Mobile Money for the Unbanked

# Leadership Forum 2014

## BUILDING SOUND AND INCLUSIVE FINANCIAL ECOSYSTEMS THROUGH MOBILE MONEY

Friday 7 November 2014, 09:00–16:15
Adriatic 3-6, Level 1, The Clock Tower, Pavilion Conference Centre – V&A Waterfront
Cape Town, South Africa – Invitation Only

| Time | Session |
|---|---|
| 08:30 | Tea & coffee on arrival |
| 09:00 | Welcome and opening remarks |

- Tom Phillips, Chief Government & Regulatory Affairs Officer, GSMA

### Session 1: Digital financial inclusion: A look into the future

The mobile money industry has grown significantly in the last decade, with over 250 mobile money providers serving more than 100 million active customers in 88 countries. In several markets, mobile money has reached scale and become the primary infrastructure for sending and receiving payments. Interoperability, mobile based corridors for international remittances, and collaboration between stakeholders to bring savings, credit and insurance products to the unbanked is contributing to full digital financial inclusion and creating greater economic and social impact. The launch of new products by over-the-top players and the availability of new technologies have the potential to accelerate it even more. How will the digital financial ecosystem evolve, and how can policymakers create an environment that fosters innovation, competition, and widespread adoption of sound and responsible business practices?

- Jason Lamb, Deputy Director, Financial Services for the Poor, Bill & Melinda Gates Foundation
- Massimo Cirasino, Head, Payment System Development Group, World Bank, and co-Chair, Payment Aspects of Financial Inclusion Task Force
- Gregory Reeve, Chief Operations Officer, Mobile Financial Services, Millicom
- Moderator: Simone di Castri, Regulatory Director, Mobile Money, GSMA

### 10:00 Session 2: Implementing interoperability

For mobile money to scale successfully as a digital payment solution, it needs to be as ubiquitous as cash or, in some markets, card schemes. To expand the mobile money ecosystem, the industry must enable transfers beyond a single operator scheme to allow customers to send transfers between wallets on different schemes and between wallets and banks. What have market participants achieved to date, and what steps need to be taken to reach full wallet-to-wallet and wallet-to-bank interoperability?

- Generose Tabaro, Manager, Oversight and Policy, Bank of Tanzania
- Andrew Hodgson, Chief Financial Officer, Tigo Tanzania (Millicom)
- Roar Bjaerum, Head of Easypaisa, Telenor, and Chair, GSMA Mobile Money Interoperability Programme Leadership Group
- Moderator: Ahmed Dermish, Director of Regulation & Policy Practice, Bankable Frontiers Associates

11:00 Coffee break

### 11:30 Session 3: Leveraging mobile wallets for international remittances

As mobile money usage grows, there is increasing customer demand to use mobile wallets to send and receive funds across borders. This session will examine recently-launched and planned mobile services for cross-border payments (both remittances and payment for goods); explore the key regulatory issues in countries where cross-border mobile services have been launched or will soon be launched; and consider the regulatory challenges that need to be addressed to expand mobile-enabled cross-border payments.

- Jacques Brun, Payment & Contactless Project Manager, Orange
- Serigne Dioum, Head of Mobile Financial Services, MTN
- Moderator: Christine Groeger, Assistant Director, Private Sector Development, Department of Foreign Affairs and Trade

### Session 4: Enabling credit through the digital finance ecosystem

In August 2014, there were approximately 29 live mobile credit services offered globally and the number is growing. This expansion of the digital financial ecosystem has been driven by innovative partnerships that leverage the mobile payments infrastructure (especially MNO data) to determine credit worthiness, and distribution networks to disburse and collect funds. This session will identify key questions and opportunities for regulators and industry players enabling new credit services by exploring existing partnerships between MNOs, banks, microfinance institutions, and specialised data analytics firms.

- Alvin Okari, Senior Manager, M-PESA Product Development, Safaricom
- Moderator: Michel Hanouch, Technology and Business Model Innovation, CGAP Alvin Okari, Senior Manager, M-PESA Product Development, Safaricom

| 12:15 | Session 5: The migration from OTC to mobile money wallets | Session 6: The payment of interest |
|---|---|---|
| | As mobile money transactions continue to grow, one of the main challenges facing providers in some markets is migrating over-the-counter (OTC) users to mobile money wallets to improve the viability of their services. From the policymaker's perspective, this migration is also important because wallets, more than OTC, pave the way for financial inclusion and building a digital financial ecosystem. This session will examine how regulation helps or hinders the migration of OTC customers to wallets, and how providers can drive wallet usage effectively.<br>▪ Yahya Khan, Chief Financial Services Officer & Head of Easypaisa, Telenor Pakistan<br>▪ Subhanar Saha, Executive Director, Central Bank of Bangladesh<br>▪ Moderator: Greg Chen, Senior Financial Sector Specialist, CGAP | In many markets, regulators have treated mobile money as unique payments products (distinct from banking and other deposit-taking products) that are exempt from paying interest to customers. In February 2014, the Bank of Tanzania issued a circular stating that interest accrued on trust accounts should directly benefit mobile money customers. Seven months later, Tigo announced the Bank of Tanzania had approved the distribution of profits accumulated on the Tigo Pesa Trust Account to millions of users, making it the first mobile operator in the world to share its trust account profit directly with its customers. This session will discuss this market evolution, as well as the policy and regulatory considerations for permitting these payment.<br>▪ Andrew Hodgson, Chief Financial Officer, Tigo Tanzania (Millicom)<br>▪ Moderator: Tillman Bruett, Manager, Mobile Money for the Poor, UN Capital Development Fund |
| 13:00 | Lunch | |
| 14:00 | Session 7: Risk mitigation | |
| | Mobile money providers recognize that a robust risk management strategy is an essential pillar to build trust with customers and, by extension, a sustainable business. Therefore, providers have invested dedicated resources to identify, assess and control the critical risks associated with mobile money. While factors such as stage of development and market context impact the relevance of specific controls, this session will explore both the critical risks associated with mobile money and discuss some of the methodologies providers employ to mitigating these risks, also discussing what new risks emerge as mobile money moves from closed-loop deployments to interoperable, open-loop ecosystems.<br>▪ Mads Gilde, Financial Services Compliance Officer, Telenor<br>▪ Felix Kamenga, Managing Executive Vodacom Business & Product Management, Vodacom DRC<br>▪ Johan Taute, Manager Financial Services and Security, Vodacom South Africa<br>▪ Moderator: Sergio de Sousa, Deputy Director Policy, Research and Oversight, Bank of Namibia | |
| 15:00 | Coffee break | |
| 15:15 | Session 8: Ghana's new e-money regulation opens the door to non-banks | |
| | The Bank of Ghana recently approved a new regulation for electronic money issuers that enables non-banks to provide mobile money services. Previously, only a bank-based branchless banking scheme was allowed and interoperability was mandated. This session reviews the key features of the new regulation and reveals why Ghana changed its approach.<br>▪ Clarence Blay, Manager, Payment System Policy, Bank of Ghana<br>▪ Moderator: Greta Bull, Principal Operations Officer, IFC | |
| 15:45 | Session 9: Building sound and inclusive financial ecosystems though mobile money: The way forward | |
| | How can mobile money be integrated into the everyday life of the customer? How can mobile money providers and policymakers accelerate digital financial inclusion and the development of the digital ecosystem? This final session will review the lessons from the previous panels and chart the way forward for different market players.<br>▪ Nathan Naidoo, Senior Manager, Policy and Regulation, Vodafone Enterprise, Vodafone<br>▪ Moderator: Simone di Castri, Regulatory Director, Mobile Money, GSMA | |
| 16:15 | Conclusion of the forum | |