



## *A Joint infoDev and CGAP Workshop*

# Expanding Financial Services to the Poor: The Role of ICT

June 9, 2006

*IFC Headquarters (Room L-103), 2121 Pennsylvania Ave, NW, Washington, DC 20433*

### **Objective & Agenda**

The proliferation of Information and Communication Technologies (ICT), such as mobile phones and point-of-sale (POS) devices in developing countries has the potential to bring a wide range of financial services to an entirely new customer base. In many developing countries, particularly in rural areas, access to financial services is limited. A large proportion of the population are excluded from formal banking systems and make payments entirely using cash, which is far less secure and flexible than electronic payment mechanisms. However, in the Philippines, 3.5 million people are using a service that allows them to transfer money, both nationally and internationally, over the two major mobile networks operated by SMART Communications and Globe Telecom. In Brazil, large banks use POS terminals at retail outlets across the country to deliver bill payments, savings, credit, insurance, and money transfer products to nearly 10 million previously unbanked customers.

The joint CGAP and *infoDev* workshop on “Expanding Financial Services to the Poor: The Role of ICT”, aims to present how these emerging delivery channels are deployed, including the various business models and technologies. In addition, the workshop will highlight the key impediments to expanding these services and will open a discussion about how the development community can address some of these impediments.

### **9:00-9:30 Welcoming Remarks**

*Frame the key issues for participants – i.e. the key determinants of how ICT will be used for financial services in a way that yields access for all. Focus on: (i) customer adoption issues, (ii) know-how issues, (iii) institutional readiness, and (iv) getting regulation right.*

- Mohsen Khalil, Director, Global ICT Department, World Bank Group

### **9:30-10:45 Panel Discussion: Experiences from the Field & Implications for Replication – Case Studies**

*Due to the perception that providing financial services to poor people is unprofitable, only a handful of banks (most in competitive markets) seek low-cost delivery channels to serve the poor and excluded. In contrast, a few telecom companies are beginning to see the poor as a market. What do we know about profitability of ICT channels for banks and Telcos? A full picture of sustainability goes beyond the channel operator to include merchants and other retail outlets that act as agents of the operator. Are ICT banking channels an attractive proposition for them? Are these channels sustainable for all business models?*

- Moderator: Kerry McNamara, Knowledge Coordinator, *infoDev*
  - Philippine Case Study
    - Neville Wishart, Consultant
  - Brazil Case Study

- Terry Gallagher, Director, IETS
- WIZZIT (South Africa)
  - Brian Richardson, CEO, WIZZIT

**10:45-11:00 Coffee Break**

**11:00-12:15 Panel Discussion: Impediments to Replicating or Developing Similar Services in Other Developing Countries – Policy & Regulatory Challenges**

*In many countries, policy makers are beginning to consider the regulatory changes required to take advantage of ICT channels to improve access to finance, while mitigating risk. What issues should be considered by policy makers? And what are the different approaches they can pursue in fostering the development of ICT banking with appropriate risk controls?*

- Moderator: Gautam Ivatury, Microfinance Specialist, CGAP
  - Experience in Sub-Saharan Africa
    - David Porteous, Bankable Frontier Associates
  - Banking Regulation in Kenya
    - Stephen Mwaura Nduati, Payments Systems, Central Bank of Kenya
  - Telecom Regulation
    - Bill Kerr-Smith, Principal Industry Specialist, IFC

**12:15-1:30 Panel Discussion: Looking Forward: Unlocking the Potential of Expanding Financial Services and ICT**

*Presentation of ongoing and new initiatives by CGAP and infoDev, and open discussion of other critical activities.*

- Moderator: David Woolnough, ICD Team, DfID
- Presentation of key issues
  - David Porteous, Bankable Frontier Associates
- Panel Discussion of these initiatives and other critical initiatives
  - Bengt Oberger, Senior ICT Advisor, SIDA
  - Nhu-An Tran, Micro-Enterprise Development, USAID
  - Romeo Bertolini, BMZ
  - Gautam Ivatury, CGAP
  - Seth Ayers, infoDev