

## KfW Lending facility for financial institutions their merchants and agents.

The Government of Ghana, represented by the Ministry of Finance and Economic Planning, the Bank of Ghana and Ghana Interbank Payment and Settlement Systems Limited (GhIPSS) in cooperation with KfW, Frankfurt/Germany.



Together we achieve more.

**KfW**



## What are the objectives of the KfW Facility that is financing the e-zwich infrastructure?

The Ghana Interbank Payment and Settlement Systems Limited (GhIPSS), a wholly owned subsidiary of the Bank of Ghana tasked to implement a countrywide biometric payment system, popularly known as e-zwich. The system allows the delivery of quality financial services to the people of Ghana, especially the unbanked and the under-banked. The technology permits offline transactions and fingerprint recognition making it highly suitable for rural areas and where formal banking activities are low.

The strategy of GhIPSS, known as the Rural Branchless Banking Project, is the deployment of a country-wide, e-zwich infrastructure mainly in rural areas, in partnership with financial institutions and through a network of agents and merchants in order to make formal financial services available to all Ghanaians.

As a strong incentive to support the deployment of e-zwich in rural areas, KfW has signed a loan agreement with the Government of Ghana totaling 7 million Euros. This loan facility will be used to establish a Revolving Credit Fund (RCF) from which loans shall be provided to financial institutions by the Bank of Ghana (BoG) on a revolving basis. The loan will enable applicants acquire e-zwich infrastructure for the implementation of the e-zwich Rural Branchless Banking project under the GhIPSS initiative.

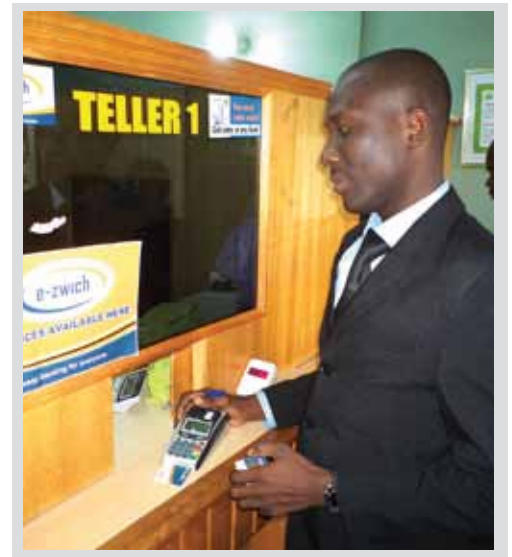
## Who is eligible?

The KfW facility is available to:

- Any bank and deposit-taking financial institution duly licensed by the Bank of Ghana.
- Merchant agents working with any of these Financial Institutions.

## What are the minimum requirements or eligibility criteria?

- The applicant must be operating or planning to service or operate in rural areas.
- The applicant must be willing to dedicate a team in their organization who will be responsible for the promotion of e-zwich products and services, called e-zwich coordinators.



- The applicant must set up a dedicated phone number for first-line customer support.
- The applicant may have at least 2 dedicated PCs for the enrolment of e-zwich cardholders.
- The applicant must promote e-zwich usage in their environment via the promotion materials received from GHPSS.
- The applicant must have an online/internet connection for enrolment and for help desk support.

### What would be financed under this project?

The loan is available to finance the e-zwich infrastructure, namely:

- **POS devices** - portable mobile appliance used for processing and tracking payment transactions.
- **Merchant cards** - smart card to perform payment transactions by merchants and agents only.
- **RESCI kits** - kit includes a card reader and a fingerprint scanner used to enroll new clients unto the e-zwich payment platform and issuing them with a smart card.
- **ATMs** - Automated Teller Machines used for cash withdrawals, balance enquiries and money transfers, etc.
- **Client cards** - card used by cardholders for various purposes (identification, banking activities & purchasing at merchant locations, etc.)
- **PDS kits** - this includes a card reader and a fingerprint scanner used to disburse salary/commissions to beneficiaries/cardholders, etc.

### What are the loan terms?

- Loan Amount: Minimum GH¢ 10,000; Maximum GH¢ 1,000,000
- Duration: 4 years (Grace period of 1 year)
- Interest Rate: 6% p.a.
- Processing Fee: No fees
- Repayment Period: Quarterly
- Repayment Amounts: Principal plus Interest.

### Where to apply?

- Applicants (financial institutions and their merchants) must send loan applications to GHPSS.
- GHPSS is located at #23 Seventh Avenue, Ridge West, Accra.





## What type of security is required?

No collateral is normally required.

## Loan Application Procedure:

1. Loan Application Forms and any additional forms are available at GHIPSS offices, located at #23 Seventh Avenue, Ridge West, Accra. The forms may also be downloaded from the internet on [www.ghipss.com](http://www.ghipss.com).
2. Submitted Applications would be processed at the Business Development Department of GHIPSS. A loan expert would then discuss with you the project in detail and may visit your institution, if necessary.
3. On the approval of your loan, a Framework On-lending Agreement would be prepared for your signature counter-signed by the Bank of Ghana. The process to access the loan would commence.
4. During this period you can rely on a professional attitude from our loan experts on all questions related to the servicing of the credit.

## What documents are required to support the loan application?

- Registration of the applicant with BoG.
- Latest annual reports.
- Business plan of the applicant for setting-up the e-zwich infrastructure, including the following:
  1. Business profile of agents and merchants, if necessary.
  2. Areas of operation.
  3. Expected cash turnover and number of transactions (e.g., e-zwich projections), as well as the expected start of the e-zwich operations.
  4. A list of requested devices by type (POS, ATM, merchant cards, client cards, enrollment kits).
  5. List of suppliers for the investment project.
  6. Cost estimate, time schedule for realization.

## Who can be contacted for further information?

Should you have any further questions, please contact the following:

### 1. GHIPSS

**Call centre:** 0302610800 / 0302610780 / 0299501239; **Fax:** 0302671757

**Email:** [info@ghipss.com](mailto:info@ghipss.com)

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