



CENTRAL BANK of SOLOMON ISLANDS

P.O. BOX 634, Honiara, Solomon Islands

Remarks by Governor Luke Forau at the Launch of the CBDC Proof of Concept Pilot Project, on 28th Nov 2023, at the Heritage Hotel

The Honorable Prime Minister,
the Hon Minister of Finance,
the Cabinet Secretary Counsellor of the Government of Japan,
Representatives from JICA,
Soramitsu Group CEO and Delegations
Representatives from the Australian Government (from the Australian Treasury and DFAT),
Excellencies and other Diplomatic corps,
Fellow Governors/Deputy/Assistant Governors and your delegations,
Heads of Financial Institutions,
IMF Resident Rep,
World Bank and IFC Rep,
the ADB Rep,
UNCDF rep
Distinguished Guests,
the Media,
Ladies and Gentlemen

A very Good morning to you all!

It is my pleasure to warmly welcome you all to this morning's occasion, the launch of the Central Bank Digital Currency (CBDC) Proof of Concept Pilot Project.

This morning we are privileged to have the Hon Prime Minister to give the key note address. Thank you very much Hon Prime Minister for responding to our request.

We specifically requested you, sir, to give the key note address because we feel that this project is very significant and important to the country, as it will transform and further improve and increase **access to** and **use of** financial services, thereby expanding and deepening our effort in promoting financial inclusion in the country.

Ladies and gentlemen, this project is a collaborative effort between the Central Bank of Solomon Islands and Soramitsu Japan; and it is generously funded by the Japanese Government through JICA.

Coinciding with the Pacific Governors' meeting hosted by the Central Bank of Solomon Islands, this project is in line with this year's theme which entails, "**Leveraging Digital Technology for Inclusive and Sustainable Development: Shared Prosperity**".

This initiative marks a significant stride towards, not only keeping pace with technological advancement, but more so, having our people access to affordable financial services.

The theme underscores the very essence of our commitment to utilizing technology as a catalyst to deepen the use of financial services in the country, and to reach out to the last mile (i.e., the underserved and underbanked segment of our society).

The CBDC is a testament to our dedication to fostering financial inclusion, innovation, and economic resilience. By leveraging financial digital technology, we aspire to create a financial ecosystem that empowers every citizen, regardless of their geographic location or socio-economic status.

This initiative, therefore, is a step towards bridging gaps, dismantling barriers, and ensuring that the benefits of economic development are accessible to all.

Ladies and gentlemen, the CBSI CBDC will be called the **Bokolo Cash**, it is Solomon Islands currency issued digitally or virtually. It will be generated, tokenized, and issued by the Central Bank virtually.

Once proven successful, it will be issued parallel with the issuance of the physical cash. It will therefore, add to currency in circulation and the money supply. Customers will receive their digital currency in the form of a token from the commercial banks, just like you have an account with the banks. You can then use that digital money to pay for goods and services using the app, **Bokolo Cash**. That becomes your e-wallet.

Down the line, we want to reduce the use of physical cash as it is very expensive to print the notes and coins.

As we embrace the opportunities presented by the Fintechs, let alone the digital currency, we are also aware of the risks involved, the legislation requirements, and the governance issues required.

That said, we remain steadfast in our commitment to safeguarding privacy, maintaining data security, and upholding the highest standards of integrity. These principles are paramount to financial stability, building trust in our financial system and ensuring the sustainable success of this initiative.

This pilot phase will provide us direction on the feasibility and whether or not to continue and how to approach it going forward.

As we embark on this journey, we recognize that the future success of the CBDC depends on a collective effort. We would therefore invite active participation, feedback, and collaboration from stakeholders including the government, financial institutions, businesses, the IMF, and the public at large. This inclusive approach ensures that the CBDC system we adopt "fit for purpose" and aligns with the unique needs and aspirations of our society.

Ladies and gentlemen, we do also recognize that CBDC is not a panacea to address all our challenges to accessing financial services, but it is an additional medium to better the lives of our people. The success of this

to reach the last mile will depend on the connectivity of the telecommunications and other critical infrastructures. It is hoped that the additional towers currently under construction will support this initiative.

In closing, let me once again, extend my sincere appreciation to our partners at Soramitsu and the Japanese Government for their support and collaboration in making this ground breaking project a reality. This partnership exemplifies the spirit of international cooperation and highlights the shared commitment to leveraging financial technology for the betterment of our people.

Thank you.