

BoG, DBG, Proxtera support businesses

\$100m boost for MSMEs

...to promote agric, manufacturing, ICT, tourism

BY KINGSLEY ASARE

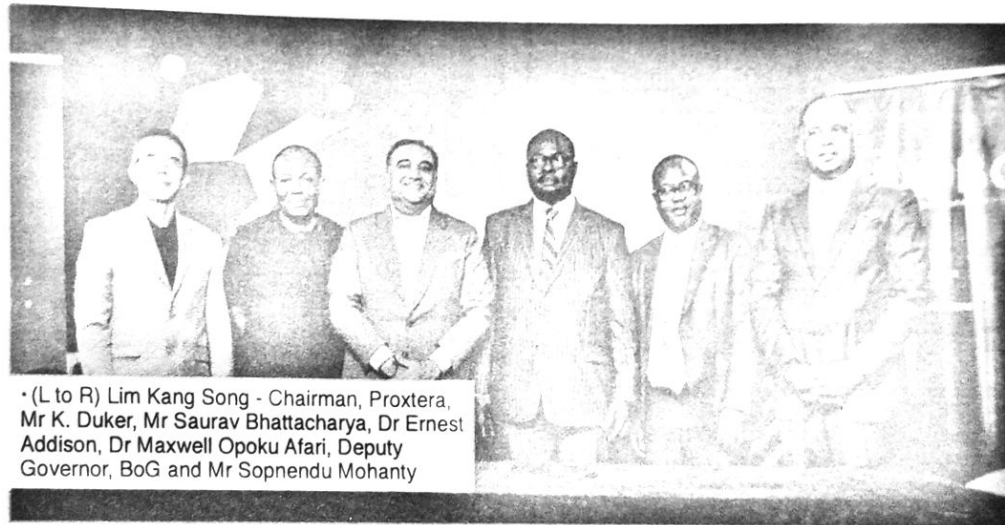
THE Bank of Ghana (BoG), Development Bank Ghana (DBG) and its digital partner, Proxtera, have announced a \$100-million package to support Micro Small and Medium-scale Enterprises (MSMEs) in the country to promote the growth of the economy.

The amount would be disbursed through the digital platform under the Ghana Integrated Financial Ecosystem (GIFE) being implemented by Proxtera, a subsidiary of Singapore Monetary Authority with partner financial institutions of DBG.

BoG, DBG and Proxtera announced the deal in Accra on Tuesday as part of the 3i Africa Summit 2024 which closed yesterday.

Speaking during the signing of the partnership deal, the Chief Executive Officer of DBG, Mr K. Duker said the amount was part of the \$600 million portfolio of the bank earmarked to support businesses in the country to meet their financial needs.

He said the \$100 million (GH¢1.83 billion) would be disbursed to SMEs in sectors such as agriculture, manufacturing,



• (L to R) Lim Kang Song - Chairman, Proxtera, Mr K. Duker, Mr Saurav Bhattacharya, Dr Ernest Addison, Dr Maxwell Opoku Afari, Deputy Governor, BoG and Mr Sopnendu Mohanty

Information Communication Technology and tourism, which were high value sectors of the Ghanaian economy.

Mr Duker said BoG and DBG had partnered Proxtera which had the digital technology platform, to ensure faster and efficient disbursement of the funds.

He said Proxtera was not only providing the technology platform that allowed disbursement to go through much quicker, but also building at the same time a credit engine to allow SMEs to be evaluated very quickly by the banks so that they did not go through the same old manual, traditional, long

winding process of evaluation.

Mr Duker said through the Proxtera platform which allowed loan processing to be much quicker, effective, the DBG was hopeful the risk premium or the interest rate being applied to the SMEs would come down.

"Today we have about 33 trusted credentials by which the computer or the platform checks the local business. Before, that might take months to do," Mr Duker said.

Explaining the criteria for the SMEs to access the fund, the CEO explained "The criteria to get a loan is simple. You must be doing business in Ghana, and you must

be building either a company or a factory or a farm in Ghana."

The CEO of DBG said his outfit had conducted a pilot on the project and about GH¢8 million had been disbursed to SMEs through the Proxtera digital platform under the GIFE programme.

Saurav Bhattacharyya, Chief Executive Officer of Proxtera, said "We continue to proudly support GIFE as a founding partner. As the exclusive operational partner of SME Financial Empowerment (SFE) programme, and the operational, technology and digital infrastructure provider for implementation for GIFE, Proxtera continues

to work with local ecosystem partners to grow the usage of trusted credentials. We strongly believe the ambitious target set by our partners will propel Ghanaian MSMEs into the global digital cross-border trade and financial highways".

Dr Ernest K.Y. Addison, Governor of Bank of Ghana, said "This memorandum further demonstrates BoG's commitment as a central bank, to working with key stakeholders to explore innovative financing models. It also further demonstrates our commitment to the Business Sans Borders initiative which we partnered with the Monetary Authority of Singapore to enhance MSME contribution to economic growth and in line with Government's broader economic transformation goals.

Mr Sopnendu Mohanty, Chief FinTech Officer, MAS, said, "MAS has worked closely with Bank of Ghana since the announcement of the Financial Trust Corridor in 2020. The GIFE is an important step to foster closer collaboration between the two central banks and important emerging markets. The GIFE is a rethink to potentially leapfrog traditional financial inclusion approaches with combined support mechanisms powered by smarter data that MSMEs and financial institutions can tap in based on their needs."