostic series can be downloaded on the RemitSCOPE web portal.

The report is structured in seven sections. The first section covers migration and remittance flows to and from Ghana, followed by an exploration of the financial environment (chapter 2) and the regulatory environment (chapter 3). Section 4 covers the remittance market structure followed by presenting the stakeholders and development partners working on remittances in Ghana. The diagnostic concludes with a series of recommendations to improve the Ghana remittances market. The report sections are summarized below.

Migration and remittances

- Ghana's 1 million migrants mainly reside in Nigeria and bordering countries. Outside the continent, they live in Germany, Italy, the Netherlands, the United Kingdom and the United States.
- International remittance inflows to Ghana are an important source of funds in foreign currency to the country and an estimated 600,000 families rely on them.
- Ghana is the second-highest receiver of remittances in sub-Saharan Africa (after Nigeria). An estimated US\$4.6 billion was sent to Ghana in 2022, equivalent to 6 per cent of its GDP (World Bank). Ghana is the second-highest receiver of remittances in sub-Saharan Africa (after Nigeria) and the fourth in Africa,

Financial market

- The domestic payment system is well-developed and there is scope for accessing all domestic payment systems in order to pay out international remittances.
- Existing financial inclusion and digital financial service strategies have provided a clear framework for developing an inclusive, reliable and digitalized financial services ecosystem including remittances.
- Driven by the uptake of mobile accounts, financial inclusion is high in Ghana, 95 per cent (Ghana Demand Side Survey) compared to peer countries, but there is still room for greater use of digital international remittances and products and services linked to them, especially in rural areas and for women.
- Following the success in increasing financial inclusion across multiple segments of the population, Ghana is now focused on translating access to financial service into meaningful usage of financial services.
- Recent challenges in Ghana's and the global economy have led to instability and high inflation in the market.
- In 2022, the government of Ghana launched a contentious digital finance tax on all electronic transfers of money, "an e-levy" applied to the amount transacted. Considered an opportunity to tap into fast-growing digital financial services payment flows in Ghana and mobilise funding for critical national development projects, an initial tax rate of 1.75 per cent was presented. The announcement of the e-levy was met with a huge outcry and protest from the Ghanaian population.

- A number of exemptions were applied to the e-levy including for transfer amounts below GHS 100 and inward remittance transactions. Whilst the e-levy is not charged on a remittance senders' transaction to Ghana, a remittance beneficiary in Ghana is subjected to the e-levy if they received their funds electronically and transact to another mobile money wallet or a bank account over the GHS 100 threshold.
- Continued public resistance to the e-levy led to a revision of the proposed tax rate from 1.75 per cent to 1.5 per cent before its implementation. The Ghana e-levy was launched in May 2022.

Regulatory environment

- Ghana's regulatory environment for remittances is clear and well defined.
- To operationalize the Payment Systems and Services Act, five categories of Payment System Providers (PSP) licences have been created, with minimum capital, governance and system requirements attached to each category. A licence application process has been communicated.
- Payment service providers operating in the inbound remittance market come under the PSP Enhanced Licence category.
- The payment service provider (PSP) licensing regime represents a significant change in Ghana's remittance regulatory environment. The Bank of Ghana introduced the Guidelines for Inward Remittances by Payment Service Providers in 2021 to guide Dedicated Electronic Money Issuers and Enhanced PSPs as they partner with MTOs as a remittance termination channel.
- The Foreign Exchange Act of 2006 (Act 723) prohibits outbound remittances from Ghana unless the transaction is made through a bank.
- Following a successful pilot in 2021, the Bank of Ghana launched a regulatory and innovation sandbox in 2022 to enable small scale, live testing of financial products, services and business models by all licensed financial service providers, and unlicensed Fintech startups.
- Ghana can leverage high levels of financial inclusion, its digital payment infrastructure, strong ID digitalization and virtual addressing to implement further proportionate know-your-customer (KYC) requirements.
- The PRIME Africa programme, which is undertaking the Remittances Access Initiatives (RAI) in partnership with Cenfri to foster simplified CDD and improve digital on-boarding for remittance users. Key project partners in Ghana are Ecobank, MTN Mobile Money and ARB Apex Bank. The project will support RSPs in lowering remittance transfer costs while simplifying onboarding requirements for low-income, rural and vulnerable families.

Market structure

- As a result of economic challenges, the Ghanaian remittance market has higher costs than many African markets, pushing Ghana further away from the United Nations Sustainable Development Goal (SDG) 10.c.
- The current average cost of sending US\$200 to Ghana is 9.1 per cent of the amount sent (Q4 2022). This is an increase of almost 3 per cent from Q1 2021. The cost to send to Ghana is now more than the African average of 8.46 per cent (Q3 2022), the most expensive region to send to, and far above the 3 per cent SDG 10.c target.
- This has been caused by challenging economic conditions in Ghana.

- The increase in cost to send money to Ghana is due to increasingly high foreign exchange margins as a component of remittance transactions. Between Q1 and Q4 2021 foreign exchange margins increased by 2 per cent, from 2.6 per cent to 4.6 per cent.
- The foreign exchange margin component remains high at 6.8 per cent of the total cost in Q4 2022, following the highest foreign exchange margin over the last 2 years of 10.3 per cent in Q3 2022.
- RSPs sending remittances to Ghana have been operating with high levels of uncertainty due to the volatility of the market during this period. In some cases, when RSPs have not been unable to successfully mitigate business risk, they have had to temporarily cease operations.
- As inflation has increased the cost of operating, RSPs have little option but to pass this on to the customer. This can result in higher fees or reduced exchange rates when sending money. As there is a trend of decline in the remittance fee component of the pricing to send to Ghana since 2021, it would suggest that there are instances of cost increases for senders by RSPs through the foreign exchange rate margin.
- Despite this, the inbound remittance market to Ghana remains competitive. International money transfer operators (IMTOs) can partner with banks and/or non-bank financial institutions (NBFIs).
- The Ghanaian remittance market is rapidly shifting from predominantly cash-based, to increasingly digital services. The market is served by many international money transfer operators (MTOs) and a growing number of corridor specialists.
- Digital channels are cheaper than cash channels, but this varies across sending countries for both supply and demand reasons.
- A wide array of remittance service providers (RSPs) pay-out remittances through their own partnership networks and the interoperable payment system.
- RSP access points reflect the concentration of financial services providers in the most populated areas. Some regions in Ghana could be better served by further leveraging mobile money agent networks.
- It is not possible for NBFIs to send money out of Ghana. This reduces the flow of formal outbound transactions and lowers the volume of inbound intra-Africa transactions.

Financial services for remittance receivers

- Some Ghanaian banks offer transactional accounts, banking services and onboarding processes catering to the diaspora, but the offering remains limited.
- Some fintechs have started to provide remittance linked insurance products through digital platforms and partnerships with financial service providers (FSPs.)
- Client-centric research is necessary to catalyze the switch toward digitalization and identify market opportunities to develop inclusive services bundled with remittances.

Stakeholders and coordination

- The governance and oversight of remittance activities are carried out by the Ministry of Finance, the Bank of Ghana and the Financial Intelligence Centre.
- Several donor initiatives focused on developing new products and gathering data have continue to find opportunities for scaling up or mainstreaming.
- In 2022, GIZ launched a digital financial literacy course for Ghanaians who receive remittances, Under the Programme Migration and Diaspora commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ).

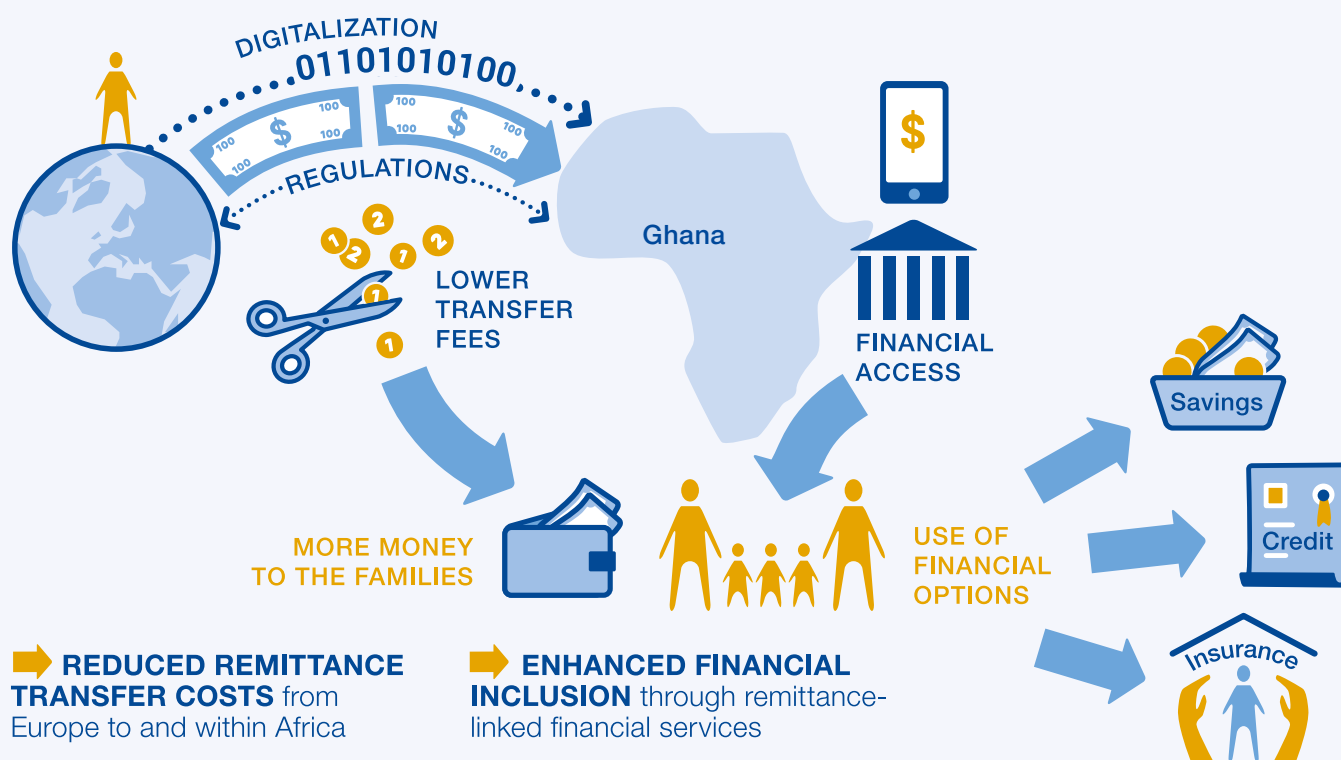
- The objective is to provide an engaging and robust online financial literacy training product for people in remittance-receiving households, with more attention given to women. The online modules have been designed to cover relevant business-related areas such as entrepreneurship, insurance, savings, investment, remittances, and so on.
- Some of the other key stakeholders in this space include the International Fund for Agricultural Development (IFAD) and the United Nations Capital Development Fund (UNCDF).

The PRIME Africa initiative

IFAD is implementing the **Platform for Remittances, Investments and Migrants' Entrepreneurship in Africa (PRIME Africa)** initiative, co-financed by the European Union and aimed at maximizing the impact of remittances for millions of families in selected African countries, which contributes to fostering local economic opportunities in migrants' countries of origin (figure 1).

Figure 1. PRIME Africa activities in Ghana

GOALS



ACTIVITIES



● Address the data gap

Strategic market data allow for further market depth and width, and targeted capacity-building to key stakeholders for remittance data creation and use.



● Increase market competition

Expand access to remittances through close cooperation with public and private sectors, and additionally reduce significantly direct and indirect costs, and spur market competition.



● Support an enabling environment

Coherent national regulatory frameworks in both sending and receiving countries can foster competition in remittance corridors and enable safe, cheap and fast transfers.



● Finance and promote business models linking remittances and financial services

Co-finance and promote innovative, replicable and scalable business models and technologies that link remittances to financial services, toward greater financial inclusion.



● Finance scalable innovations and related capacity

Collaboration mechanisms in place among central banks, regulatory bodies, the private sector and diaspora communities in sending and receiving countries; and strengthened capacity to adapt and scale up best practices within an operational framework that allows cooperation among partners.

Objectives

This Ghana country diagnostic (updated in 2023) was prepared in accordance with the PRIME Africa goals, including:

- A. To reduce remittance transfer costs to Ghana in support of the relevant Sustainable Development Goal (SDG 10.c) and the Global Compact for Safe, Orderly and Regular Migration.
- B. To reduce the use of informal transfer channels to Ghana.
- C. To enhance financial inclusion through associated financial services.

This diagnostic is a “working document” that will be updated and amended as additional information is collected and assessed. Currently, the report provides an assessment of the remittance market in Ghana.

Based on the findings of the original diagnostic, recommendations were included in a road map which proposed a prioritized approach to achieving the PRIME Africa goals. Coordination and cohesion with public policy and other international development agencies will be key to success. Funding has been made available for road map implementation and initially used by three private sector operators.

Methodology

The focus of the Ghana diagnostic so far has been on the remittance market in Ghana from the supply side of the market. This comprises:

- Desk-based research.
- Interviews with stakeholders, including the Bank of Ghana and regulators, payments companies, remittance corridor specialists, IMTOs, digital IMTOs, banks, microfinance institutions (MFIs), mobile money operators (MMOs), development agencies (e.g. IOM) and specialist consultants;
- Mystery shopping exercises for pricing, products and services.

Data collection for the original diagnostic was carried out between January and June 2020. The report has been updated in May and June 2023 and includes new data. In addition, a series of in-person National Remittance Stakeholder Network meetings have been held since the original virtual meeting in Q2 2020, including an NRSN meeting that took place in person in Accra on 16 June 2022, within the observance of the International Day of Family Remittances (IDFR).

RECOMMENDATIONS

- A. Leverage the National Remittance Stakeholder Network (NRSN) and Community of Practice (CoP) to continue to coordinate, implement and review improvement of the Ghanaian remittance landscape.
 - B. Enhance remittance data collection frameworks in Ghana, so that data can be provided at a more disaggregated level, facilitate more in-depth analysis and better market intelligence (corridors, gender, methods and channels and operators).
 - C. Encourage innovation in the remittances and payments market.
 - D. Increase network access in rural communities.
 - E. Permit inbound international remittances to be terminated onto all domestic payment systems.
 - F. Investigate the development of guidance on aligning current KYC, CDD, identity frameworks to key innovations to enhance remittance flows and access for remittance providers, banks and fintech services in Ghana.
 - G. Develop a financial education and awareness programme to raise awareness of digital international remittance services and products in both the send and receive markets.
 - H. Address restrictions around outbound transactions, especially intra-African remittance flows.
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1. Migration and remittances

Figure 2. Map of Ghana

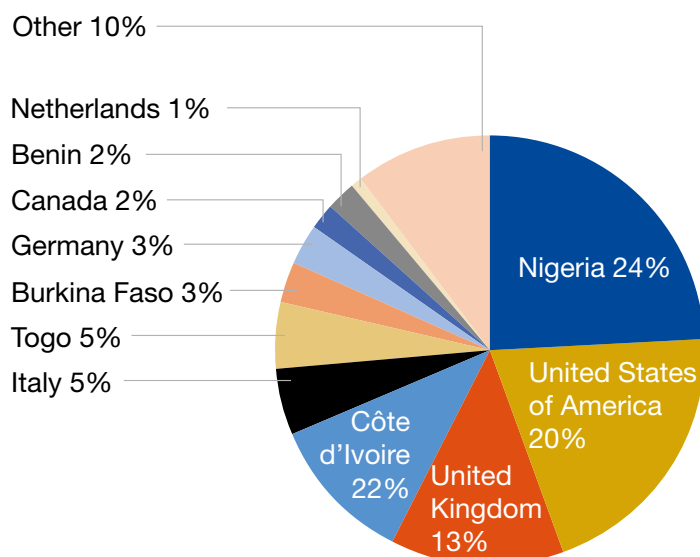


This section provides an overview of the migration trends driving the remittances sent home to Ghana and insights into the profile of migrants sending them. It also looks at remittance flows into Ghana, informal flows, and the quality and accessibility of remittance data.

Migration and diaspora

- The Ghanaian diaspora is estimated to be between 300,000 and 1.5 million people and is considered large for a medium-sized country of a population of 32.8 million. According to figures from the United Nations Department of Economic and Social Affairs (UN DESA), Ghana's total emigrant population was just over one million in 2020.
- The main destination countries are Nigeria (24 per cent), the United States (20 per cent), the United Kingdom (13 per cent) and Côte d'Ivoire (11 per cent).
- The majority of Ghanaian migrants (48 per cent) are hosted in sub-Saharan Africa. Nineteen per cent of migrants reside in bordering countries – Côte d'Ivoire (111,708), Togo (47,232) and Burkina Faso (33,487).
- Fifteen per cent of Ghanaians overseas reside in the European Union. Relatively large communities are hosted in Italy (54,690) and Germany (33,440). There are growing populations in the Netherlands (14,923) and Spain (13,778).
- The pace of migration has declined by 12 per cent since 2015 due to relatively better living conditions in Ghana and tougher migration conditions in host countries, combined with an economic downturn that started in 2007.
- Ghana's relative political and economic stability (on the long run) makes it an attractive host country for the 476,412 migrants currently living there. Some 83 per cent of migrants are from sub-Saharan Africa. Neighbouring countries Togo, Burkina Faso, and Côte d'Ivoire account for 52 per cent of those immigrants.

Figure 3. Ghanaians living outside Ghana, 2022

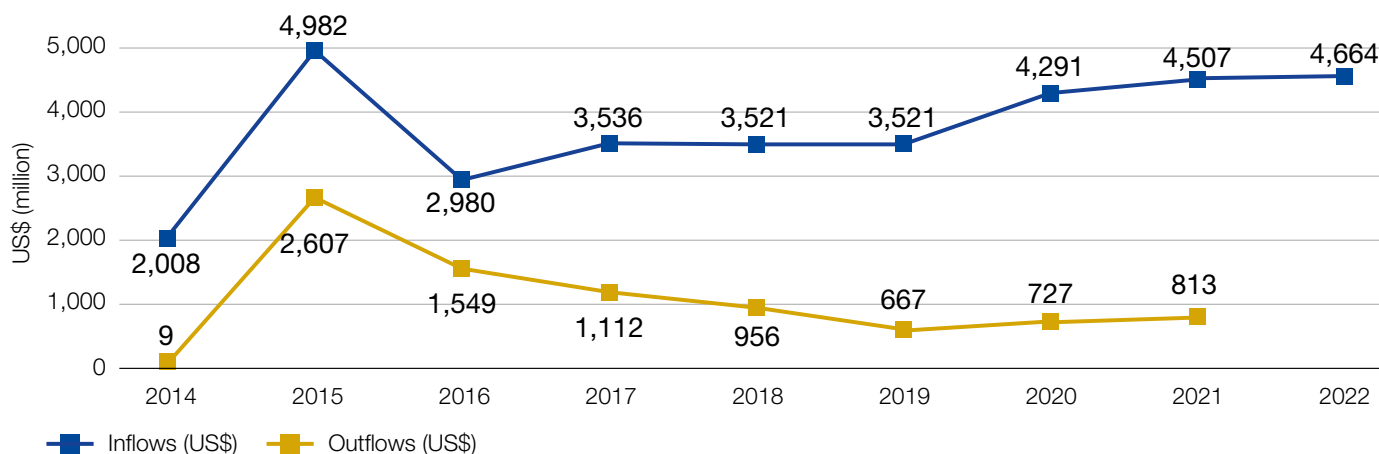


Remittance flows

International remittance inflows to Ghana are an important source of funds in foreign exchange to the country and an estimated 600,000 families rely on them.

- Ghana is the second-highest receiver of remittances in sub-Saharan Africa (after Nigeria). An estimated US\$4.6 billion was sent to Ghana in 2022, equivalent to 6.1 per cent of GDP (World Bank).
- The true value of remittances sent home is likely to be significantly higher due to money sent through informal (unregistered) channels. This is particularly true of bordering countries and Nigeria.
- Remittance inflow and outflow data are collected by the Bank of Ghana, although this is for a limited amount of data indicators, and they are not published.
- Following a period of rapid growth and decline, remittance inflows to Ghana have shown steady growth since 2019. Ghana's remittance inflows peaked in 2015 at just under US\$5 billion, a performance attributed to the increased use of formal channels, improved data capture and an increase in financial transfer volumes. Declining inflows in 2016 were felt across the sub-Saharan region and were due to slow economic growth in remittance-sending countries and a decline in commodity prices, especially oil. This affected countries receiving remittances from regional commodity exporters. However, more work is needed to understand the true magnitude of informal flows.
- Remittances inflows to Ghana remained strong through the COVID-19 pandemic in 2020 increasing by 22 per cent from 2019. This trend of growth of remittance inflows has continued through 2021 and 2022, albeit at a slower rate of 5 per cent and 3 per cent respectively.

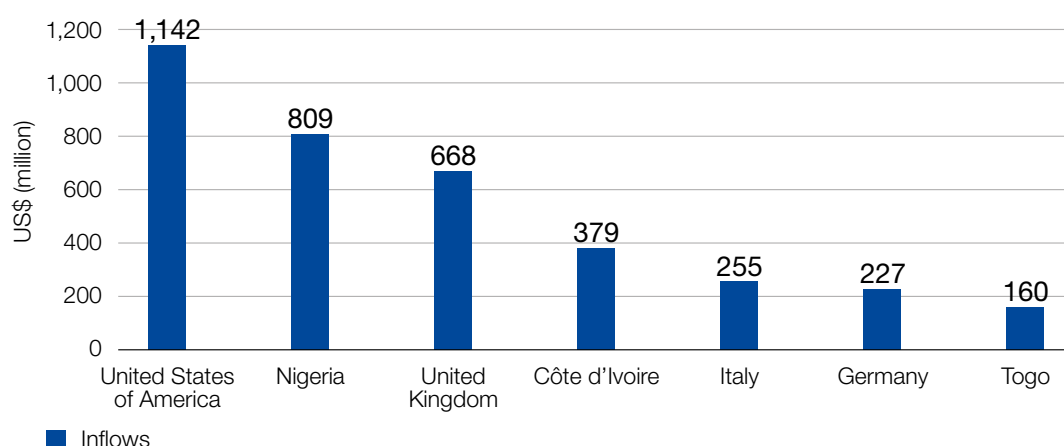
Figure 4. Ghana annual remittance flows (US\$ million)



Source: World Bank 2022.

- Ghana is a net receiver of remittances. As a result of outbound remittance restrictions, it is suspected that a significant amount of money flows informally from Ghana to neighbouring countries in the Economic Community of West African States (ECOWAS) region.
- The geographical origin of Ghana's remittance inflows is in line with emigration trends. The main originators of remittances into Ghana are the United States (25 per cent), Nigeria (18 per cent) and the United Kingdom (15 per cent).
- Remittance flows from EU countries account for 18 per cent of total inflows in Ghana. Italy, Germany and the Netherlands are the main EU corridors.
- Of all remittance inflows, 36 per cent are intra-African. After Nigeria, Côte d'Ivoire (8 per cent), Togo (4 per cent) and Burkina Faso (3 per cent) are the largest intra-African remittance corridors to Ghana.

Figure 5. Main inbound remittance corridors to Ghana 2022



Source: World Bank 2022

PRIORITY POLICY ACTIONS

Enhance remittance data collection by the Bank of Ghana. Ensure data indicators include detail on remittance corridors, methods used, pricing, gender split and that data is collected from all licensed remittance service providers. Disseminate the data collected to all stakeholders.

2. Financial environment

This section looks at the payment system infrastructure and interoperability in Ghana that supports the remittance market, digital payments, financial inclusion and the growth and use of mobile money in Ghana, and the country's recent economic challenges.

Payment systems infrastructure and payments interoperability

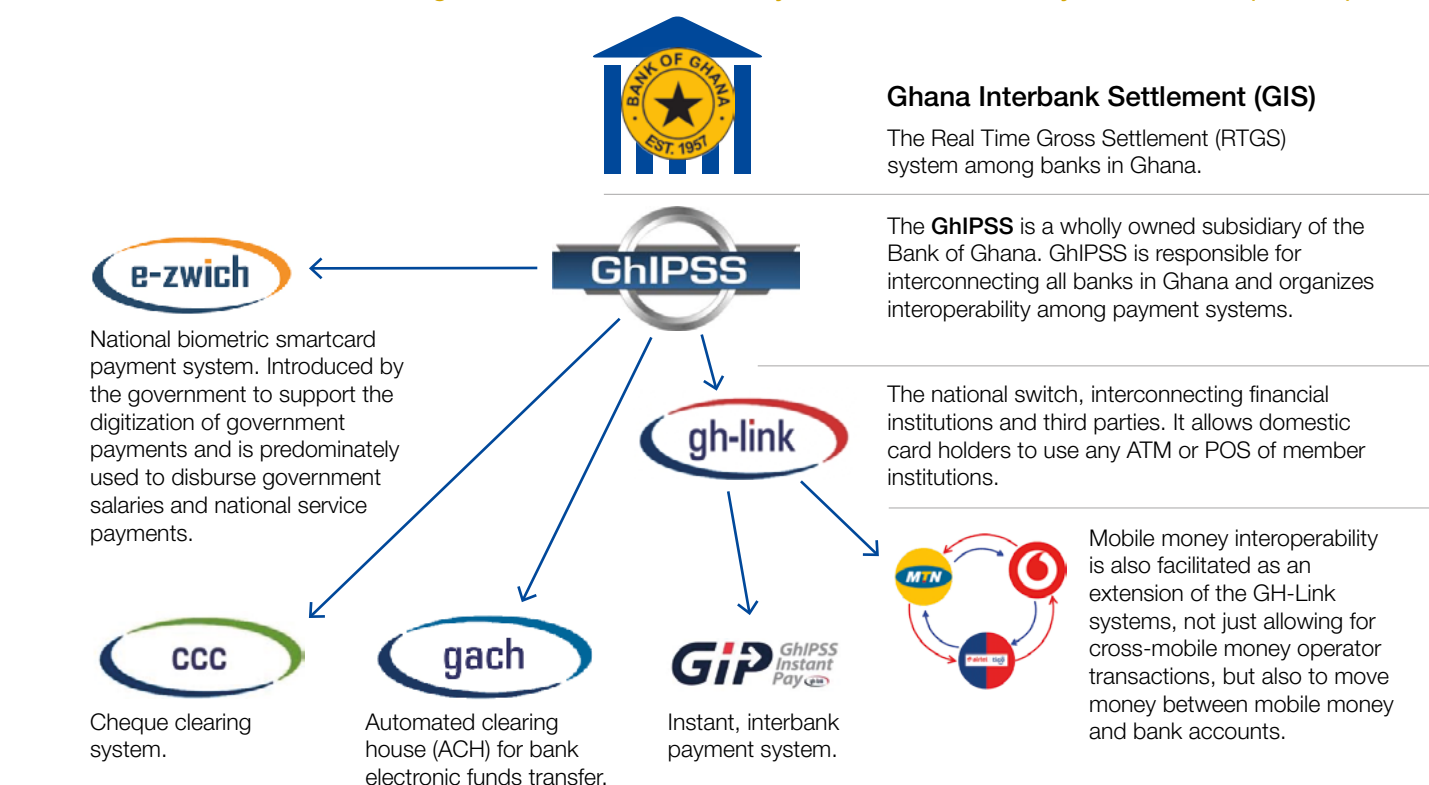
The domestic payment system is well-developed but there is scope for increased access in order to pay out international remittances.

- Ghana has developed its domestic payments infrastructure in a short time, and it continues to mature. The domestic payments infrastructure is largely digitalized, which is helping to provide more efficient payment and remittances services. All licensed financial institutions are able to access the payments ecosystem, either directly or via a partner bank.
- There is effective interoperability in Ghana between all financial service providers, including banks, MMOs and others. Since 2018, mobile money operators (MMOs) and rural banks have had access to the GH-Link, a payment switch for ATM and POS interoperability, which also facilitates GhIPSS Instant Pay, an interoperable platform for instant payments across bank accounts and mobile wallets.
- Inbound international remittances can be terminated via several methods including cash, digital wallet (mobile money or e-wallet), bank account and post office pick-up. Domestic aggregators, such as Zeepay, nSano, and e-Tranzact have made it possible for new MTOs to easily enter the market by removing the time-consuming task of establishing new partnerships in order to develop a payout network.
- However, it is still not possible to terminate inbound international remittances in every domestic payment system. For example, the e-zwich, the national biometric payment system (see figure 4 below), cannot receive international remittances directly. It has over 3.8 million account holders, is universal and has been used by the government to distribute funds during the pandemic.

The domestic payment system is mature but greater access is needed to include all domestic payments facilities.

The domestic payment system is well-developed but there is scope for increased access in order to pay-out international remittances.

Figure 6. Ghana Interbank Payment and Settlement Systems Limited (GhIPSS)



Existing financial inclusion and digital financial service strategies have provided a clear framework for developing inclusive, reliable and digitalized financial services ecosystem.

Financial Inclusion and Digital Finance Policy

Under the leadership of the Ministry of Finance and in partnership with donors (GIZ, Swiss Cooperation) and international organizations (CGAP, BTCA, AfDB), the Government of Ghana introduced national strategies in 2018 and 2020 to speed up financial inclusion and digital payments adoption.

- The National Financial Inclusion and Development Strategy (NFIDS) 2018–2023 aims at increasing financial inclusion from 58 per cent to 85 per cent by 2023.
 - Money transfers are integral to financial services that meet the needs of all Ghanaians. The NFIDS acknowledges that remittances have played a critical role in promoting access to financial services: usage rose from 5 per cent to 24 per cent of the population between 2010 and 2015. Further, the NFIDS states that use of remittances should be promoted by increasing competition among providers of remittance services while also lowering costs by authorizing regulated and sound, specialized deposit-taking institutions (SDIs) and money transfer operators to provide remittance services.
 - The strategy intends to strengthen anti-money laundering/combating the financing of terrorism (AML/CFT) supervision and enforcement, while promoting risk-based KYC requirement through a better knowledge of customers' risk profiles and enhanced ID systems.
 - The NFIDS emphasizes the role of financial technology to drive financial inclusion in Ghana, not only by enabling the introduction of new products and services, but also by allowing efficient delivery of traditional financial products such as savings and remittances.

- The Digital Financial Services Policy 2020–2023 builds on and complements the NFIDS. It aims at developing existing digital systems to create a resilient, inclusive and innovative digital ecosystem through 43 action points. The fifth pillar of the policy aims at fostering the use of digital payments, including remittances, and recommends authorizing receipt and payment of international remittances directly by e-money issuers.
- The Cash-lite Roadmap, designed with BTCA in 2020, proposes concrete steps to build an inclusive digital payments ecosystem including access, regulation and consumer protection.

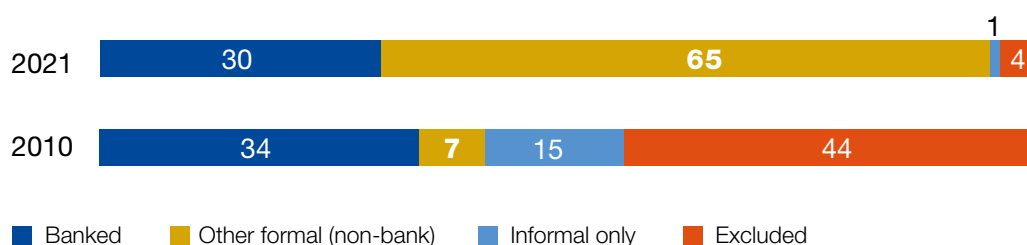
Financial Inclusion

Results following the implementation of financial inclusion and DFS policy show that Ghana leads the continent in terms of access to finance.

- In 2021, the Ministry of Finance commissioned the Ghana Demand Side Survey based on the Finscope survey methodology.¹ The survey reports the level of financial access to different types of products and services, and the impact of this financial access and usage. The survey is used as a tool to foster policy dialogue in the public and private sectors, and to provide a comparison to the FinScope survey conducted in 2010.
- The survey implementation was conducted in collaboration with the World Bank (country representatives), Ghana Statistical Services, FinMark Trust and representatives from various institutions from government, private sector and development partners.
- Results show that 95 per cent of Ghanaian adults are formally served collectively by banks and other formal (non-bank) institutions. This increase of 39 percentage points since 2010, surpasses the target of 85 per cent financial inclusion set out in the NFIDS in 2018. This target has also been met 2 years ahead of schedule.

Ghana is one of the most financially included country on the African continent. The recent Finscope style survey for Ghana has provided compelling data to support the high financial inclusion rates. However, it is not possible to make a direct comparison between a Finscope level of 95 per cent and the data in Findex which showed Mauritius (90 per cent) and South Africa (85 per cent) (Findex, 2021) as the top countries.

Figure 7. Ghana Financial Inclusion Levels 2010 vs 2021



Source: Ghana Demand Side Survey, 2021

- Results show that there has been a rapid decline in financial exclusion from 44 per cent in 2010, to just a 5 per cent exclusion rate in 2022, an improvement of 39 percentage points.

¹ The FinScope survey methodology is dynamic and the content is evaluated by several stakeholders including the private sector, NGOs and Government to ensure that the most relevant consumer data is collected.

- Financial inclusion rates for typically underserved segments of the population are high. Women and rural residents are being financially served in Ghana at rates of 94 per cent and 92 per cent, respectively.
- Survey respondents suggest that international remittance flows to Ghana are high and account for 5 per cent of all received remittances. The top countries sending remittances to Ghana, from the survey, are USA, UK, Italy and Germany. Remittances remain a gateway towards financial service that can be leveraged for
- Following the success in increasing financial inclusion across multiple segments of the population, Ghana is now focused on translating access to financial service into meaningful usage of financial services.

Mobile Money in Ghana

Mobile money has been the main driver of significant change to Ghana's financial landscape, deepening inclusion and reducing financial exclusion.

- At the end of 2021, the Bank of Ghana reported that there were 48.3 million registered mobile money wallets in Ghana, with 17.9 million active accounts.
- Of the 65 per cent of Ghanaians that are formally served through other formal (non-bank) institutions, 87 per cent of them use mobile money to transact in Ghana
- The main mobile money operators in Ghana are MTN Mobile Money, AirtelTigo Money and Vodafone Cash. Whilst market share is not disclosed, it is known that MTN Mobile Money is the leading MMO in the market with an estimated 80 per cent share.
- Other mobile money wallets available in the market include Zeepay's mobile money wallet, which allows international remittances to be received onto the wallet; and the Ghana Interbank Payment & Settlement Systems (GHIPSS), Ghana Association of Banks (GAB)'s, GhanaPay, that launched under the supervision of the BoG, which allows customers to send and receive money (domestically) buy airtime, cash-in cash-out, amongst other services; and Ghana Commercial Bank's, g-money, which is fully interoperable to facilitate the sending and receiving of funds from any mobile money wallet or bank accounts by registered users in Ghana. It is also accessible across multiple channels such as USSD, the Commercial Bank's mobile banking applications, ATMs, and point of sale devices.

Female and rural populations in Ghana are maximising the use of mobile money indicating the success in digital financial awareness penetration across the country and offering further opportunities to expand payment and remittance service offerings.

- Mobile money has become prevalent in rural areas in Ghana. 71 per cent of the rural population utilise other formal (non-bank) accounts as their main form of financial account compared with 59 per cent of the urban population.
- The use of mobile money is also the preferred choice of Ghanaian women, with 70 per cent using other formal (non-bank) as their main form of interaction within the financial ecosystem versus 57 per cent of men.
- Whilst mobile money account usage is exceedingly high, this use is mainly driven by the basic financial services of cash withdrawal from and deposit into mobile wallets. The current habits of mobile money users present an opportunity to enhance payment activities with alternative services and products, including remittances.
- The use of banks accounts persists, and 30 percent of the population transact with a combination of bank account and mobile money wallet. Development of financial products and services that serve this segment of the population should be encouraged.

- Mobile money focused innovation is key to further development of Ghana's financial ecosystem. This type of innovation can create opportunities for new partnerships, focused on a cross pollination of services and customer segments.

Taxation of electronic money transfers

- In 2022, the government of Ghana launched a contentious digital finance tax on all electronic transfers of money, "an e-levy" applied to the amount transacted (and not on top of the fee that might apply). Considered an opportunity to tap into fast-growing digital financial services payment flows in Ghana and mobilise funding for critical national development projects, an initial tax rate of 1.75 per cent was presented. The announcement of the e-levy was met with a huge outcry and protest from the Ghanaian population.
- A number of exemptions were applied to the e-levy including for transfer amounts below GHS 100 and inward remittance transactions. Whilst the e-levy is not charged on a remittance senders' transaction to Ghana, a remittance beneficiary in Ghana is subjected to the e-levy if they received their funds electronically and transact to another mobile money wallet or a bank account over the GHS 100 threshold.
- Continued public resistance to the e-levy led to a revision of the proposed tax rate from 1.75 per cent to 1.5 per cent before its implementation. The Ghana e-levy was launched in May 2022.
- It has been reported that since the implementation of the e-levy there have been continued attempts by mobile wallet holders to evade the tax, combined with declining mobile money transactions estimated tax revenue levels of the e-levy have not been reached. A decision was announced in November 2022 that the government would reduce the e-levy to 1 percent and remove the below GHS100 exemption.

Recent economic challenges in Ghana

- Despite a recent history of fast economic growth, increasing oil production and high attractiveness for foreign investors, in 2022 Ghana began going through the worst economic challenge the country had faced in the last 20 years.
- The crisis is claimed to be a result of a combination of the external shocks of the COVID-19 pandemic, and the impact of Russia's invasion of the Ukraine on global food and energy prices.
- Before the COVID-19 pandemic, Ghana maintained a high level of debt and continued to borrow in order to insulate against the pandemic and to avoid a recession. The unsustainable nature of this growing debt triggered international credit rating agencies to downgrade Ghana's credit status. Based on this relegation, Ghana was unable to access global capital markets which prevented the country from raising the USD required to service its debt and support the GHS.
- As a result of this economic instability, inflation rose sharply through 2022. Ghana's inflation levels reached a peak of 54.1 per cent in December 2022, leading to devaluation of the Ghana Cedi. Whilst inflation levels have decreased (41.2 per cent as of April 2023) there has been, and continues to be, a severe negative impact on the cost of living of the Ghanaian population including remittance beneficiaries. The economic challenges Ghana is facing are also impacting remittance prices to Ghana as discussed in chapter 4.

PRIORITY POLICY ACTIONS

Foster access for all IMTOs to the domestic payment systems through fintechs and the use of e-zwitch biometric cards.

Further support the innovation and development of digital financial services linked to international and domestic digital remittances.

Understand what remittance senders and receivers want and would benefit from to inform new product development and customer risk profiling.

Deepen knowledge on the use of remittances and the needs of different segments of the population through dedicated studies and by integrating international remittance items in nationally representative surveys like FinScope and Findex, as well as surveys conducted by the Ghana Statistical Service.

3. Regulatory environment

This section presents the regulatory environment for international remittances in Ghana including AML-CFT and consumer protection, the current licensing regime and the KYC framework that is currently implemented.

Ghana's regulatory environment for remittances is clear and well defined.

Banks are recognized as the main providers of international remittance services in Ghana in the [Foreign Exchange Act 2006 \(Act 723\)](#).

- Act 723 sets out Ghana's foreign exchange regime, specifying that all inward or outward payments of foreign currency must be made by a bank or authorized dealer.
- In order to operate in the market, all remittance providers must partner with a bank, and are mandated to use the daily interbank exchange rates published by the Bank of Ghana.
- The Act prohibits non-bank entities from sending remittance out of Ghana.

AML/CFT requirements to operate in Ghana's financial system are outlined in the [Anti-Money Laundering Act 2008 \(Act 749\)](#).

- Following an internal risk assessment, all institutions in Ghana's remittance market are required to put an AML/CFT programme in place.
- Specific to MTOs, transaction origination data must be collected and, if agents are engaged, the effectiveness of their AML/CFT controls are expected to be assessed.

The only financial consumer regulation in Ghana that extends to the users of inbound remittance services is the [Consumer Recourse Mechanisms for Financial Services Providers](#).

- It requires that all financial institutions operating in Ghana have effective redress mechanisms in place for users of their products and services.
- Rules regarding the disclosure of fees and charges for products and services chosen by a customer are currently only extended to credit products.

A new legal framework to govern the developing payment sector, including international remittances, was introduced with the passing of the [Payment Systems and Services Act 2019 \(Act 987\)](#).

- Act 987 supersedes the Payment Systems Act, 2003 (Act 66), and consolidates the Guidelines for e-money Issuers (MMOs) and Agents.
- The new act has expanded scope and provides a mandate to create a regulatory and supervisory environment for the rapidly growing fintech sector so that it can safely participate in the market.
- The act sets out a new payment service provider licensing regime for financial institutions, non-bank financial entities and MMOs. This new licensing regime marked a significant change in Ghana's remittance regulatory environment.

Licensing

- To operationalize the Payment Systems and Services Act, five categories of Payment System Providers (PSP) licences have been created, with minimum capital, governance and system requirements attached to each category. A licence application process has been communicated.
- Payment service providers operating in the inbound remittance market come under the PSP Enhanced Licence category.
- Permitted activities under an enhanced licence include aggregation of merchant services, processing services, provision of hardware and software, printing and personalization of Europay, Mastercard and Visa cards, merchant acquiring, POS deployment, payment aggregation and inward international remittance services.
- PSP enhanced licences are valid for five years on approval and fees are incurred for the processing (GHS 12,000 – US\$1,079), issuance (GHS 40,000 – US\$3,595) and renewal (GHS 7,000 – US\$630) of a licence.
- Minimum capital requirement for PSP Enhanced Licence holders is GHS 2 million (approximately US\$180,000), which can only be paid with a cash deposit.
- Minimum governance requirements include being a registered Ghana business and having dedicated office space (major changes compared to the usual way of doing business for MTOs in Ghana).
- With their licence application, PSPs have to submit a company profile, business plan and consumer protection policy.
- The Bank of Ghana introduced the Guidelines for Inward Remittances by Payment Service Providers in 2021 to guide Dedicated Electronic Money Issuers and Enhanced PSPs as they partner with MTOs as a remittance termination channel.² The guidelines aim to continue to foster a competitive digital remittance market and provide a framework for operation, outlining minimum governance standards and requirements for those eligible.
- To date, 34 operators have been licensed as an Enhanced Payment Service Provider and have the remit to terminate international remittances.

Table 1. Payment system provider (PSP) enhanced licence minimum

PSP Enhanced licence minimum governance requirements	
Registered Ghana business	External audit – Tier 2 to Tier 1 audit firm
Dedicated physical office space	Risk management framework
Verified board of directors	Compliance framework
Clear balanced and adequate organizational structure	Data protection policy
Procedures manual	Data protection certificate
PSP Enhanced licence minimum system requirements	
ISO 27001	Authentication
Payment card industry/data security standard (PCI/DSS)	Backup policy
Extended validation (EV) Secure sockets layer (SSL)	Evidence of backup setup

² <https://www.bog.gov.gh/wp-content/uploads/2022/03/Guidelines-for-Inward-Remittance-Services-by-PSPs-1.pdf>

- All banks are authorized dealers in Ghana and can facilitate outbound remittance transactions if the purpose of the transaction is clearly stated and the beneficiary is an official institution.
- Three banks are currently authorized to offer low-value outbound peer-to-peer (P2P) remittance transactions from Ghana to other African markets:
 - Access Bank
 - Ecobank
 - United Bank for Africa
- Pan-African and global MMOs are not currently making transfers to Ghana until they are able to send them out of the country as well. This is reducing inbound flows through recorded channels and encouraging the use of informal operations.

The Foreign Exchange Act 723 prohibits outbound remittance transactions from Ghana unless made through a bank.

Regulatory sandbox

The Bank of Ghana continues to show commitment to the development of the remittances regulatory environment in Ghana and providing opportunities for innovation.

- Following a successful pilot in 2021, the Bank of Ghana launched a regulatory and innovation sandbox in 2022 to enable small scale, live testing of financial products, services and business models by all licensed financial service providers, and unlicensed Fintech startups.
- Showcasing BoG's commitment to supporting digital innovation and increasing financial inclusion, to be eligible for the sandbox innovations must be either (1) a new unregulated digital business model, (2) a new and immature DFS technology or (3) innovative or disruptive DFS products that have the potential to address a persistent financial inclusion challenge.
- Applications for the first cohort of participants was opened between February and March 2023 and remittances innovation has been highlighted as a priority area for inclusion.
- Regulatory sandboxes have the potential to serve as a crucial tool for enabling small fintech players to enter the ecosystem, while also providing regulators with the means to evaluate potential risks.

Ghana can leverage high levels financial inclusion, its digital payment infrastructure, and strong ID digitalization and virtual addressing to implement further proportionate KYC requirements.

Identification and addressing

- Ghana has made impressive progress in digitalizing the identification process to simplify customer diligences to the benefit of the less-documented and less-literate population and of financial service providers.
- The Ghana Card is Ghana's primary national ID, serving as proof of identity, citizenship and residence. Ghana Card registration began 2018 and to date 83 per cent of the adult population in Ghana has been issued with a card. As the card is biometric and endorsed by the state, it plays a vital role in providing secure and convenient verification of customers during KYC procedures at financial institutions.
- Implemented in 2017, GhanaPostGPS is the national digital property addressing system created by Vokacom to provide every property in Ghana with a unique digital address. The system covers the whole country by dividing it into 5x5 metre grids and is accessible via a smartphone application. Addresses are nine characters long, consisting of a postal code combined with an individual four-digit location code.

- The Digital Financial Services Policy underscores the need to support the creation of a virtual payment addressing system, a payment bridge and a governance structure to ensure coherence and efficiency in the digital payment infrastructure stack. The objective is to develop electronic KYC and instil fully interoperable instant payments among existing payment systems.

Know-Your-Customer (KYC)

- A risk-based approach to KYC categorized on three levels applies to e-money issuers.
 1. Minimum KYC accounts, intended as a first step toward financial inclusion for the unbanked, they are subject to very low transaction limits and correspondingly low documentation requirements.
 2. Medium KYC accounts have intermediate transaction limits and documentation requirements.
 3. Enhanced KYC accounts give access to high limits but come with bank-grade account opening requirements.

Transposing such a proportionate approach to banks and other FSPs would accelerate the use of transactional/low-risk accounts and related basic financial services. The Bank of Ghana recently increased transaction limits for digital wallets to continue its effort in facilitating the transition to a cash-lite society and promoting digital payments.

Table 2. E-money account transaction limits

	Minimum KYC accounts	Medium KYC accounts	Enhanced KYC
Maximum balance limit	GHS 3,000 (US\$277)	GHS 25,000 (US\$2,304)	GHS 50,000 (US\$4,608)
Aggregate daily transaction limit	GHS 2,000 (US\$184)	GHS 2,000 (US\$336)	GHS 10,000 (US\$922)
Aggregate monthly transaction limit	GHS 6,000 (US\$553).	No limit	No limit

PRIORITY POLICY ACTIONS

Assess the risks and benefits of opening the outbound market to NBFIs offering customers at the low end of the market formal products in order to compete with informal players.

Leverage ID digitalization and virtual addressing and implement further proportionate KYC requirements to foster access to and usage of transactional accounts.

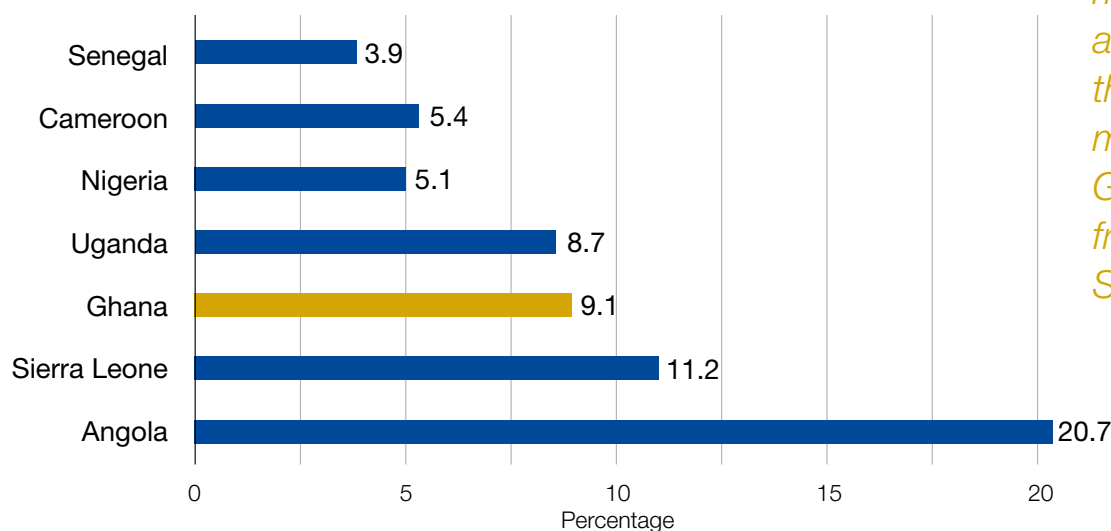
4. Remittance market structure

This section explores the remittance market structure in Ghana assessing the cost of sending money to the country, indicating some of the cost drivers that have been identified, before looking at the structure of the inbound remittance market and the main operators.

Cost of sending remittances to Ghana

- The current average cost of sending US\$200 to Ghana is 9.1 per cent of the amount sent (Q4 2022). This is an increase of almost 3 per cent from Q1 2021. The cost to send to Ghana is now more than the African average of 8.46 per cent (Q3 2022), the most expensive region to send to, and far above the 3 per cent SDG 10.c target.

Figure 8. Average cost of sending US\$200 to African countries, Q4 2022

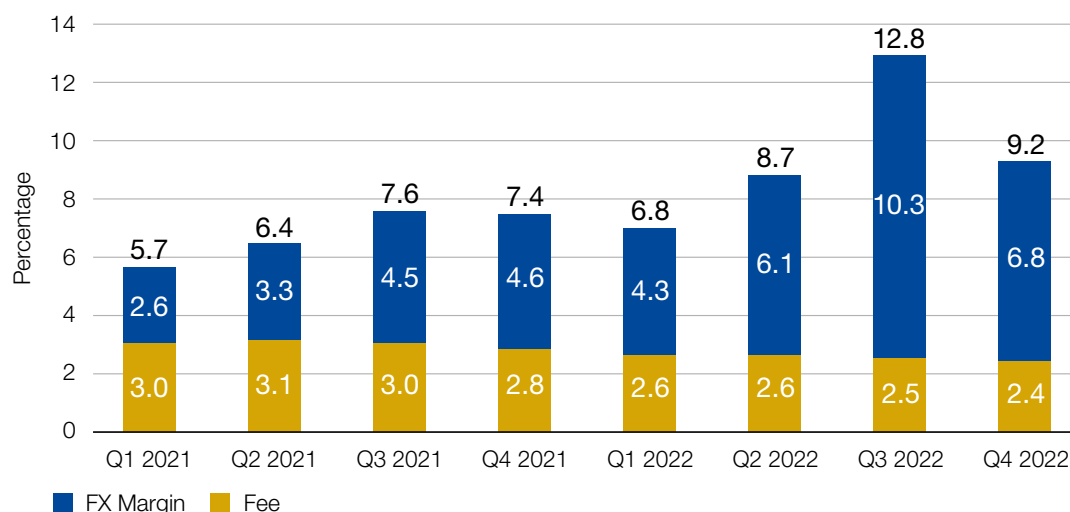


Source: Remittance Prices Worldwide and PRIME Africa pricing, 2022.

- Remittance prices to send money to Ghana have fluctuated in 2021 into 2022. In Q1 2021 the total cost to send to Ghana was 5.7 per cent per transaction, this rose to 7.6 per cent in Q3 2021 before reducing to 6.8 per cent in Q1 2022.
- Q2 2022 saw remittances prices to Ghana rise of over 2 per cent to 8.7 per cent. The increase in remittance pricing continued and in Q3 2022 the total cost to send to Ghana hit a high of 12.8 per cent. According to Remittances Prices Worldwide, this is the highest ever recorded total cost for sending remittances to Ghana.
- The cost of sending remittances to Ghana declined by 3.6 per cent from Q3 2022 into Q4 2022.

Costs in the Ghanaian remittance market have recently dramatically risen from 5.7% in Q1 2021 to 9.1% in Q4 2023 due to increased foreign exchange margin in times of monetary tensions and are now higher than many African markets, pushing Ghana further away from achieving SDG 10.c.

Figure 9. Total cost to send US\$ 200 equivalent to Ghana Q1 2021–Q4 2022



Source: Remittance Prices Worldwide and PRIME Africa pricing 2022.

- The increase in cost to send money to Ghana is due to increasingly high foreign exchange margins as a component of remittance transactions. Between Q1 and Q4 2021 foreign exchange margins increased by 2 per cent, from 2.6 per cent to 4.6 per cent.
- In contrast, the fee component of the total cost to send money to Ghana has fallen by 0.2 per cent from 3.0 per cent to 2.8 per cent. The fee has continued to fall and as of Q4 2022 is 2.4 per cent of a remittance transaction.
- The foreign exchange margin component remains high at 6.8 per cent of the total cost in Q4 2022, following the highest foreign exchange margin over the last 2 years of 10.3 per cent in Q3 2022.
- RSPs sending remittances to Ghana have been operating with high levels of uncertainty due to the volatility of the market during this period. In some cases, when RSPs have not been able to successfully mitigate business risk, they have had to temporarily cease operations. This market volatility combined with a historical trend of the use of high foreign exchange margins in the remittance market has had an impact on the price when sending remittances to Ghana.
- As inflation has increased the cost of operating, RSPs have little option but to pass this cost on to the customer. This can result in higher fees or reduced exchange rates when sending money. As there is a trend of decline in the remittance fee component of the pricing to send to Ghana since 2021, it would suggest that there are instances of cost increases for senders by RSPs through the foreign exchange rate margin.
- Within Ghana, all remittance operators sending to the country should use the Bank of Ghana published foreign exchange rate to offer the service to their clients. Not all international providers offer the rate to their clients to be competitive, which results in higher foreign exchange margins for many transactions.
- Although high inflation and the devaluation of the cedi against hard currency has allowed remittance senders the ability to smaller amounts for beneficiaries to receive the same amount of local currency, remittance beneficiaries have not been able to benefit from these funds due to an increase in the cost of living.

Against the backdrop of Ghana's challenges in the economy, digital remittance services continue to grow rapidly shifting the market from predominantly cash-based to increasingly digital, led by fintech and MMOs. More corridor specialists have entered the market and others have expanded in the remittance market, providing remittance customers with even more options, alongside international MTOs as well as some unregistered (informal) providers.

Inbound Remittance Market

A range of institutions are allowed to deliver inbound international remittances in Ghana. Indeed, IMTOs can partner with:

- Banks;
- NBFIs, but only in partnership (sub-representative) with banks; and
- Ghana Post as a sub-representative of banks.

Regulatory environment key features:

- The relevant regulatory environment for inward remittances in Ghana has traditionally been bank-led.
- The Payment Systems and Services Act 2019 outlines the regulatory framework for governing the payment sector, including international remittances.
- A significant change following the passing of the Act is that NBFIs, including fintechs and IMTOs must be licensed in their own right.
- NBFIs, such as e-money issuers, can provide inbound international remittances only if they partner with a bank for licensing purposes.
- The Guidelines for Inward Remittances by Payment Service Providers, 2021 provide specific guidance for digital payout partners in the inbound remittance market.
- Inbound remittances to e-wallets are limited to a maximum of GHS 10,000 (US\$922). Limits may vary between RSPs.

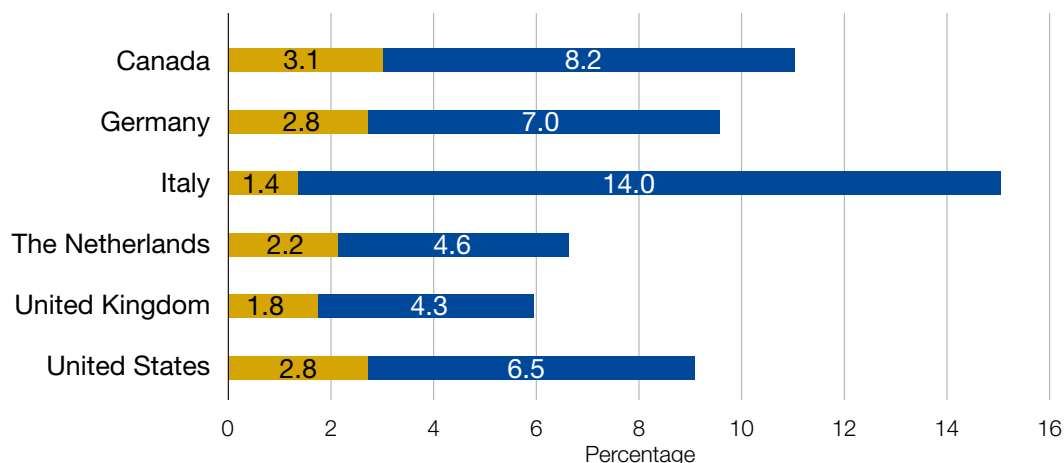
The Ghanaian remittance market is shifting from predominantly cash-based, with digital services fast increasing. It is served by many international MTOs and a growing number of corridor and regional specialists, leading to more competition.

Table 3. Ghana remittance market participants

Traditional MTOs	MTOs	Corridor specialists
<ul style="list-style-type: none"> Three global MTOs which tend to focus on the traditional cash-to-cash services are present in most send markets: Western Union, MoneyGram and RIA. They offer a mix of cash and account-based instruments to initiate the transfer through physical and online channels. Western Union costs are high at 20 per cent except in the United Kingdom, where competition is fiercer (aligned at 11 per cent). Their cash and digital services have generally quite similar pricing except in certain countries, such as Germany where agency costs are high. 	<ul style="list-style-type: none"> The Ghanaian remittance market is concentrated with specialist online money transfer providers, such as Wise, WorldRemit and Small World, as well as other smaller players, have emerged during the past decade. These providers offer an online service where money is paid either by bank transfer or using a debit/credit card through a website, to be received in cash, into a bank account, or onto a mobile wallet. Sendwave is currently offering a fee-free service to Ghana from the United States, the United Kingdom and limited EU countries. Their multi-channel, multi-instrument offering is not always the most competitive in the market. 	<p>There are a number of corridor specialists also operating in the main corridors to Ghana, West Africa and Africa.</p> <ul style="list-style-type: none"> From the United Kingdom, Unity Link and Zeepay are known to have significant market share and tend to draw costs down with aggressive pricing. They also operate as an aggregator for newer entrants, allowing others to terminate inward remittances through well-established pay out networks. Fastpace Transfer are also a new and competitive operator in the UK to Ghana corridor. Boss Revolution and Chipper Cash from the United States are both corridor specialists with a digital offering gaining traction in the market. Tap Tap Send and Lemonade Finance offer services from UK, EU and North America to Africa including Ghana, establishing themselves as regional specialists.
		

- The cost to send remittances to Ghana via different channels fluctuated in 2021 and 2022. Non-bank channels have continued to be less expensive than bank channels during this time. However, the cost difference between these channels (3.3 per cent) is closer than it has been.

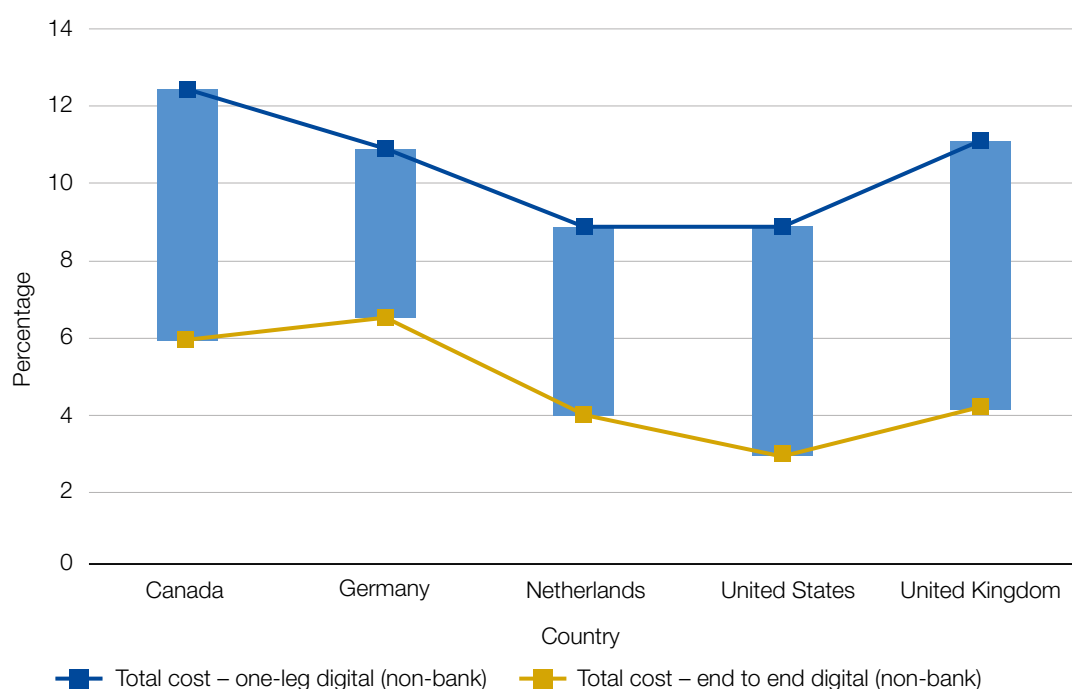
Figure 10. Cost of sending remittances to Ghana using bank and non-bank channels, Q1 2021–Q4 2022



Source: Remittance Prices Worldwide and PRIME Africa pricing, 2022.

- Digital channels are known to be cheaper than cash but there is a wide spread of costs between a partially digital remittance transaction and a fully digital remittance transaction. The cost to send remittances via an end-to-end digital transaction is cheaper than sending via a one leg digital transaction in most of the main corridors that send to Ghana.

Figure 11. Cost to send US\$ 200 to Ghana using different channels from selected countries Q4 2022



Source: Remittance Prices Worldwide and PRIME Africa pricing, 2022.

It is not possible for NBFIs to send money out of Ghana. This reduces the flow of formal outbound transactions and lowers the volume of inbound intra-African ones.

PRIORITY POLICY ACTIONS (SENDING SIDE)

Promote digital channels and support customers to switch to e-transfers and overcome any remaining “cash stickiness”. Explore the use of consumer incentives for digital remittance channel use.

Prioritise the enforcement of Bank of Ghana’s foreign exchange rate requirements to go towards sanitising Ghana’s remittance market and set a real and applied standard for the remittances industry.

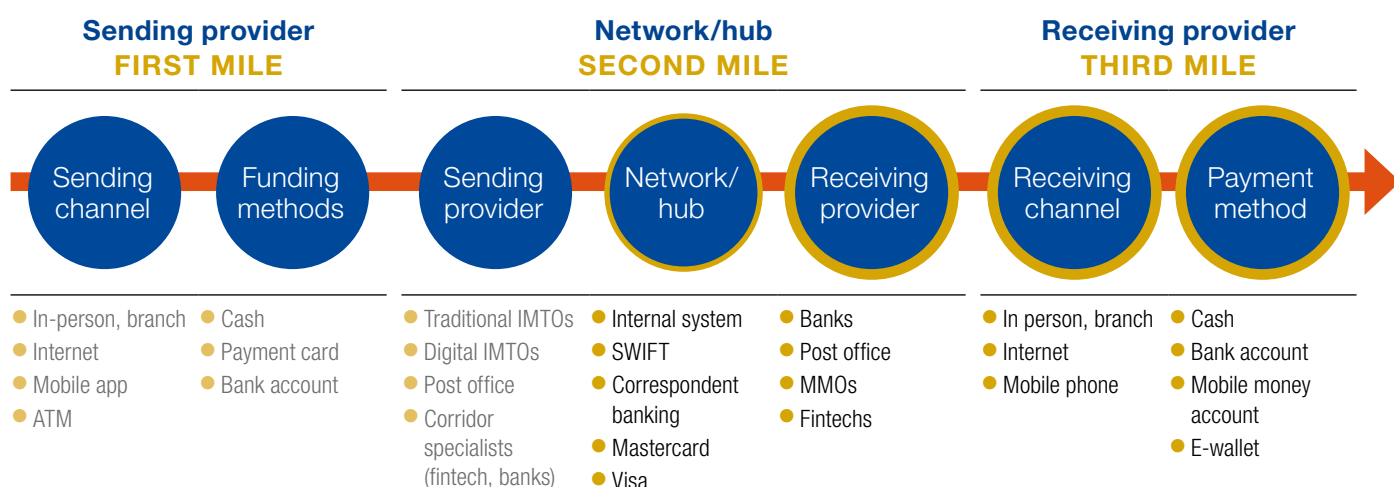
The remittances value chain in Ghana: focus on the receiving end

This section examines Ghana’s remittance value chain from the receiving end and is focused on remittance pay out networks, access points, cost to send from a remittance termination perspective and outbound remittances.

Many RSPs are involved in the payment of inbound remittances in Ghana, in partnership with IMTOs.

- Most banks and all of the MMOs (AirtelTigo Money, MTN Mobile Money, Vodafone Cash) are active in the inward remittance’s ecosystem in some form.
- Ghana Post pays out remittances in cash through its 360 branches and is implementing its digitalized CashPost with an app, e-wallet and debit card, interoperably linked to the payments system. The project is supported by the Universal Postal Union.
- NBFIs, such as Zeepay and PayAngel, have formed a number of international partnerships and are able to pay out funds using different methods such as crediting wallets, bank accounts, bill payments, direct to merchant payments and so on.
- With exclusivity clauses within commercial contracts outlawed, receive agents are readily partnering with more than one IMTO for the settlement of inward remittance transactions.

Figure 12. The remittance value chain in Ghana on the receiving end



The retail payment system allows for the payment of remittances through a large network of access points and various methods, including digital accounts.

- All licensed financial institutions are able to access the retail payment system (including the interoperable switch for mobile money transactions); either directly or via sponsor banks.
- Through their partners, IMTOs can therefore complete inbound remittances through a wide array of payment methods. They also have access to a broad network of access points.

There has been improvement in regulatory elements that encourage the payment of remittances onto mobile money wallets.

- Pre-2020, remittance payouts onto mobile wallets were capped at GHS 300 (US\$50) a day.
- Mobile wallet limits were first increased from GHS 300 to GHS 1,000 (US\$168) a day during the COVID-19 pandemic.
- Mobile wallet minimum limits have now been increased further from GHS1000 to be GHS 2000 (US\$336).

Some regulatory elements that hamper the realization of the full potential of remittances to scale up the digital payment ecosystem and to reduce marginal costs remain.

- NBFIs involved in remittance payouts are obliged to partner with banks to access the payment system, which leads to additional costs across the complete value chain. It obliges the sending RSP to pay their payment partner in Ghana more than if there was only one entity involved in the payout process. This ultimately means that the sender pays more as the RSP looks to recoupe these costs.
- Operators have highlighted managing profitable operational costs for a remittance business in a partnerships driven market as a challenge. The cost of doing business in a remittance value chain with multiple partnerships and working towards an SDG 10.c target of 3 per cent are not easy to balance.

Ghana Post offers payout of inbound remittances through bank and MTO partnerships.

Ghana Post is licensed for (i) agency banking; and (ii) as a sub-representative of an MTO for settlement of inbound remittances. But it is not licensed as a remittance service provider by the Bank of Ghana. Instead, Ghana Post is regulated by the Postal and Courier Services Regulatory Commission.

Bank partners

- Agricultural Development Bank (ADB)
- Fidelity Bank
- First Atlantic Bank

Money transfer operator partners

- MoneyGram
- Ria Money Transfer
- Western Union

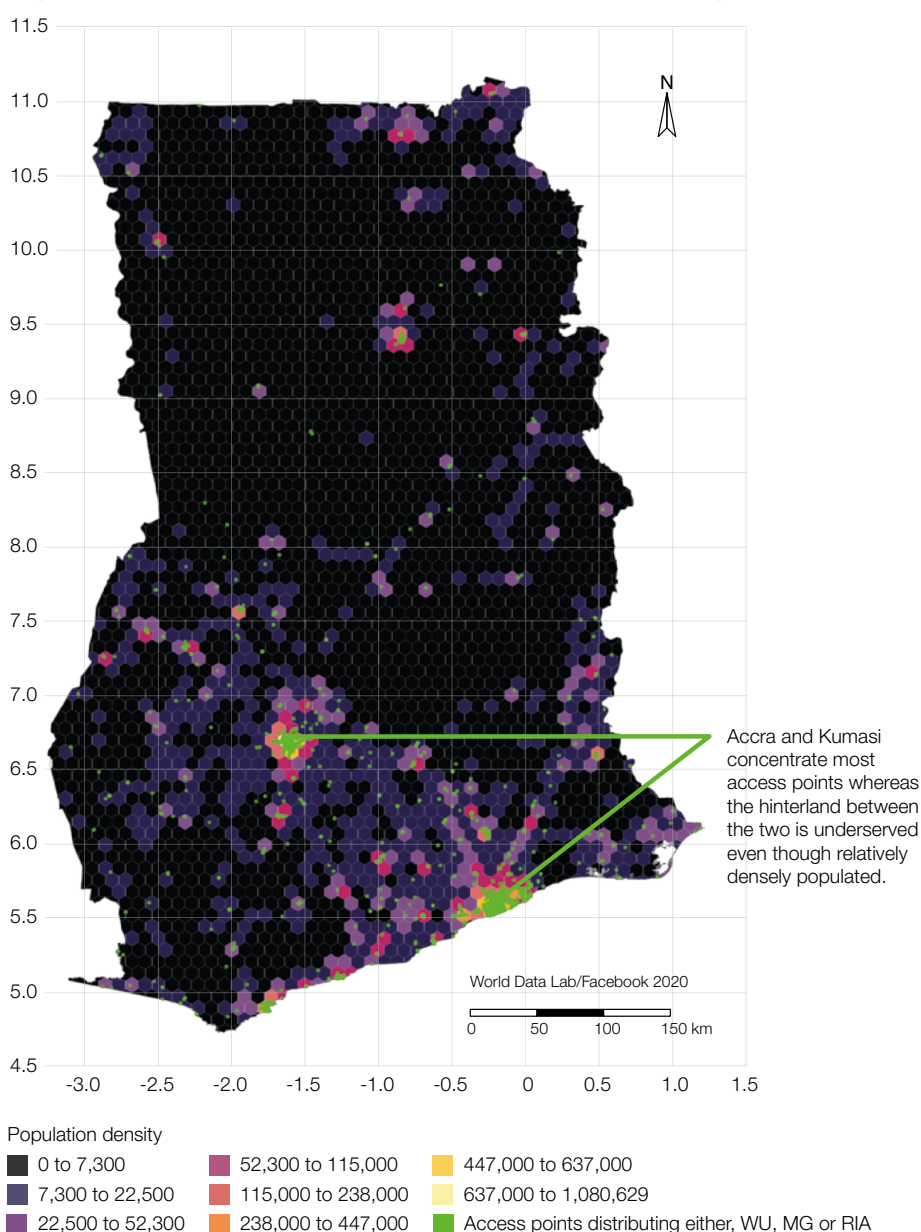
Money transfer operator partners through agent banking

- Express Money
- Wise
- Unity Link

While not large, Ghana Post's branch network is fairly extensive in both urban and rural areas, with 360 branches in total. Increased operating restrictions recently put in place by Western Union and MoneyGram have led to some branch closures. These branches are currently in the process of being restored, following completion of necessary audit and compliance reviews.

All Ghana Post services have been digitalized with the launch of the Ghana PostPay App, but digital remittance settlement is not live. Ghana Post Pay was launched in February 2020 but not all Ghana Post services are currently available through the app. The settlement of international remittances, as a Ghana Post e-wallet is in the pipeline. Through the support of donor funded technical assistance Ghana Post intends to launch an e-wallet targeting remittance payments as part of the Ghana PostPay. Approval to launch the Ghana Post e-wallet is pending with the Bank of Ghana.

Figure 13. Remittance access points and population density map

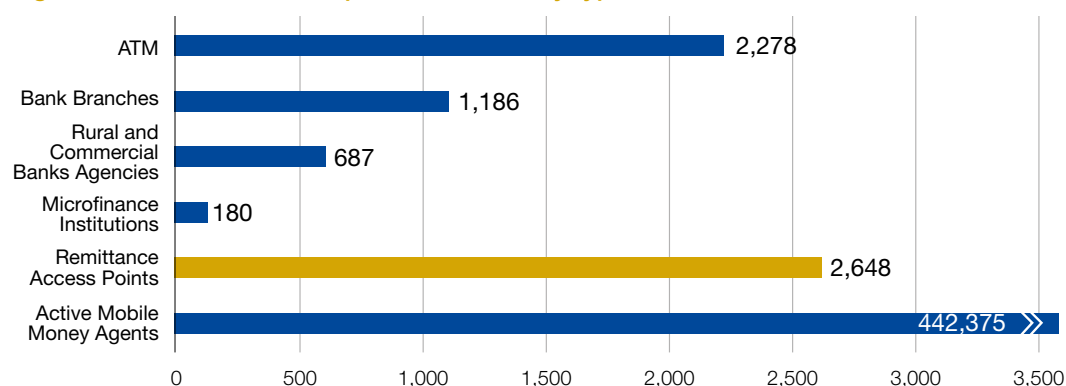


Source: World DataLab, IFAD 2020.

There are further opportunities to enhance inbound mobile-enabled remittances, particularly through the outreach of mobile agents which remains an under exploited opportunity to grow the market.

- Access point growth in the last five years is mainly attributable to the number of mobile money agents across the country.
- There are currently over 442,375 active mobile money agents (mapped by the Bank of Ghana) against less than 3,000 remittance access points.

Figure 14. Financial access points in Ghana by type



Source: Bank of Ghana 2021, Remittance Access Points IFAD 2020.

Client-centric research is necessary to speed the switch toward digitalization and identify opportunities to develop inclusive services bundled with remittances.

Outbound Remittances

It is estimated that US\$895 million of remittances was sent from Ghana through formal channels in 2021. Of this, 73 per cent went to Nigeria and 21 per cent to other ECOWAS countries – Benin, Burkina Faso, Côte d'Ivoire, Liberia and Togo (World Bank), although the accuracy of these numbers cannot be verified.

- There are 476,412 migrants in the country, 52 per cent of whom are from neighbouring countries (UN DESA).
- Current regulations restrict sending remittances from Ghana only being made by banks, and only three of them are authorized to send P2P transfers. NBFIs are not allowed to send money.
- Recent discussions with NBFIs show they are very keen to be able to send money from the country. They frequently note that this is at the request of potential customers.
- There is a strong and growing intra-Africa international mobile money market. However, continental, and global MMOs are not offering transfer service to Ghana because Ghanaian MMOs are not allowed to send money out of the country. They have advised that they would like to be able to send money to the country but only if they are allowed to send money out. This is important as it would help with liquidity and operational matters.
- It is understood that migrants are sending money from Ghana but that the vast majority of it is moving via informal operators.

PRIORITY POLICY ACTIONS (RECEIVING END)

Continue to foster inbound remittances payment through digital accounts.

Expand analysis of access point geospatial referencing. Plotting mobile money access points against international remittance payout points could help to identify gaps among territories and opportunities in the market.

Assess the risks and benefits of opening the outbound market to NBFIs offering ordinary customers formal products in order to compete with informal players, within certain limitations.







5. Financial services for remittance users

This section looks at the availability of banking products for the Ghanaian diaspora and growth and innovation within Ghana's market including remittance-linked products.

Diaspora banking products

Some Ghanaian banks have offered transactional accounts, banking services and onboarding processes catering to the diaspora, but the offering needs to be broadened further.

Table 4. Overview of financial products for non-resident Ghanaians

	Products	Target	KYC requirements	Account opening	Products features and conditions
	Diaspora current account	Non-resident Ghanaians (NRG)	Photo, ID, proof of address, references, employer's letter of introduction – if salary account, residence permit – if non-Ghanaian Resident non-Ghanaians	Remotely online	Minimum balance of GHS 500 Monthly service fee GHS 50
	Account service, savings, easy savings, current accounts, foreign currency account	NRG	Photo, ID, proof of address, references	Online via email + postal	
	Diaspora accounts – current and savings	NRG	Photo, ID, Proof of address	Online via email	Initial deposit: GHS 500/US\$200/ EUR 200/GBP 200
	Diaspora current account	NRG or emigrating soon	Photo, ID, proof of address	Online via email	Low opening balance of GHS 500 or its foreign currency equivalent. Min. balance of GHS 5,000 (US\$2,000, GBP 1,000, EUR 1,500 and ZAR 12,000) If not, monthly service fee of GHS 15
	Diaspora Funeral insurance	NRG	ID	Online	The minimum premium is GHS 90 and covers burial costs of principal, up to GHS 10,000
	NRG standard savings account, NRG standard gold account, NRG standard investment account, NRG standard target account	NRG	Photo, ID, proof of address, proof of source of funds	Online + postal	No minimum operating balance

Remittance product innovation

- RSPs in Ghana's remittance landscape have developed ways to promote financial services and payments linked to remittances while providing an enhanced customer experience through digitalization.
- Much of the interest in innovation in this sector began with the Remittance Grant Facility (RGF) a remittance products and services innovation accelerator, financed by Switzerland through the State Secretariat for Economic Affairs (SECO) and managed by KPMG of the Netherlands,
- The focus of the US\$2.2 million project was to leverage remittances for economic growth and financial inclusion using technology. The RGF supported innovation projects that targeted the objectives of improving remittance efficiency and cost; improving remittance first- and/or last-mile access; providing faster remittance transfers; and offering remittance-backed financial products.
- Results were achieved with two Ghanaian remittance service providers, PayAngel and Zeepay.

Table 5. Remittance Grant Facility Results

PayAngel	Zeepay
Cost of remittances <ul style="list-style-type: none"> – Reduction of cost to below 1 per cent. 	First mile access <ul style="list-style-type: none"> – Zeepay introduced an online portal and mobile application channels working through its MTO partners including MoneyGram and Ria Money Transfer. This has resulted in remittances from lesser-known corridors to Ghana.
Faster remittances <ul style="list-style-type: none"> – Reduction of processing time to within five minutes across all channels. – 58 per cent switch from over-the-counter cash-outs to digital channels. 	Last mile access <ul style="list-style-type: none"> – The grantee's partnership with a few global money transfer operators including MoneyGram, Ria Money Transfer, Small World, MoneyTrans, Instant Cash and INSTNTMNY resulted in a significant increase in mobile wallet repeat transactions, which means recipients do not have to travel to a bank branch or agent to receive their remittances.
Greater use of formal sector remittances <ul style="list-style-type: none"> – Average of 16 per cent month-on-month increase in customer numbers. – Through the RGF support, PayAngel also extended its service to five new corridors in Europe (France, Germany, Italy, the Netherlands and Spain). 	Cost of remittances <ul style="list-style-type: none"> – The cost reduction effect of Zeepay's operations is linked to online and mobile applications available to remitters through its MTO partners in the send markets. The partnership notably offers zero fees for senders through MoneyGram online directly to mobile money wallets.
	Investment-backed remittance product <ul style="list-style-type: none"> – In the course of implementation, Zeepay was able to develop an investment-backed remittance product called Remit-Invest in partnership with Glico Capital.

- Ghana's strong fintech sector has and continues to foster the development of innovative remittance-linked products. The market for such products, and/or financial services tailored specifically to the needs of the diaspora and their remittance beneficiaries is growing.
- RSPs in the market are now offering financial products such as insurance as options with remittance transactions. Remittances are a proven gateway to financial inclusion. Senders can play a vital role in educating receivers as to the benefits of financial products and the flow of remittances acts as a catalyst.

Remittance-linked products

Zeepay and PayAngel have continued to innovate within the remittance market and extended their product and services offering to senders and receivers in Ghana to include remittance-linked insurance.

- Launched in 2020, Zee Micro is Zeepay's remittance linked insurance product. Zeepay customers can purchase insurance policies for themselves or their families to provide cover in the event of death, disability, critical illness or hospitalisation.
 - Policies are provided in partnership with three insurance companies Enterprise, Glico Life and SIC Life, with premiums starting from GHS10 (USD 1) per month.
- PayAngel began offering free insurance linked to remittance transactions known as RemitCare in 2020. In partnership with Allianz Life Insurance, remittance senders are able to provide financial support in the form of life insurance cover for remittance receivers in Ghana at no extra cost when they use the PayAngel platform regularly to send money home.
- There are three tiers of insurance policy available and to opt in for a policy insurance PayAngel customers need to send a minimum of £100 per month.
- Behavioural research, led by DMA Global, has shown that channel preferences vary across corridors. International best practices indicate that any campaign aiming at changing ways of sending and receiving money need to engage both the recipients and the senders. Awareness and financial literacy campaigns are more efficient if they target both ends of a corridor.
- Addressing gender and rural financial needs through resilience-promoting remittances requires more behavioural and geographical research before action can be taken. This applies to both government-led and private sector endeavours.

PRIORITY POLICY ACTIONS

Encourage client-centric research (through a gender lens) and map areas of migration by corridors to support awareness-raising and financial literacy campaigns and to underpin new product development and customer risk profiling by the private sector. Launch awareness- raising and financial literacy campaigns (featuring corridor-specific and gender-sensitive approaches) building on existing financial literacy initiatives.

Creation of an innovation fund focused on new innovation areas can promote remittance-linked products; remittance products serving both ends of a remittance corridor, and improving the customer experience.

6. Stakeholders and coordination

This section looks at the government stakeholders in charge of governing and overseeing the remittance market in Ghana and the development partners that are currently implementing initiatives focused on remittances sent to Ghana.

Governance and oversight of remittances in Ghana

The governance and oversight of remittance activities lies with the Ministry of Finance, the Bank of Ghana and the Financial Intelligence Centre (FIC).

- The Ministry of Finance develops, coordinates, monitors and evaluates economic and financial policy. It also promotes and facilitates public awareness, financial inclusion, financial education and public literacy, and is responsible for capacity-building of regulatory bodies in the financial sector. The Financial Sector Division-Development Finance Unit is responsible for:
 - Oversight and policy development for all financial institutions whose activities directly focus on development and poverty reduction.
- The Bank of Ghana is the overall supervisory and regulatory authority in matters relating to banking and non-banking financial business. The Bank of Ghana Act 2000 (Act 612) empowers it to oversee the payment and settlement system in Ghana.
 - The BoG is the Government counterpart for the PRIME Africa programme.

Table 7. Relevant Bank of Ghana departments for international remittances

Payment Services Department	Fintech and Innovation Office	Banking Supervision
<ul style="list-style-type: none"> – Regulates and oversees the payment and settlement system; – Promotes the safety and efficiency of the payment and settlement system; and – Previously responsible for the authorization of operators in the remittance market in Ghana. 	<ul style="list-style-type: none"> – Newly established in 2020; – Develops policies to promote fintech, innovation and interoperability in Ghana; and – Responsible for licensing and oversight of MMOs, PSPs, closed-loop payment products, payment support solutions and other emerging forms of payment delivered by non-bank entities. 	Supervision of bank and non-bank deposit-taking financial institutions.

- The Financial Intelligence Centre was established in accordance with the Anti-Money Laundering Act, 2008 (Act 749). The FIC has a joint mandate with the Bank of Ghana to request, receive, analyse, interpret and disseminate financial intelligence in Ghana and abroad. The FIC is required to monitor all financial transfers larger than GHS 50,000 (US\$4,625).

Development Partners and initiatives

Several donor initiatives focused on stakeholder engagement, developing new products and services, and gathering data are currently being implemented and have identified opportunities for scaling up or mainstreaming. Further information on past donor initiatives can be found in annex 1.

IFAD's PRIME Africa programme aims at seizing the development opportunities offered by remittances through innovations, partnerships and scalable products that promote regulated and affordable remittance payments while also promoting the digitalization of financial services and financial inclusion. Ghana is one of seven pilot countries and a number of initiatives have been implemented in country.

- Launched in 2020, PRIME Africa commissioned the original diagnostic and developed a road map for action to improve Ghana's remittances market, foster innovation to lower remittance prices and increase financial inclusion.
- The National Remittance Stakeholder Network (NRSN) operates as the main remittances forum in Ghana. The NRSN is a quarterly forum, virtual for 2020–2021 and in-person since 2022, for all stakeholders in Ghana's remittance market to meet, share information and discuss current challenges and opportunities. The forums are regularly well attended by the public and private sector, as well as development stakeholders in the country.
- The NRSN has been extended to include a Community of Practice (CoP) to foster more continuous, specific and in-depth discussions on remittances in Ghana, support the development of joint initiatives and solutions and provide a shared repository of information for members. Topic areas that have been a focus for discussion to date include navigating the hurdles to remittance market innovation, identity challenges faced by RSPs, financial inclusion and recurrent challenges in Ghana's remittance market.
- Building off the first iteration of the Ghana diagnostic presented to NRSN members in July 2020, IFAD launched a call for proposals for stakeholders who wanted to innovate within the Ghanaian remittances market. From a competitive set of applications, two banks were chosen who had project proposals that target PRIME Africa objectives, Ecobank and Fidelity Bank. MFS Africa are also implementing a regional innovation project that Ghana is an implementing country for.
 - Ecobank is undertaking a project that promotes digital financial inclusion through remittance-linked micro-savings in Ghana. With the support of IFAD, Ecobank are piloting innovative financial solutions that specifically target Ghanaians in Germany and the Netherlands and their families back home. These interventions include:
 - Enhance their recently launched Rapid Transfer International (RTI), an affordable remittance platform, based on market intelligence gathered during this project.
 - Support customer behavioural shifts towards use of digital channels by testing incentive models
 - Strengthening users' knowledge, attitudes, skills, and behaviours on how to manage remittances and other financial resources via Ecobank's first ever digital financial literacy initiative.
 - Link a gender-sensitive micro-savings product to remittances.
 - Expanding the agent network in underserved high migration rural and semi-rural areas.

- Fidelity Bank is working on a project to leverage remittances to drive financial inclusion in rural Ghana through an innovative financial literacy scheme. With the support of IFAD, Fidelity Bank aims to expand the share of remittances that are saved in formal accounts, particularly for recipients in rural areas of high migration. This project takes a two-pronged approach:
 - The development of financial literacy content, including managing remittances, delivered via Interactive Voice Response messaging (IVR). This will enable beneficiaries to access the content toll-free on their mobile phones, in their own language and at their own pace.
 - Implementation of a variety of strategies to bolster the above intervention, including awareness raising, incentives, and upskilling rural agents to be able to promote terminating remittances into savings accounts.
- MFS Africa has also been given a grant by IFAD that aims to enable, scale, and leverage digital international remittances to Gambia, Ghana, Kenya, Senegal and Uganda. The project will achieve this via three means:
 - Extend digitalization efforts among informal and cash-based European and intra-Africa remittance senders.
 - A digital financial literacy programme and expansion of rural agents, particularly in The Gambia.
 - Partner with Inclusivity Solutions to offer insurance products to migrants and diaspora members through MTOs and MNOs.

The Remittances Access Initiatives (RAI) programme is due to complete in 2023, having been running since 2021. Through the RAI, Cenfri has assisted three RSPs to enhance access to their services by helping them to improve their approach to risk management, customer due diligence and KYC. Practical projects have made it easier for customers, especially women, those in rural areas and with low incomes to access formal remittance services.

- Expected outcomes of the RAI include increased financial inclusion for low-income, rural households, and particularly women. Reduced barriers for low-income, rural households and women to access formal remittance services; and RSPs reduced their perceived risks for lower-income, rural people and women.

The UNCDF launched the Boosting Green Employment and Enterprise Opportunities in Ghana (GrEEn) in 2020. The four-year programme, funded by the European Union Emergency Trust Fund for Africa, is aimed at creating greater economic and employment opportunities for youth, women and returning migrants by promoting and supporting green businesses.

- The programme uses a combination of performance-based grants, access to finance, technical assistance and skills development to promote green and circular economies. Remittances and digital solutions targeting (i) youth, women and returnees benefiting from cash-for-work schemes; and (ii) local communities and micro, small and medium enterprises, will be leveraged to increase access to, and usage of, financial services.
- UNCDF has selected new partners that will test new business models to reach the last mile in the Ashanti and Western regions of Ghana. Partners that focus of remittances include Zeepay Ghana offering a 3-in-1 bouquet of financial services aimed at 1) reaching underserved sections of the population 2) creating jobs and 3) promoting digital remittance-linked financial services and PayAngel who offer a Direct to Merchant Remittances (D2MR) product that enables the diaspora to make direct remittances payments to merchants in the Financial Services, Education and Health sectors.

In 2022, GIZ launched a digital financial literacy course for Ghanaians who receive remittances, Under the Programme Migration and Diaspora commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ).

- The programme “Make Remittances work for you-Ghana” was launched in September 2022 with the support of Purple Almond Consulting Service who facilitated the course. The course aims to provide remittance beneficiaries in Ghana, particularly women, with some basic financial literacy, and business and personal development skills. GIZ and partners hope that the course will encourage financial inclusion, women empowerment and utilizing remittances for savings and investments in order for recipients to become financially independent. The free online course includes four short modules on remitting, saving, investing and entrepreneurship. Successful students receive a digital certificate. The course is available for free on GIZ’s e-learning platform and includes specific courses for Ghana, Jordan, and Kosovo.³

In 2023, the Ministry of Finance in collaboration with the World Bank, Bank of Ghana, and other financial institutions, launched a national financial literacy programme. The “National Financial Education Campaign.

- The financial education campaign has been developed in line with the foundational pillars National Financial Inclusion Strategy and aims to strengthen and develop Ghanaians’ financial capabilities and financial behaviour. The campaign is considered timely due to the current developments in the economy.
- The campaign is being delivered through a comprehensive rollout in all 16 regions of Ghana and translated in to 11 local languages. The core messages that the campaign focuses include savings, investments, retirement, insurance and Ponzi schemes. Currently core messages that focus on international remittances are not included in the campaign.

PRIORITY POLICY ACTIONS

Maintain the National Remittance Stakeholder Network as a working group that can continue to address remittances and financial inclusion from various sectors

Catalyse resources to scale-up initiatives such as the PRIME Africa programme by building upon the lessons learned.

Leverage the Ghana National Remittance Stakeholder Network and Community of Practice to review current financial education strategy and content, and have NRSN and CoP members contribute to remittance focused financial literacy development.

³ <https://online.atingi.org/enrol/index.php?id=2487>

7. Recommendations

Table 8. Summary of recommendations

Main objectives		Respond to COVID-19 pandemic	Accelerate digitization	Reduce costs	Increase and deepen financial inclusion	Moving informal to formal
Theme	Recommendation	Objectives met				
A Coordination	Leverage the National Remittance Stakeholder Network (NRSN) and Community of Practice (CoP) to continue to coordinate, implement and review improvement of the Ghanaian remittance landscape.					
B Data	Enhance remittance data collection frameworks in Ghana, so that data can be provided at a more disaggregated level, facilitate more in-depth analysis and deliver better market intelligence (flow, corridors, channels and operators).					
C Digitalization – innovation and technology	Encourage innovation in the remittances and payments market.					
D Enabling environment – rural access	Increase network access in rural communities.					
E Enabling environment – payment system infrastructure	Permit inbound international remittances to be terminated onto all domestic payment systems.					
F Enabling environment – AML/CFT	Investigate the development of guidance on aligning current KYC, CDD, identity frameworks to key innovations to enhance remittance flows and access for remittance providers, banks and fintech services in Ghana.					
G Remittance-related product awareness and education	Develop a financial education and awareness programme to raise awareness of digital international remittances services and products in both the send and receive markets.					
H Enabling environment – outbound remittances	Address restrictions around outbound transactions, especially intra-African remittance flows.					

A. Leverage the National Remittance Stakeholder Network (NRSN) and Community of Practice (CoP) to continue to coordinate, implement and review improvement of the Ghanaian remittance landscape

Theme: **Coordination**

Objectives met:



Rationale

- With the dual goals of decreasing the costs of remittances and increasing financial inclusion, those involved in the PRIME project for Ghana, are poised to ensure that Ghana's remittances can be properly leveraged and that remittances can drive financial inclusion.
- The discussions, recommendations and interventions coming out of the NRSN and CoP meetings need to be harmonized across all stakeholders and projects.

Actions	Activities
A.1 Maintain the National Remittance Stakeholder Network as a working group that can continue to address remittances and financial inclusion from various sectors.	A.1.1 Divide working group stakeholders amongst the key recommendations developed from the NRSN. A.1.2 Provide regular updates to remittance stakeholders in Ghana. A.1.3 Periodic meetings across groups to ensure synergy at all levels.
A.2 Ensure coordination and communication exercises between the various stakeholders and projects across the country.	A.2.1 Align objectives with other national strategies to ensure that efforts are not duplicated.

Benefits

The PRIME Ghana working group will be able to work with all stakeholders to ensure that the initiatives for improving and leveraging remittances to (and from) Ghana will contribute to increasing financial inclusion across the country and lowering the cost of remittances.

B. Enhance remittance data collection frameworks in Ghana, so that data can be provided at a more disaggregated level, facilitate more in-depth analysis and better market intelligence (flow, corridors, channels and operators)

Theme: **Data**

Objectives met:



Rationale

- Whilst BoG collects data on remittances on an annual basis, enhancement of their existing frameworks is needed to provide better quality market intelligence.
- Without timely, accurate and useful data it is difficult to make good policy or business decisions. Lessons learned from Ghana could be helpful for other countries.

Actions	Activities
B.1 Enhance remittance data collection.	<p>B.1.1 Develop automated data collection processes.</p> <p>B.1.2 Develop and integrate data analysis and management tools.</p> <p>B.1.3 Agree data collection processes and formats with all operators in the market.</p> <p>B.1.4 Design and disseminate data in a user-friendly and timely manner.</p> <p>B.1.5 Design and implement research with users of remittances in Ghana.</p> <p>B.1.6 Surveys on informal flows.</p>
B.2 Deepen the knowledge on the use of remittances by different segments of the population.	<p>B.2.1 Dedicated studies on the use of remittances by different segments of the population.</p> <p>B.2.2 Integrate international remittance items within nationally representative surveys like Findex and FinScope, as well as surveys conducted by the Ghana Statistical Service.</p>
B.3 Data to support remittance awareness raising and financial literacy campaigns, help new product development and customer risk profiling.	<p>B.3.1 Develop client-centric research with people considering migration, diaspora or with remittance beneficiaries to provide insights into product development.</p> <p>B.3. 2 Map areas of migration by corridors to facilitate targeted awareness campaigns and marketing.</p>

Benefits

- Provides evidence to drive policy development including profiling the customer risk.
- Enables private sector businesses to determine evidence-based product development and market entry.
- Determines if the changes helped create increased access and enhanced financial inclusion.

C. Encourage innovation in the remittances and payments market

Theme: **Digitalization – innovation and technology**

Objectives met:



Rationale

- There is existing policy to leverage remittances to help bolster the use of payment system platforms and services, including the National Financial Inclusion and Development Strategy 2018–2023.
- THE NFIDS calls for policy actions in this area. Some examples of the most relevant actions include develop and promote a fully interoperable retail payment system; expand the scope of P2G payments using electronic means (such as e-zwich and mobile money); increase competition between remittance service providers to lower costs by authorizing regulated and sound MTOs, and digital remittance channels.
- Results for the implementation of the strategy show that mobile money is the most used digital payment instrument, has an agent network that is widely spread across the country and has driven Ghana's high financial inclusion levels.
- Private stakeholders are already innovating in the market on their own and through current initiatives like the PRIME Africa programme and the GrEEen programme. Further work and initiatives can lead to the opportunity to develop remittance products alongside financial education development and provision.

Actions	Activities
C.1 Catalyse resources to scale-up initiatives such as the PRIME Africa programme by building upon the lessons learned.	C.1.1 Funding and technical assistance to extend current remittance innovation initiatives.
C.2 Support the extension of corridor-specific players or Fintech models that propose products and services in innovation areas.	C.2.1 Creation of an innovation fund focused on innovation areas can like remittance-linked products; remittance products serving both ends of a remittance corridor, and improving the customer experience.
C.3 Promote digital channels and support customers to switch to e-transfers and overcome any remaining “cash stickiness”.	C.3.1 Develop awareness campaigns to highlight the benefits of digital channels. C.3.2 Explore the use of consumer incentives for digital remittance channel use.
C.4 Prioritise the enforcement of Bank of Ghana's foreign exchange rate requirements to go towards sanitising Ghana's remittance market.	
C.5 Understand what remittance senders and receivers want and would benefit from to inform new product development and customer risk profiling.	C.5.1 Develop client-centric research with people considering migration, diaspora or with remittance beneficiaries to provide insights into product development. C.5.2 Map areas of migration by corridors to facilitate targeted awareness campaigns and marketing.

Benefits

- Increase competition in the market.
- Foster the adoption of digital remittance products.
- Lower cost through efficiency.

D. Increase network access in rural communities

Theme: **Enabling environment – rural access**

Objectives met:



Rationale

- 44% of the population are in the rural areas of the country.
- Access points for remittance services and domestic payments are concentrated in most populated areas of the country, especially south and central.
- There is an opportunity to leverage mobile money agent networks to provide increased access to remittances and increased adoption of digital financial services.

Actions

D.1 Continue to foster inbound remittances pay-out via digital accounts.

Activities

- D.1.1 Design and implementation of financial literacy programmes.
- D.1.2 Development of awareness campaigns to prompt usage.

D.2 Expand analysis of access point geospatial referencing. Plotting mobile money access points against international remittance pay-out points could help to identify gaps among territories and opportunities in the market.

D.2.1 Funding and technical assistance for system development.

Benefits

- Implementation would provide better access and therefore make it easier for receivers to obtain their funds.
- Increase remittance flows through digital channels which should be lower cost than cash-based channels.

E. Permit inbound international remittances to be terminated onto all domestic payment systems

Theme: **Enabling environment – payment system infrastructure**

Objectives met:



Rationale

- Currently it is not possible to terminate an inbound remittance transaction on to every component of the domestic payment system.
- Interoperability is not currently being leveraged to its full potential.
- e-zwich payment system is a good example of an initiative that would benefit from being directly linked to international remittances more efficiently.
 - 3.8 million cards in circulation.
 - Used by government to disperse funds to the poor and hard to reach during pandemic.
 - Universal – can be used at any bank or agent in Ghana.
 - Minimal KYC & biometric requirements.
 - Fully interoperable with banks and Mobile money.
 - Can be used offline.

Actions	Activities
E.1 Foster access for all IMTOs to the domestic payment systems through Fintechs and the use of e-Zwich biometric cards.	E.1.1 Private sector to develop appropriate product solutions. E.1.2 Develop incentives for value-added services that could be made available through the e-zwich card.
E.2 An MoU should be reached between Postal Regulatory Authority and Bank of Ghana on Post remittances, and Ghana Post should report to the Fintech and Innovation Office.	

Benefits

- Better network access in rural areas as services, such as e-zwich, are widely used in rural areas. If funds could be directly credited to them, it would address many access problems.
- Lower costs would be achieved for receivers of international remittances due to not needing to travel to collect money and because credits to card and digital services are lower than cash-based alternatives.

F. Investigate the development of guidance on aligning current KYC, CDD, identity frameworks to key innovations to enhance remittance flows and access for remittance providers, banks and fintech services in Ghana

Theme: **Enabling environment – AML/CFT**

Objectives met:



Rationale

- Current KYC and CDD requirements are not necessarily proportionate to risks.
- Customer identification options in Ghana do not easily fit into global guidance, such as FATF regulations.
- This is restricting access to formal remittance services and to opening of accounts (bank and digital).

Actions

F.1 Leverage ID digitalization and virtual addressing, and implement further proportionate KYC requirements to foster access to and usage of transactional accounts.

Activities

F.1.1 Support national strategy for adoption of the Ghana Card (biometric national ID and Ghana Post GPS (digital addressing).

F.1.2 Review KYC requirements in line with remittance innovation developed to ensure they are proportionate to the risks in the market.

Benefits

- Provide clarity to market participants.
- Enable currently excluded communities to obtain access to formal financial services.

G. Develop a financial education and awareness programme to raise awareness of digital international remittances services and products in both the send and receive markets

Theme: **Remittance-related product awareness and education**

Objectives met:



Rationale

- Promoting digital remittances in send markets by engendering trust and demonstrating how to use them has proved valuable.
- The provision of information about services available to senders and receivers so that they can make informed choices is a vital part of the transaction process.
- There is an opportunity to combine and develop this alongside product marketing and promotion.

Actions	Activities
G.1 Further support the innovation and development of digital financial services linked to international and domestic remittances.	G.1.1 Develop awareness raising and financial literacy campaigns (featuring corridor and gender approaches) building on existing financial literacy initiatives. G.1.2 Explore consumer incentives for digital remittance channel use.
G.2 Remittance Service Providers authorized to operate in the Ghanaian market should be required to disclose the total costs of a transaction, including whether there are additional charges at the receive end of the transaction.	G.2.1 Develop guidelines on remittance total cost disclosure for RSPs.
G.3 Consumer protection regulations, particularly in the areas of disclosure of fees should be extended to include international remittances transactions, for both inward and outbound remittances.	G.3.1 Funding and technical assistance on developing remittance consumer protection regulations.
G.4 Leverage the Ghana National Remittance Stakeholder Network and Community of Practice to review current financial education strategy and content, and have NRSN and CoP members contribute to remittance focused financial literacy development.	

Benefits

- Helps increase the use of digital services.
- Can assist with reducing remittance costs because digital services are cheaper than cash-based services.
- Can help improve financial inclusion when funds are credited to a digital wallet.

H. Address restrictions around outbound transactions, especially intra-African remittance flows

Theme: **Enabling environment – outbound remittances**

Objectives met:



Rationale

- There are currently major restrictions on being able to send outbound remittances from Ghana.
- They can only be facilitated through a bank and there are only 3 banks that are authorized banks to offer low value outbound remittances transactions to other African markets – Ecobank, UBA, Access Bank.
- These restrictions are constraining the market (for example mobile money operators in other countries are unwilling to provide cross-border remittance services because the service is not reciprocated in Ghana).
- Current situation encourages informal remittance transactions.
- Operators have expressed interest in exploring outbound remittances and have received customer interest.

Actions	Activities
H.1 Assess the risks and benefits to open the outbound market to NBFIs offering low-end-of-the-market customers formal products to compete with informal players, within certain restrictions.	H.1.1 Establish a core team and working group to examine the item. H.1.2 Undertake an initial cross-benefit-analysis study to assess demand and identify risks. H.1.3 Depending on the outcomes of the cost-benefit analysis, develop a pilot within the regulatory sandbox. If necessary, undertake regulatory changes.
H.2 Enhance data collection.	H.2.1 Surveys on informal flows, to better assess the real magnitude of flows and size of business opportunities for the main corridors.

Benefits

- Increase in remittance flows in the market.
- It will encourage the use of the formal market.
- It will Increase competition, both domestically and regionally.

About the authors



International Fund for Agricultural Development (IFAD)

IFAD is a specialized agency of the United Nations and an international financial institution, with the mandate to invest in rural people to eradicate poverty in low- and middle-income countries.



Financing Facility for Remittances (FFR)

IFAD's US\$65 million multi-donor Financing Facility for Remittances aims at maximizing the impact of remittances on development and promoting diaspora engagement in migrants' countries of origin.

For more information, visit: www.ifad.org | www.ifad.org/ffr | www.RemitSCOPE.org



DMA Global (DMAG)

Headquartered in central London with a regional office in Sydney, DMAG is a leading payments consultancy engaged by both the public and private sector to deliver projects around the world. Since the company was founded in 2007, it has grown to 20 full-time staff, with a global network of research and support staff of a further 60 people. DMAG's core competencies include:

- Remittances and payment systems
- Financial inclusion and access
- Diaspora investment and diaspora related affairs

For more information, visit: www.developingmarkets.com

About the initiative



Platform for Remittances, Investments and Migrants' Entrepreneurship in Africa (PRIME Africa)

PRIME Africa is a EUR 15 million initiative co-financed by the European Union and implemented by IFAD's FFR, aimed at improving the management of remittances and their use for development impact in selected African countries.






For more information, visit: www.ifad.org/prime-africa

Read the other PRIME Africa country diagnostics:

1. Cabo Verde
2. Ethiopia
3. **Ghana 2021 | 2023**
4. Kenya 2021 | 2023
5. Morocco [ENG/FRE]
6. Senegal [ENG/FRE]
7. South Africa
8. The Gambia 2021 | 2023
9. Uganda



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June 2023



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The Ghana country diagnostic was undertaken in the framework of the Platform for Remittances, Investments and Migrants' Entrepreneurship in Africa (PRIME Africa) initiative, co-financed by the European Union.

ISBN 978-92-9266-327-8



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