

Blockchain as a solution to Africa's challenges

By [Katy Mcalfe](#)

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Africa is rising and technology is at the forefront of growth on the continent. "We have seen the explosion of the mobile space in the continent and how it has allowed a number of services and solutions to become easier. Blockchain is about to help solve a number of issues we are currently facing in the public and private sector," says John Kamara, director for Global Gaming Africa.



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"Pockets of blockchain innovation are fast springing up in innovation hubs across Africa, as the public and private sector alike seek effective new systems of record with trust embedded."

With Kenya, Nigeria, Uganda and South Africa among the countries taking the lead in blockchain experimentation, the financial sector looks set to be the continent's earliest big adopter. However, development and trials are also underway to apply blockchain technology to virtually every industry sector – from health and social development to retail and agriculture. Governments are exploring ways of using blockchain to aid corruption across multiple verticals and also to push value to service sectors," he says.

"From my perspective Africa is looking at blockchain as a solution to solve some of the multiple problems we have, as we pioneer digital payment technologies in Africa as well.

"As we move into the African future in technology blockchain represents a perfect decentralised and incorruptible 'truth engine' that cannot be hacked growth for payment, SME trade and a number of identity management and transactional problems we have in Africa."

Developing a framework

Nairobi and South Africa have implemented crypto-friendly laws and Kenya's president, Uhuru Kenyatta, has launched a blockchain and artificial intelligence task force and other countries are expected to follow suit.

“Some momentum has been gathered around the use of blockchain in Africa so far and throughout 2018. But what could be unusual is the role that governments and public sector organisations could play in raising its profile further. Typically, the development and application of emerging technologies is championed by the private sector before the public sector tends to take notice. Given that the potential use cases for blockchain align so closely with many public services, this is a technology where the public sector cannot afford to be sat in the passenger seat,” says Kamara.

“For example the Blockchain Association of Uganda was established earlier this year to create a credible vehicle for driving standards for blockchain across industries in Uganda. The membership organisation also aims to make blockchain-related resources available to government and public-sector consumers.

The risk of crypto asset crime

“Bitcoin’s wild skyrocket last year may well have turned the world’s interest on to cryptocurrencies, but in Africa we still have a long way to go before they will be considered legal tender, and as such are not of major interest. Governments are still struggling with how to manage crypto space and this is affecting the conversation around blockchain. Any decision to buy into a new cryptocurrency would be guided by the same criteria as other investment decisions, with a focus on avoiding the cloud created by the crypto buzz,” he says.

African cryptocurrency exchanges – allowing people to trade various digital currencies against African currencies – may present a more valuable prospect in the short term, but overall, he leans away from the crypto proposition in favour of blockchain solutions. These, he says, will be far more attractive investment opportunities: It will not be as straight forward as it may sound.

A lot of African banks and government run when they hear the word crypto because of the effect they feel it will have on the economy and also loss of control. Issues around tax evasion are real and have to be discussed with clarity for us to find a way forward.

Utilising blockchain needs guidance and clarity. It’s also a huge educational opportunity for various private sector companies to create a whole new revenue and income stream. Africa is the land of milk and honey at the moment and blockchain is another form of milk that is going to become huge. Some interesting things happening in blockchain in Africa:

- ITEX, one of the top payment solutions in Africa and specifically, Nigeria (over 14 years old), has exposure in over 23 countries throughout Africa and is currently working on an integrated Pan-African settlement platform on the blockchain.
- Paxful has announced plans to establish a blockchain incubator hub in Lagos, Nigeria, as well as to run Blockchain and cryptocurrency events in Nigeria, Ghana and Cameroon.
- AID:Tech and PharmAccess are harnessing AID:Tech’s blockchain platform to collect and verify digital health data to make antenatal care more effective in Tanzania.
- Kenyan real estate firm, Land Layby Group, plans to use blockchain to store land registry records, eliminating the existing real estate challenges of fraud, double ownership and false documents.
- Kenyan startup, Nurse in Hand, has signed a MoU with Apla Tech Company to build a blockchain-based accident and emergency response platform.
- Blockchain start-up TariLabs has launched in South Africa, with the aim of building the open source Tari blockchain

protocol. The protocol is being constructed as a platform for the management, trade and use of digital assets, and will be merge-mined with the Monero blockchain.

- The South African Reserve Bank (Sarb) ran the Project Khokha proof of concept trialling a distributed ledger technology-based wholesale payment system in a 'real world' environment. It reported that the typical daily volume of the payments system could be processed in less than two hours with full confidentiality of transactions and settlement.
- Jamborow, the pan-African B2B platform for financial inclusion in Africa is also building a blockchain solution to help secure data, transactional information and identity management for its clients in Africa.

These developments prove that the private sector and governments are taking blockchain seriously in the continent. The proof is in the drive of our private companies to explore and deploy funds into blockchain research as well as projects.

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