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FOR IMMEDIATE RELEASE

## **BANK OF NAMIBIA LAUNCHES THE INSTANT PAYMENT PROJECT TO ENHANCE FINANCIAL INCLUSION**

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1. The Bank of Namibia today officially launched the Instant Payment Project, a pioneering initiative set to revolutionise financial services across Namibia. With a targeted official launch year of 2025, the project aims to significantly broaden financial inclusion by providing essential and affordable financial services to all whilst focusing on the rural and informal sectors which face logistical and financial challenges in accessing conventional banking services.
2. In 2023, the Bank of Namibia embarked on an exploratory journey to identify solutions that could be adapted to the Namibian context to foster the uptake of affordable, fast, and efficient payment services. This exploration was a part of the Bank's 2022 – 2024 Strategic Plan, focusing specifically on enhancing financial services in rural areas and the informal sector, thereby reducing cash dependency, and increasing transactional efficiency.
3. The Instant Payment Project aims to introduce an Instant Payment Solution that is efficient, and instantly accessible. Designed for inclusivity, the platform can be accessed on any device, including non-smartphones, ensuring that everyone, from vendors and taxi drivers to pensioners and small business owners, can use it effortlessly. This innovation is particularly beneficial for those who may not have access to sophisticated banking services or the financial means to handle traditional banking fees.
4. During the launch, the Governor of the Bank of Namibia, Mr. Johannes !Gawaxab highlighted the critical need for the project, stating, "Despite the remarkable achievements recorded to date in the execution of the Financial Sector Strategy, as

evidenced by high levels of broad financial inclusion estimated at around 78.1% of the population, segments of our population remain underserved and unserved."

5. The Governor emphasised four policy objectives that the project aims to fulfil; enhancing accessibility and affordability for underserved populations, achieving full interoperability of payment instruments by 2025, modernising the financial sector, and ensuring a secure and efficient National Payment System, in alignment with the Bank's Strategic Plan and NPS Vision and Strategy 2025. He further highlighted that the deliberate choice of a central bank-led approach aims to minimise infrastructure costs for financial institutions, ensuring the instant payment solution remains sustainable and affordable for the end user. "This system aims to connect individuals, businesses, and government entities across Namibia, including the payment of social grants, enabling more efficient economic interactions and supporting the growth of digital entrepreneurship", he added.
6. In a collaborative endeavour to realise this vision, the Governor announced the Minister of Finance and Public Enterprises has approved the establishment of an independent Special Purpose Vehicle tasked with implementing the Instant Payment Project in partnership with Namclear. "The decision to partner with Namclear is a strategic imperative. Being the only clearing house, which is also designated as a systematically important financial market infrastructure, it is essential that we refrain from introducing fragmented clearing operations in the payment ecosystem. The Bank of Namibia greatly appreciates Namclear's willingness to partner with the established Special Purpose Vehicle."
7. Hon. Maureen Hinda-Mbuende, the Deputy Minister of Finance and Public Enterprises, characterised the initiative as pivotal in promoting accessibility, literacy, and consumer protection. "The initiative extends the availability and equality of opportunities for all Namibians to access affordable financial services, whether they reside in rural or urban settings. It also includes measures to educate citizens, enabling them to make informed financial decisions and effectively interact with digital financial services. Accordingly, consumer education is essential to ensure national acceptance of the instant payment solution," she added.
8. The Deputy Minister highlighted the sustainable advantages of the project, pointing out that long-term sustainability involves constructing a system that is resilient, scalable, and capable of evolving with technological progress and the changing needs of the

market. "I therefore call upon all Government Ministries and agencies to actively utilise the Instant Payment System for both payments to be made and payments to be received. By embracing this initiative, we not only enhance efficiency and transparency but also foster a more inclusive and resilient financial ecosystem for the prosperity of all."

9. To ensure the success of the project, all stakeholders including banks and non-banks were encouraged to integrate with the Instant Payment Solution into their products and services and ensuring that they are accessible, affordable and safe especially for those in rural, remote and informal sectors.
10. This launch signifies the commencement of the modernisation of the financial sector and the Bank's dedication to transforming the financial landscape in Namibia, aiming for a future where every citizen can engage in economic activities effortlessly and securely.

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