

Rwanda partners with Better Than Cash Alliance

Rwanda's commitment to using information and communications technology (ICT) for financial services was made official as it officially joined the Better Than Cash Alliance, an initiative that works with governments, the development community, and the private sector to adopt the use of electronic payments.



The Alliance provides support to those who commit to make the transition. These efforts aim to help people who do not have access to formal financial services and frequently have no option but to subsist almost entirely in an informal, cash-only economy. Living in a cash economy makes it extremely difficult to access financial services like bank accounts, save for the future, build assets, or get credit.

"We understand the crucial role ICT plays in all sectors of the economy, including finance. This is why we have endeavoured to promote a cashless economy by digitising financial transactions," Claver Gatete, the Minister of Finance and Economic Planning said. "Today the government conducts its business electronically, including paying salaries. We have in place policies that encourage payment digitisation and continue to support the private sector, especially financial institutions to embrace the use of ICT to champion financial inclusion. We believe that partnering with the Better Than Cash Alliance will further our ambition to transform Rwanda into a cashless economy and ensure that every Rwandan is financially included."

Financial inclusion

The shift to electronic payments has the potential to advance financial inclusion and help people build savings while giving governments, development organisations, and companies a more cost-effective, efficient, transparent, and safer means of disbursing and collecting payments. For example, a recent report by the World Bank examines growing evidence that integrating digital payments into the economies of emerging and developing nations addresses crucial issues of broad economic growth and individual financial empowerment.

Currently, all government employees in Rwanda are paid electronically. The new announcement advances the commitment to transition all forms of government payments to electronic forms. The further digitisation of Rwanda's economy is expected to contribute to achieving the government's financial inclusion goals. Additionally, Rwanda aims to expand the use of banking and retail transactions electronically, including in fuel stations, by merchants and customers across the country.

"We welcome Rwanda as the newest member of the Better Than Cash Alliance and commend the government's leadership and commitment to continue transitioning away from cash," said Dr Ruth Goodwin-Groen, managing director of the Better Than Cash Alliance. "We recognise that, while the opportunities of digital payments abound, getting there takes work and we stand ready to support our members. Digitising payments is achievable when a government articulates a clear vision, leads by example, and provides the right incentives for the private sector to do what they do best - innovate, develop infrastructure and create products designed to succeed in the marketplace."

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