

OFFICIAL REPORT

African Conference on Remittances and Postal Networks



4-5 March 2015 – Cape Town, South Africa



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Acronyms

APFSI	African Postal Financial Services Initiative
ATM	Automated Teller Machine
AU	African Union
CENFRI	Centre for Financial Regulation and Inclusion
EC	European Commission
EU	European Union
FFR	Financing Facility for Remittances
ICT	Information and Communications Technology
IFAD	International Fund for Agricultural Development
IFS	International Financial System
MAP	Making Access Possible
MFI	Micro Finance Institution
MNO	Mobile Network Operator
MTO	Money Transfer Operator
PAPU	Pan-African Postal Union
PPPP	Public, Private and People Partnership
RNP	Regie Nationale de Poste du Burundi
SADC	South African Development Community
SME	Small and Medium Enterprise
UAE	United Arab Emirates
UNCDF	United Nations Capital Development Fund
UPU	Universal Postal Union
TNS RMS	Taylor Nelson Sofres
TPC	Tanzania Postal Corporation
WSBI	World Savings Banks Institute

Introduction

As remittances to and within Africa surpass the US\$60 billion threshold and continue to grow rapidly, their importance has rightfully started to attract global attention. Despite the magnitude of the remittance market in Africa and its subsequent development impact, many factors such as high transaction costs, restricted rural payment networks, limited competition, and problematic regulatory environments prevent these financial flows from reaching their full development potential. Post offices are often well placed to deliver remittances, especially in rural areas, but they frequently lack the business model, technology and expertise to process real-time payments in an efficient and safe manner. Therefore, this conference serves as a much-needed platform to share knowledge, address challenges, and explore the opportunities for improving the provision of remittance and financial services through postal networks.

The conference was organized in the framework of the African Postal Financial Services Initiative, a joint regional programme launched by IFAD's Financing Facility for Remittances (FFR) in collaboration with the World Bank, the Universal Postal Union (UPU), the World Savings Banks Institute (WSBI) and the United Nations Capital Development Fund (UNCDF), and cofinanced by the European Union. This unique partnership aims to enhance competition in the African remittance market by promoting, supporting and enabling post offices in Africa to offer remittance and financial services and to foster dialogue between stakeholders, regulators and policymakers.

The conference covered key topics such as developments in the remittance environment, market positioning of postal operators, experiences on the ground, linking remittances with financial inclusion, innovative technologies for financial inclusion, and the legal and institutional environment surrounding post offices and remittances. The conference also focused on the pilot projects currently under implementation in Benin, Ghana, Madagascar and Senegal, in order to share best practices and discuss ways to expand and scale up the pilots to other countries. Ultimately, the conference presented the opportunity to contribute to and leverage the unprecedented momentum generated by one of the most prominent and powerful financial and development forces of today: remittances.



Welcoming reception

4 March Session I | Welcoming remarks



Pedro de Vasconcelos, Programme Manager, Financing Facility for Remittances (FFR), International Fund for Agricultural Development

(IFAD) opened the conference by thanking those who had made the long journey to Cape Town. He highlighted the importance of migration and remittances to IFAD's work, which is focused on promoting rural development, and the impact on developing when 30 million people are sending over US\$60 million in remittances to the region. He then went on to describe the agenda of the conference and the importance of identifying the next steps to maximize the potential impact of remittances on families, communities and countries.



Sofia Moreira de Sousa, Deputy Head of Delegation, European Union Delegation to South Africa

underscored the commitment of the European Union to the issue of remittances. The figures alone give more than enough reason to dedicate time to improving remittance flows to poorer as well as richer countries. The question is how we can work together to develop systems that allow for a more efficient distribution and function of remittances, especially since there has been an upward trend in migratory flows. The European Union has been looking at the research and policy debate aspects of remittances with respect to poverty reduction and economic growth, since

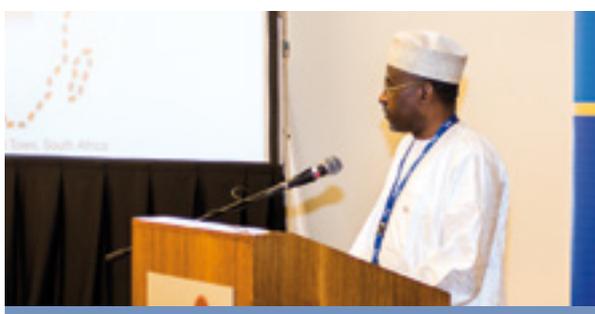
remittances are the second-largest flow to developing countries but are also negatively impacted by many factors, including high transaction costs, restricted rural payment networks, limited competition and problematic regulatory environments. Entrepreneurs are beginning to see opportunities to improve these mechanisms. For example, in Africa, a start-up company called Mama Money was launched this year as the first purely homegrown South African company to be licensed by the South African Reserve Bank as an Authorized Dealer with Limited Authority.

She then explained that about 2 million Zimbabweans are working in South Africa, which is one of the most expensive countries in the world to send low-value remittances. One of the key global challenges is to ensure a balanced approach to regulation in this sector, with common standards and regulations throughout the continent and worldwide. Non-official channels are not the objective because of exploitation and lack of guarantees. She emphasized that the European Union and European Commission stand behind the G20 commitment to reduce the cost of sending remittances from 10 per cent to 5 per cent by 2014, adding that postal networks represent a non-traditional channel with high potential. However, they often have weak operational capabilities and are not always present where they need to be. These are some of the issues that will require discussion.



Irina Astrakhan, Practice Manager, Finance and Markets, Africa Region, the World Bank, explained that for over a decade the World Bank has been one of the leading voices on the topic of migrant remittances, having played an important role in unveiling to the community the actual size of these flows. She added

that official figures often underestimate the magnitude of remittances, also due to the relevance of unofficial channels for transferring money across borders. The G8 in 2009 and G20 in 2011 committed to reduce the cost of sending remittances from 10 per cent to 5 per cent by 2014. However, this objective has not been achieved. The global average is still 7.9 per cent as of the first quarter 2015. At the same time, the reduction achieved in the past five years has already allowed migrants to save US\$60 billion globally. The World Bank continues to monitor these targets and has assessed the market for remittances in over 10 countries in Africa. Three more countries will be assessed in the coming months. The assessments have highlighted a number of areas for improvement, including: implementing legal and regulatory reforms to open the market to more competition; removing obstacles to allow remittance service providers to expand their networks; and strengthening the payment system infrastructure and ensuring it is properly leveraged for the delivery of remittances. In this regard, postal operators have an extensive network in place and can make the difference in reaching the underserved. The remittances market is developing very quickly, with new players emerging, and this creates a competitive environment for postal operators, who must keep the pace and be the front runners. The African Postal Financial Services Initiative (APFSI) is an excellent opportunity for them and the World Bank is glad to be a partner of the APFSI.



Younouss Djibrine, General Secretary, Pan-African Postal Union (PAPU), reminded the audience that the transfer of remittances is a burning matter, especially in rural Africa, and that remittances have been in existence in the French-speaking countries for a very long time, although the regimes have always incorporated services



other than postal services. As a result of certain reforms imposed decades ago, transfer systems need to be updated. Africa has more than 23,000 post offices connected to the worldwide network of post offices. However, the networks do not reach everyone, and sometimes it takes far too long to reach post offices as well as to receive the services they provide. In this regard, the conference could not have come at a better time if progress is to be made – in terms of additional networks and services, electrification, upgraded infrastructure and connectivity, and improvement in services. In this way, post offices can become catalysts of social and economic development.

In order to address these issues, the African postal services and the African Union have introduced major projects into their 2013-2016 action plan. One project that focuses on electrification and connectivity is in a pilot phase in 10 countries, with an eleventh country (Tanzania) to join soon. A study associated with the pilot revealed that in the 10 pilot countries, there are 2,800 operational post offices without electrification and 30 per cent are not connected to the Internet. However, to make the strides necessary, broad collaboration and financial support are essential if we are to effectively reach the 85 per cent of the African population that lives in rural areas without banks and needs services to deposit and receive money.

4 March Session II | Sending money home to Africa via the post office

Session II consisted of three topics, for which presentations were given. The topics were:

- Remittance market in Africa: Opportunities and challenges
- Linking remittances and financial inclusion: Postal solutions
- Postal networks in Africa: Lessons learned and opportunities

Remittance market in Africa: Opportunities and challenges

Pedro De Vasconcelos gave a presentation entitled “Remittance market in Africa: Opportunities and challenges. IFAD’s strategic approaches and operational considerations.” He began with some statistics, among them:

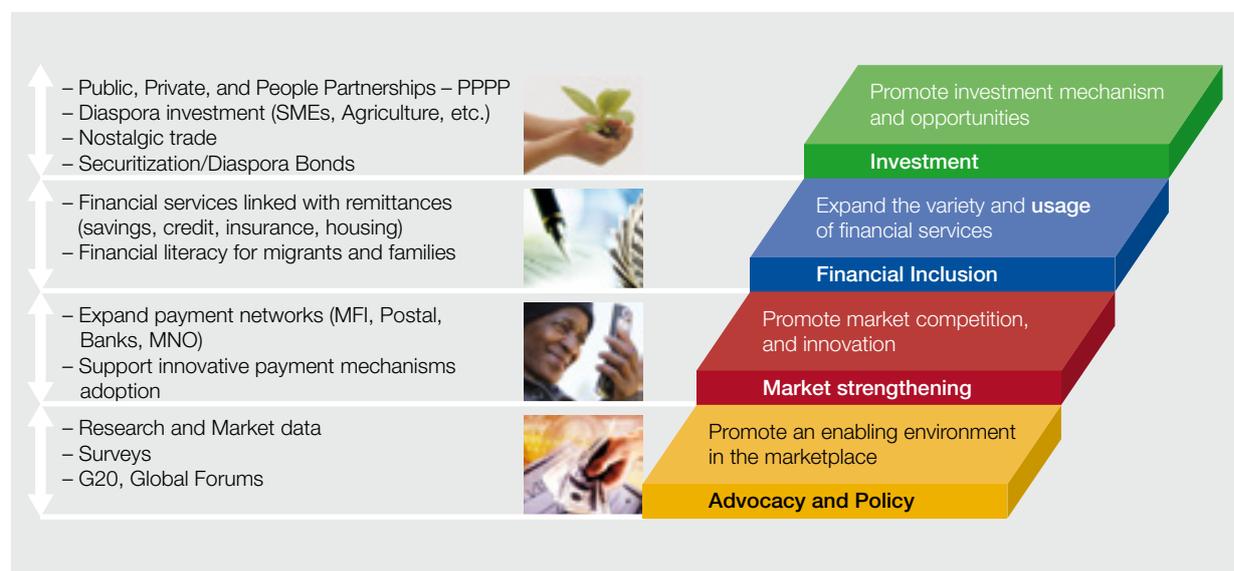
- US\$440 billion in remittances were sent in 2013
- US\$37 billion were spent on transferring remittances
- US\$200 is the amount of the most standard transaction
- 1.5 billion financial transactions take place each year
- Incoming remittances represent over 5 per cent of the gross domestic product in 12 countries in Africa

Most notably, 40 per cent of flows go to rural areas, which is equal to four times the official development assistance to agriculture. He also highlighted that the cost of sending money to and within Africa is the highest in the world, especially in rural areas, where the cost can range from 12 per cent to as high as more than 20 per cent.

The opportunities for IFAD lie in three main areas: strengthening the remittance rural market; promoting financial inclusion in rural areas; and creating a more conducive environment for productive investment of savings and remittances in rural areas. A four-step operational approach is needed to achieve scale, as diagrammed below.

He then spoke about the African Postal Financial Services Initiative (APFSI), which is supporting the African postal networks to compete in delivering money in the last mile. The initiative is a broad-based partnership between IFAD, the World Bank, the United Nations Capital Development Fund (UNCDF), the Universal Postal Union (UPU) and the World Savings Banks Institute (WSBI), and is cofinanced by the European Union. The objectives of the initiative are to reduce the cost of remittances to and within the African

Remittances and development opportunities. A stepped operational approach to achieve scale



continent; reduce transaction times of remittances to and within Africa; broaden the network of rural location through which remittances can be picked up; and deepen the range of financial services provided in rural areas. To achieve these objectives, APFSI has conducted an analysis of the volume of remittances, average costs, main actors, main corridors, legal framework, financial sector development and other key indicators. A survey was also conducted on the role of postal networks in the remittances market. Based on the findings of the analysis and survey, a strategic diagnosis was prepared, as well as a detailed blueprint for action, which includes concrete support to postal operators through the following types of technical assistance:

- Analysis of institutional and regulatory settings
- Analysis of the presence of post offices in rural areas
- Organization, business and commercial management
- Development of financial services
- Training of staff
- Provision of technology, equipment and connectivity.

Resources are being mobilized to continue providing these services.



Marco Nicoli, Payment Systems and Remittances Specialist, the World Bank, gave a presentation on “Global remittance trends and the role of African postal operators.” He reiterated that remittance prices are important because the cost of sending remittances is an indicator of the safety and efficiency of the market for international remittances. In addition, lower costs would mean more money in the hands of migrant workers and their families. The availability of safe, efficient, reliable, accessible and cost-efficient services would also reduce flows through unregulated channels.

He mentioned that the global average cost of sending US\$200 in the first quarter of 2015 was 7.99 per cent, a significant reduction from one year ago, when it was 8.58 per cent. However, sub-Saharan Africa is the most expensive region and has not been showing enough improvement over the past five years. He also mentioned that post offices have consistently been the least expensive provider since 2013 and currently stand at 5.06 per cent, while data show that more could be done by them in terms of transparency (namely, informing customers about exchange rates).

In 2007, the Bank for International Settlements and the World Bank published the General Principles for international remittance services, which apply at both the sending and receiving ends:

- **GP1.** The market for remittances should be transparent and have adequate consumer protection.
- **GP2.** Improvements to payment system infrastructure that have the potential to increase the efficiency of remittance services should be encouraged.
- **GP3.** Remittance services should be supported by a sound, predictable, non-discriminatory and proportionate legal and regulatory framework.
- **GP4.** Competitive market conditions, including appropriate access to domestic payment infrastructure, should be fostered.
- **GP5.** Remittance services should be supported by appropriate governance and risk management practices.
- **Roles.** Remittance service providers should participate actively in the implementation of the General Principles. Public authorities should evaluate what action to take to achieve the public policy objectives through Implementation of the General Principles.

Post offices, as providers of remittance services, can also contribute to the implementation of the General Principles, for example by providing better information to customers on both sides of the transaction, improving customer service and handling of complaints, leveraging the existing payment systems infrastructure, valuing the potential of their network, becoming more competitive, and improving governance, compliance and risk management.

Linking remittances and financial inclusion: Postal solutions



Ian A. Radcliffe, Director, WSBI, gave a presentation entitled “Linking remittances and financial inclusion.” He began by speaking about this linkage from the perspective of the policymakers. For them:

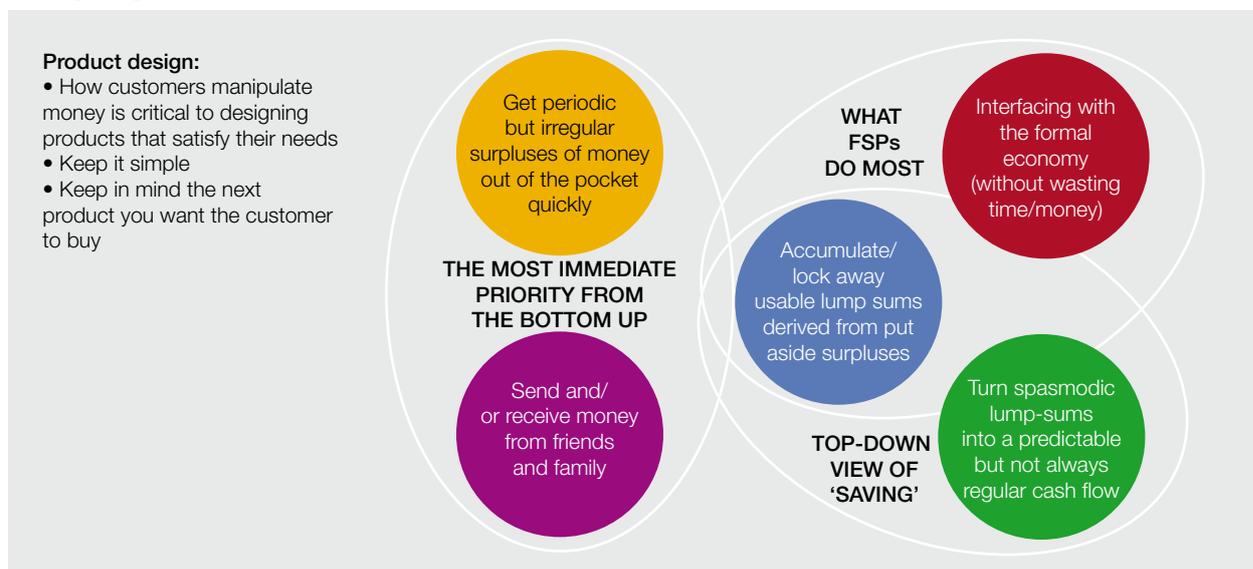
- Financial inclusion brings material economic and societal benefits.
- Receiving international remittances increases the probability that households will open bank accounts.
- Remittance flows represent a significant amount of money and continue to increase.

From the perspective of financial service providers:

- Mobile money is a threat to main revenue streams.
- Remittances provide a first opportunity to enter the digital/mobile banking world (to remain competitive, to sell a second/third product).

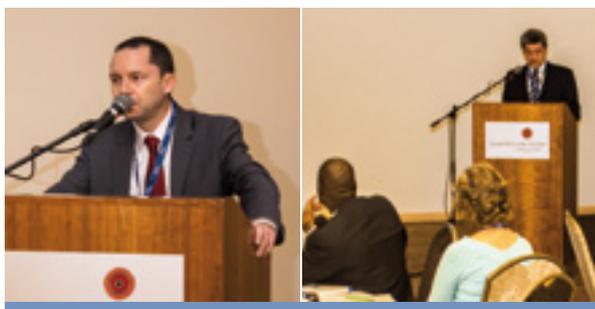
He also spoke about the ‘perfect’ storm that is raging, in which the world is poised to achieve rapid breakthroughs in financial inclusion because: incomes are rising at the base of the pyramid; policymakers are prioritizing financial inclusion; technology is reducing delivery costs and expanding reach; and the opportunities are attracting providers to innovation and new entry. At the same time financial service providers are facing irresistible forces for change, including: adapting to regulatory change and compliance; addressing a legacy of underperforming assets and misaligned cost structures; changing cultures and behaviours of organizations; and investing in customer service and operational innovation. The big question is whether postal networks are in good shape to weather the storm, and benefit from it. They face challenging times in terms of a rapidly changing environment and competitive pressures.

Designing a ‘smart’ business case



He emphasized the importance of 'customer centricity', i.e. winning customer loyalty by providing value through financial solutions that are based on a deep understanding of customer needs, preferences and behaviours, and putting their needs and aspirations at the centre of business strategies and decision-making. Adapting to this imperative calls for a radical overhaul of culture and organizations. It is also essential to design and implement feasible business cases, recognizing that the quick-wins are in urban or peri-urban areas; but beyond that, a tie-up with mobile money is most likely needed. In this regard, post office networks will need to revisit their branches, opening hours and average age of staff, as well as gain a deeper understanding of the role for mobile operations in expanding geographical reach. Effective financial education programmes will also play a key role, since there is clear evidence of the link between financial knowledge and achieving good financial outcomes.

Postal networks in Africa: Lessons learned and opportunities



David Avsec, Deputy Director of the Postal Technology Centre, Universal Postal Union (UPU), and Alexandre Rodrigues, Programme Manager, Postal Financial Services, UPU, gave a joint presentation on the lessons learned regarding postal networks in Africa.

After giving a brief description of the UPU, its vision and strategy, they described several projects being implemented with the cooperation of international donors. One joint UPU-IFAD project in the West Africa region was implemented in cooperation with France's La Poste from 2008 to 2010. The project targeted six countries

– Benin, Burkina Faso, Mali, Mauritania, the Niger and Senegal – where 355 post offices were connected to the UPU's worldwide electronic postal payment network. In addition, equipment was purchased, installed and tested in rural post offices, including the creation of electronic remittance services. In this regard, secure postal procedures were implemented in rural areas for the payment of money orders, and accounting and cash management procedures were set up. The results included the opening of 17 corridors, an increase in traffic from 2009 to 2010 of over 100 per cent, and a reduction in tariffs from 30 per cent to 50 per cent. Moreover, residents of the project area can now receive and send money without having to travel to remote large towns.

They also described project developments in partnership with Planet Finance and involving postal operators in Burkina Faso, Cameroon, Côte d'Ivoire and Mali. The initiative began in 2013 and seeks to offer migrants a safe, reliable, affordable and accessible solution for transferring money, using the UPU – International Financial System (IFS) for the exchange of the postal payments "*Mandat Express International*," and offering simple financial products. In addition, postal networks in rural areas are sensitizing both senders and recipients of remittances to the importance of savings and basic financial mechanisms.

Online services that appear as critical to rural populations include: post code database, postal address validation, global track and trace, postal export guide, global repository of postal eShops, inquiries and claims. Key financial services should include: domestic and international money transfers, eCommerce payment, pre-payment, escrow services, clearing and settlement. All of these components are part of the UPU IT Framework for Postal eCommerce.

An important goal is for the postal hub to link the UPU – IFS with other payment networks (e.g. money transfer operators), mobile payment networks, and banking and card payment networks. In the post office, this would mean a single window to process any payment via the IFS, thus simplifying operations for better efficiency and higher quality.

4 March Session III | Postal networks in the marketplace of remittances

What customers want: Realities on the ground

This session consisted of a presentation of the key findings of a baseline survey conducted on the use of rural post offices for remittances in Africa. The presentation was followed by another presentation on the Making Access Possible Programme (MAP). A panel discussion concluded this session.

The baseline survey was commissioned by IFAD FFR in the context of the APFSI and was undertaken in 11 African countries. The survey commenced in the four selected countries receiving direct technical assistance: Benin, Ghana, Madagascar and Senegal. It was subsequently extended to seven other countries, eligible to receive technical assistance in the next two years: Burundi, Egypt, Ethiopia, Kenya, Uganda, Zambia and Zimbabwe. The objective of the survey was to measure the demand-side perspective (awareness, knowledge, needs, behaviour and perceptions) about receiving and sending money via postal networks and their financial practices.



Ndeye Diagne, Managing Director for Senegal, Ivory Coast, Taylor Nelson Sofres (TNS RMS), gave a presentation entitled “What customers want: Key learning across the continent.” She began by stating the most important feedback from the survey participants: Get the money (availability of a payout outlet), get it fast (proximity and short processing time) and get it in full (availability of cash at the payout outlet). She then went on to describe the situation of access to rural financial service in Africa. There is a strong savings culture, through both financial institutions and non-financial savings (e.g. cattle). Mobile money accounts are very popular in East Africa, and remittances are the most commonly used element through Africa, except in Madagascar. Therefore, it makes sense to take remittances as the starting point, since they have such large usage levels. The vast

Enabling rural Africa to access a broader range of financial services seems achievable through the postal network in the majority of countries investigated



majority of remittance transactions in rural Africa are domestic rather than international in nature, but the countries that have higher amounts of remittances are those that have higher levels of international remittances. Most of the money is spent for day-to-day expenses, and the average amount sent per month is less than US\$100, with some exceptions, with average frequency being monthly.

With respect to the most important feedback (cited above), consumers have issues with each factor: payout outlets are far away, procedures for conducting transactions are long and time-consuming, and the cash is not always available. It is clear that improving the customer experience is not optional. There are consumer frustrations that need urgent attention on the part of post offices, since the main reason for visiting post offices relate to remittances. Survey participants believe that the post office is a reliable institution to offer broader financial services to rural populations in Africa, including domestic and international remittances. This is a strong basis on which to build.

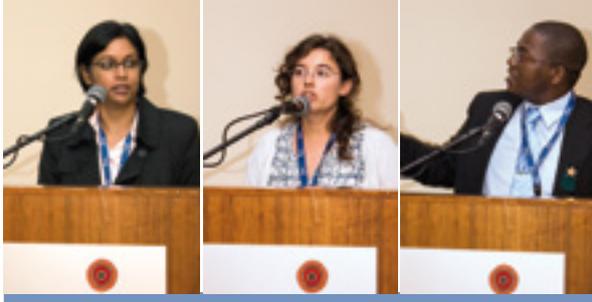
Overall, increasing the post office service quality, at a lower cost, would help in two ways: to assist consolidation of the current customer base; and to

introduce complementary or added-value services. In this regard, there are a number of recommendations:

- **Enable a broad technology-based offer.** The African postal network needs to catch up with advancing technology by renewing/upgrading facilities (e.g. computer access, websites, mobile) and through training and capacity-building programmes for staff.
- **Offer value-added services.** New infrastructures and improved technological services should address issues related to system reliability, which would result in much-needed improvements in efficiency and increased competitive advantage.
- **Convey a more modern image.** The postal networks will need to increase awareness among the rural population about the existence of financial services available. This can be done through mass communication (e.g. TV and radio spots), outreach campaigns (e.g. in-home visits, brochures, screens in waiting rooms) and by creating professional marketing strategies.
- **Integrate market research as a long-term systematic tool.** Ongoing monitoring and assessment at the local level needs to build a deep understanding of client behaviours, needs and preferences in order to develop appropriate products and services.



From left to right: Abel Motsomi (FINSCOPE), Mia Thom (CENFRI), Kameshnee Naidoo (UNCDF), Ian Radcliffe (WSBI), Frédéric Ponsot (IFAD), Ndeye Diagne (TNS RMS)



The joint presentation on MAP was given by **Kameshnee Naidoo, Global Programme Advisor, MAP, UNDC, Mia Thom, Engagement Manager, Centre for Financial Regulation and Inclusion (CENFRI)** and **Abel Motsomi, Information and Research Specialist, Finmark Trust, FINSCOPE.**

MAP focuses on financial inclusion of the adult population (18 years and older) at country level – financial inclusion means whether financial products are regulated or not. A nationally representative survey was conducted in 10 countries, and the survey instrument was FINSCOPE, which helped determine and map out the landscape and usage of financial services. The data were used to gain an understanding of how customers are using the services in reality. This survey was overlaid with an analysis of supply and the policy

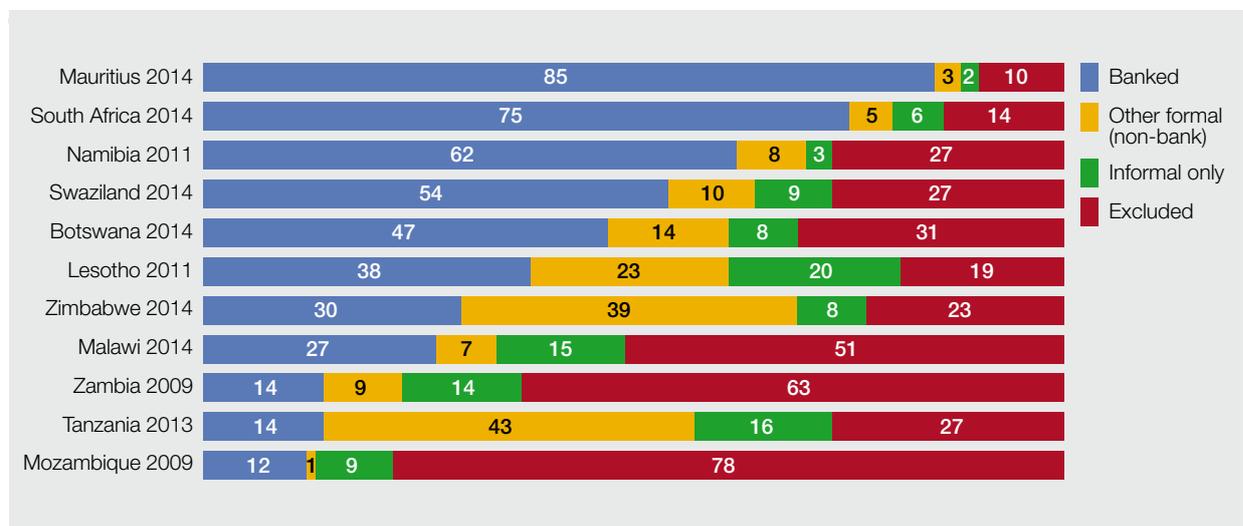
regulatory environment, what is their lived reality. The survey included interviews to determine what services are provided, where the country would like to be going, how financial inclusion is rooted in national objectives, and what policy and regulatory systems are required to achieve them. A road-mapping exercise was then undertaken to unlock some of the opportunities.

The survey showed that about 30 per cent of adults in the Southern Africa Development Community (SADC) region send or receive money. At the same time, rural areas are by far more excluded from financial products and services.

Even within a country there are differences. One particular challenge is the number of undocumented migrants who cannot use formal channels, whether they are banks or post offices, and therefore use informal channels. (In South Africa, legislation has been passed that allows asylum-seekers to send and receive remittances.)

Financial inclusion: Access Strand across the region (%)

Financial inclusion varies widely across the region



Highlights of the panel and plenary discussions



Questions from the audience

- In many countries, very little nationally represented data exist, which would enable policymakers to be provided with an evidence-based platform to make decisions.
- The road-mapping process allowed a vision and target to be set for the country, rather than a helter-skelter approach to financial services and products. Targets can be set from an objective perspective and appropriate activities can be identified. Context is key.
- To respond to the distance of post offices, two solutions must take place: outlying post offices need to be improved; and more emphasis should be placed on mobile phone services. For the latter,

establishing the right partnerships is key, whether with mobile phone operators or even local retailers (e.g. 7-11 stores). This can greatly reduce costs.

- People will walk distances to collect money. However, they will not walk distances to save money. To promote a savings culture, mobile services need to be stepped up.
- Multiple layers of infrastructure are needed. Transporting cash to rural areas can be very expensive because of the infrastructure. In fact, it often represents the most significant part of the costs of remittance transactions. At the same time mobile agents are not the only solution. ATMs and other mechanisms are needed.



Questions from the audience



Coffee break

4 March Session IV | Postal operators and partners in the marketplace



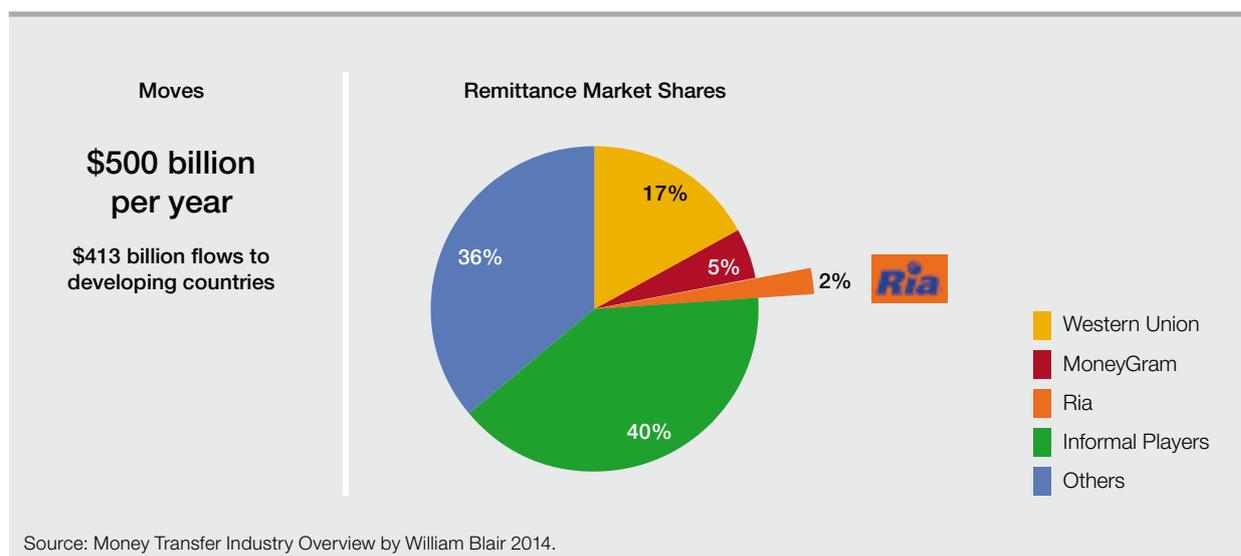
Sabasaba Moshingi, Chief Executive Officer, Tanzania Postal Bank, opened this session by giving a presentation entitled “Tanzania Postal Bank’s Sustainable Partnerships: A case study of our relationship with Tanzania Postal Corporation.” He first provided background information on the Bank, which is one of the oldest (90 years old) in the country and offers banking products to its 700,000 clients such as savings accounts, microloans, personal loans, business loans and money transfer services. The key factors to the Bank’s partners are that they: are financially viable; fill a gap in the market; are sustainable; and strengthen the Bank’s brand. Partners must also share the Bank’s values of customer focus, integrity, financial inclusion, affordability and quality. He then mentioned partnerships with Citibank (cash collection), the Tanzania Social Action Fund (cash disbursement to poor households), Standard Chartered

(cash collection), the Tanzania Revenue Authority (cash collection), the Unit Trust of Tanzania (sales of plots) and the Tanzania Petroleum Development Corporation (compensation to residents affected by a gas pipeline project). In addition, the Bank has linked its mobile banking product “TPB POOTE” to all mobile money providers (e.g. Airtel money, Vodacom, M-pesa, Tigo pesa).

The Bank’s partnership with the Tanzania Postal Corporation results in 18 mini-branches located in TPC premises plus 43 POPOTE locations in Tanzania Posts Corporation offices, and 143 Western Union locations. In this way, more clients have easier and less expensive access to remittance transactions and other financial services. At the same time there are a number of challenges:

- The TPC lacks liquidity in post offices
- Poor customer service
- Poor physical evidence
- Fraud
- Poor staff morale
- Customers consider the Corporation and the Bank as one
- Competition from other financial operators with more muscle.

The money transfer industry



Post offices are closing down because of losses. If they close and then franchise, the situation becomes very complicated to enter into a third-party relationship. To respond to these challenges, the partnership will need to provide liquidity management and staff training in the mini-branches and Corporation offices. It will also need to improve physical evidence and branding, and introduce controls and risk-based audits. In addition, it will need to be vigilant in identifying and acquiring locations to have first-to-market advantage, and exiting non-performing Corporation locations for viable locations.



Colin M. Vickerie, President and Chief Executive Officer, Cash4Africa, gave a presentation entitled “Roraima Group: Public-Private Partnership.” He explained that the Roraima Group has a technology partnership with, and is not a vendor to, post offices. The company was founded in 2000 as a remittance company sending money transfers to Africa and the Caribbean. The primary focus was on building a payment network in Africa and the Caribbean. After extensive alliances and pilots with post offices and microfinance companies in Africa and with credit unions in the Caribbean, it became apparent that a huge opportunity existed for in-country and cross-border payment and transaction processing. The overall objectives of the partnership include data integration, fraud detection and monitoring, improved billing services, reduction of losses, increased revenue/increased collection, network management and network solutions. Unlike other entities, post offices are mandated to reach all citizens and need to provide a wide range of quality services at low cost, which is where mobile processing comes in. Roraima Group has a mobile platform that is extended to post offices, and



“It’s going to be different with each partner. You have to recognize the needs of each individual partner and be sure that these needs are what you are working to satisfy. It is not a honeymoon. You have to be committed and prepared to work in a long-term relationship, and to keep moving down the road, making sure that your respective strengths and weaknesses are complementary. It sometimes takes you outside of your natural scope. It is not all easy.”

Colin M. Vickerie, President and Chief Executive Officer,
Cash4Africa

its 'branchless bank' deliverables include: user-friendly points of entry through post offices, mobile devices, call centres, etc.; linking partners to a national and global network to facilitate electronic transaction processing; integrating as many banking, financial services and transaction processing products and services that can also be accessed through a mobile platform; real-time transaction processing, account reconciliation and daily settlement data; and an extensive network to provide coverage across the country, Africa and select international locations.

One particular area of interest is digital products. A network that requires physical currency settlements will incur certain costs that are too high to overcome. Digital cash and digital processing are the solutions. There needs to be a commitment to take paper currency and its costs out of the system.



Sebastian Plubins Malfanti, Managing Director EMEA & South Asia, Ria Money Transfer, presented on the topic of "Postal Operators and Partners in the Marketplace." He explained that Ria is a leader in remittances and a wholly owned subsidiary of Euronet Worldwide Inc. (NASDAQ: EEFT). Founded in 1987, Ria currently operates in more than 135 countries with

services in over 243,000 locations worldwide. The parent company is considered a global leader in processing secure electronic financial transactions. He said this benefits Ria's partners, as they gain additional access to a range of cash management and technology solutions.

Sebastian informed attendees that in 2014, the money transfer industry moved over US\$580 billion, with around \$420 billion flowing to developing economies. In terms of the remittance market, around 40 per cent of money transfers are currently initiated through informal players. Western Union and MoneyGram are the largest players in Africa; Ria's network is mostly comprised of smaller independent agents, with some larger correspondents and post office partnerships in Africa.

He explained that the global average cost for remittances is currently 8 per cent, whereas Ria's global average cost is just 3.8 per cent. Reducing the current global average cost to Ria's average cost would unlock US\$18.5 billion per year. The clear benefits of low-cost remittances are: higher volume flow through formal channels; reduction in the informal market; access to data contributing to a more realistic economic picture; economic development via savings and investment; and seed capital for new ventures.

4 March Session V | Technology as an enabler of a more competitive marketplace



The premise of this session was that mobile money is available at post offices in more than 20 African countries.

- What are the early lessons?
- Post offices – physical touch points, cash agents and proximity?
- Post offices: as hotspots in rural areas?



Salvador Nizigiyimana, Director General, Regie Nationale (RNP) de Poste du Burundi, gave a presentation entitled “Postal Financial Services: the Experience of Burundi.” He began by describing the legal framework of the postal service in Burundi, and providing background information on the country. Even though there are six mobile operators in such a small country, penetration is only 30 per cent. There are 10 commercial banks and financial institutions, with a penetration rate of only 12.5 per cent. Postal financial services are available in all 129 municipalities of the country, and the situation has been evolving very

quickly: in 2007 there were 30 agencies; in 2014, the number had increased to 141, which cover 82 per cent of rural areas and comprise 220,000 accounts.

International money transfers are transacted through partnerships with Ria, Western Union, Mandat Express International and soon Instant Cash with the UAE. Mobile domestic transfers are conducted with Ecocash and Mandat Postal Electronique, a new service being developed within RNP and currently being tested. He also described a new joint ‘migration and development’ initiative with the International Organization for Migration and UPU. The initiative has an integrated postal approach that aims to: facilitate access to international markets for local producers; facilitate communication between migrants and their families; improve remittance services and reduce costs; provide financial education to migrants and their families; and foster financial inclusion. The partnership is working to create a virtual postal mobile operator for transferring money (domestic and international). Other future perspectives for RNP include developing electronic card and ATM services, and participating in inter-bank communications.

He ended by saying that the postal services in Burundi are totally nationalized. The Government wants to make the post office its socio-economic tool for the

integration of rural populations and has instructed the postal service to increase its presence. In this regard, technology will be critical.

Samuel Adu Boafo, Acting Managing Director, Ghana Post, gave a presentation entitled “Technology as an enabler in the competitive marketplace.” He explained that Ghana Post Company Limited has 350 post offices, 80 of which provide financial services. Domestic remittance services are provided in partnership with Roraima Data Services, Airtel Ghana Limited and Scancon Ghana Limited. International remittance services are provided in partnership with Western Union, Express Funds International, Sigue Money Transfer International, Ria International, Samba International and Transfast Global International, with Western Union comprising 90 per cent of the international money transfers.

He then described how the Government of Ghana and the Bank of Ghana can support the post offices. The Government can provide financial support as well as equipment, including computers and accessories. It can also allow Ghana to operate outbound remittances (e.g. to Nigeria). The Bank of Ghana could waive the minimum capital requirement and allow the Ghana Post to operate a Forex Bureau. He emphasized the importance of developing branchless banking, mobile banking and cashless remittances. However, there are significant problems with electrification. In addition, only three banks are connected to a fibre-optic Internet, so connections are extremely poor. These technological challenges will need to be addressed if the range of financial services in Ghana is to be broadened, made more accessible to customers at the last mile, and at low cost.



Douglas Zimbango, Managing Director, ZimPost, Zimbabwe, gave a presentation entitled “Technology as an enabler of a more competitive postal environment.” He explained that in Zimbabwe 4.9 million people use mobile money, with transactions reaching US\$403 million. Internet penetration is at 47.5 per cent, and active mobile subscribers number 11.3 million. Therefore, a 10 per cent share of this market can transform the outlook of the Post, which will therefore need to harness the dramatic technological advances made and that are being used by its competitors. With respect to remittances, 40 per cent of the population is still unbanked but located far from formal institutions. Moreover, the formal remittance business is monopolized by a few players who charge high fees, thus resulting in high levels of informal channels. With the current technology, opportunities exist to create an ‘ideal post’ – i.e. a seamless link between the financial, the electronic and the physical – that can provide 24-7-365 access through multiple channels (ATMs, mobile phones, post offices) and be integrated with principals’

“The Post should champion intelligent innovation and harness technology to fully integrate the financial, the electronic and the physical to integrate with key players and partners for organic growth, diversification and contribution to socio-economic development.”

Douglas Zimbango, Managing Director,
ZimPost, Zimbabwe

databases for real-time settlements that are rapid and accurate. In particular, he cited the ZIPcash card, which the post offices could feed value into if it didn't have the cash. In this way, the card could be used to make purchases or to withdraw cash from any ATM.

At the same time, the Post faces a number of limiting factors, including:

- Low technology adoption and adaptation, resulting in 8-5 operations
- Lack of inter-operability with other access platforms
- Lack of data integration with principals
- Low connectivity, especially in outlying areas where there is little competition
- Limited access to alternative energy solutions to keep systems running
- Lack of proper settlement arrangements across borders.



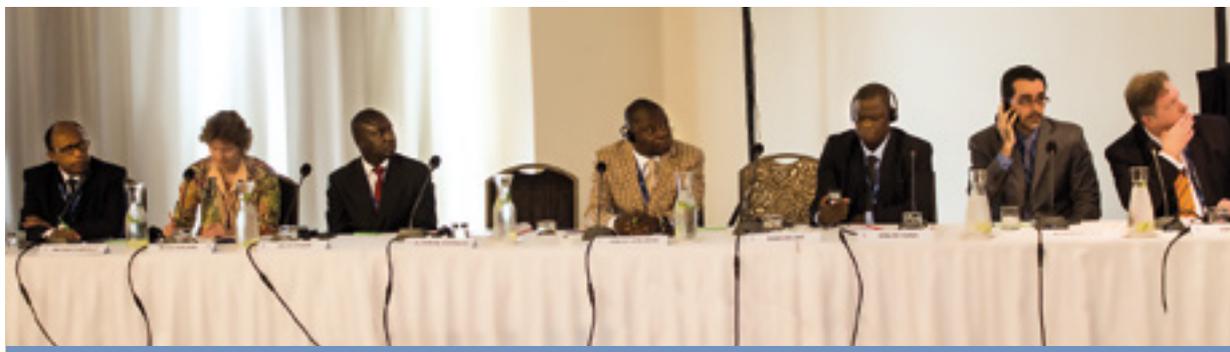
Emmanuel Okoegwale, Principal Associate, MobileMoney Africa, gave a presentation entitled "Postal financial services and Mobile Money: a tool for competitive advantage." He began by explaining the relevance of the postal network to Mobile Money adoption, in particular its wide coverage (urban and rural), community trust, ability to facilitate low-value transactions, and local language support. The main challenges are the high transaction costs, limited rural payment networks, low financial literacy, poor consumer protection, challenging regulatory policies and uncertainty of the market in some regions in Africa. In addition there are significant technology and network challenges in rural areas, and a low-volume demand to justify investments.

MobileMoney's experiences in Africa to date have produced the following lessons:

- Highly fragmented agency network across Africa
- High costs of cash-out due to the cost of building and sustaining the agency network
- Rural population pays extra under-the-table fees to access funds from their mobile wallet
- The growth of Mobile Money is limited because of the limited size of the network.
- The regulatory hindrances, specifically in West Africa, shut out the mobile network operators from actively participating in the mobile financial services schemes.

He ended his presentation by highlighting that in Nigeria the post office should act as the super-agent for remittances. There is a need to redesign the system so that the postal network is the super-agent that subsumes the clusters of agents. He added that the Nigerian postal network should be connected to the national switching platform to ensure universal access to all potential partners.

5 March Session I | Exchanging experiences and plans



From left to right: Ami Rakotoarivelo (Paositra Malagasy), Nicole Van Gans (The World Bank), Saliou Fedior (La Poste du Sénégal), Parfait Agbalon (La Poste du Bénin), Danladi Saaka (Ghana Post), Ricardo Valencia (The World Bank), Hans Boon (IFAD)

GhanaPost: Its role and potential



This topic was addressed through a joint presentation by **Danladi Saaka, Chief Financial Officer, Ghana Post** and **Ricardo Valencia, Remittances Specialist, the World Bank**. The presentation was entitled “GhanaPost: Its role and potential” and focused on two themes:

- What is the role of GhanaPost in the delivery of remittances?
- How can GhanaPost become more competitive in the remittance market?

The World Bank estimates that 1.9 Ghanaians are living abroad in more than 33 countries. Remittance inflows were estimated to be in excess of US\$1.5 billion in 2014, and about 28 per cent of Ghanaians are remittance recipients or senders. Among them, almost 60 per cent indicated that friends and family were their preferred method of sending, followed by banks (25 per cent) and other formal channels (22 per cent).

GhanaPost is authorized to carry out the following financial service activities:

- Provide services for which money may be remitted by means of money order, postal order, etc.
- Provide and undertake agency services on behalf of the Government and any other licensed bank or corporate body
- Provide information communication technology services
- Operate non-banking financial services.

Its current offerings include international remittances (through Western Union, Moneygram, Ria, Sigue, Transfast Money Transfer and Samba International Money Transfer) and domestic remittances and money transfers. GhanaPost’s domestic remittance service, Cash Post, was launched in December 2009 and operates in 185 locations nationwide, with a target to increase the number of outlets to 2000 by the end of 2015. The challenge to operations include:

- Power outages
- Cash management
- Inadequate cash float levels
- Internet connectivity to post office locations
- Lack of equipment (e.g. computers, printers, copiers, vehicles of monitoring)
- Lack of publicity for the products due to inadequate funds.

During the presentation, four topics were discussed that focused on helping GhanaPost to become more competitive in the remittances market.

- **Business and commercial development approaches** that could benefit GhanaPost include: a *contract summary report* that provides a summary of current contracts with MTOs, GhanaPost expectations and dependencies, and an action plan; *new services selection procedures* that include an evaluation matrix, score sheet and cost-benefit analysis methodology; a *relationship management guide* covering such topics as understanding partner requirements, selecting the right partners, establishing contracts and relationships, and developing and managing relationships; and a *marketing plan* that includes a marketing strategy, brand awareness action plan and budget.
- **Financial services** that could potentially benefit GhanaPost include mobile money transfers, savings and loans, insurance, bill payments, currency exchange services, postal money transfers, postal banking, agency banking, interest-bearing bonds and international remittances.
- **Appropriate risk and financial management** will need to be developed, including: a risk management guide to assess, mitigate and monitor risk; data and reporting strategy; cash management models for budgeting/forecasting and mitigating liquidity and credit risks; and a compliance report.
- **Execution** is believed to be a key component of the project and is equally important to drive sustainable growth.

Business development for remittances in Benin



This topic was addressed through a joint presentation by **Parfait Agbalon, Director General, La Poste du Benin** and **Babacar Gaye, Project Leader in Benin,**

WSBI. The presentation was entitled “Développement du marché des transferts de fonds au Benin” and focused on two themes:

- What is the competitive position of La Poste du Benin, and where are the quick wins?
- What are the key opportunities to expand remittance delivery in the last mile; which corridors, which channels and instruments?

In Benin, the banking penetration rate is only 15 per cent. Most remittance transactions are within Africa (62 per cent receiving, 62 per cent sending). However, a lot of money is sent abroad – e.g. to Europe – for children’s education. Informal channels comprise 54 per cent of the channels used for sending money. The comparative advantages of La Poste du Benin lie in its reputation and image, the support of the authorities and the diversified and innovative services that it has the potential to offer.

La Poste Benin today is not at the same level as Senegal Post, which has already addressed the issues and started innovating products. Performance of La Poste Benin in postal financial services at large, and remittances in particular, is low. Reforms in the country leading to autonomy of the postal service from the telecom sector started only 10 years ago, which may explain the lag. There is certainly great potential for diversification, especially if products and corridors are chosen well. It can achieve its goal of being the lead operator, and not sign contracts prepared by and in the interest of the mobile operators. The key is to extend the reach of the postal network, especially since there is the support of political and regulatory authorities. There needs to be a presence in every municipality, which means having a long-term strategy to ensure network connectivity throughout the territory. This is absolutely vital.

Towards operational excellence



This theme was taken up through a joint presentation of the same name by **Saliou Fedior, Director for Studies and Projects, La Poste du Senegal** and **Alexandre Rodrigues, Programme Manager, Postal Financial Services, UPU**. The presentation focused on two issues:

- What improvements and innovations in remittances are needed/envisaged in the business process? What are the quick fixes?
- Broadband connectivity and safe and secure cash handling: how critical are they?

The key principles for operational excellence are reliability, speed and security. Innovations need to take place to improve the operational excellence of the Senegal Post, in terms of both processes and practices. It will be important to explore new possible corridors and to revitalize existing ones. Cash-to-account and account-to-account can be used for greater accessibility and affordability. The expanded use of mobile telephones and mobile transfers will increase the number of remittances in rural areas, since there is a high penetration rate of mobile phones in rural areas. In addition, the development of information systems and automated systems would limit the number of physical branches, which have high costs. This implies having services that are better equipped with information technology hardware and software, with phones, and even with solar energy for rural offices. Naturally, strong and reliable connectivity is indispensable. It also implies having a well-trained staff. Partnerships are also key, and existing contracts will need to be re-negotiated in order to reduce

costs and make them as viable as possible, as well as to expand the network with private agents and distributors. The Senegal Post should also develop its own platform for domestic transfers in order to reduce costs.

Product and service offerings will need to be expanded. A project is currently under way to offer pre-paid cards and e-cards, which should be available soon. One subsidiary of Senegal Post is exploring mobile telephone payments and operations, which are critical services.

One cannot talk about the remittance business without talking about making operations safe and secure. All of these money flows can be a target for fraud or money-laundering. Viable solutions will need to be explored and developed, including stronger safes, better information systems that are not vulnerable to attacks, alarm and surveillance systems, trained guards, and the like.

Operational excellence is attainable and is important for financial inclusion. There are many social and economic benefits to be gained, at the national level and for all the beneficiaries. Reducing transfer costs, combined with financial education, will put more money in the hands of rural populations and enable them to invest in financial services, thus contributing to the regional rural economies and to the country's overall economic growth.

Challenges in cash management



This topic was addressed through a joint presentation by **Ami Rakotoarivelo, Deputy Director General Paositra Malagasy** and **Nicole van Gans, Remittances Specialist, the World Bank**. It focused on two themes:

- Challenges in getting cash management centralized and online
- Improving the financial reporting to management and regulators: What are the steps ahead? What do we see on the dashboard?

Cash management involves a set of activities and services – collection, use, security – whose quality will pave the way for an increase in the number of customers. It is a very delicate matter: Where is the money? How do we use it? How do we protect it? The post in Madagascar would like to diversify from its range of classical products – checks, money transfers, national money service – products like everyone else. There are 247 post offices, 14 rural post offices and 16 postal agencies (these are not fully active post offices). Most of the transport, including transport of money, is done by road. When the roads are flooded or not accessible, delays result. Most of the branches in rural areas are very small. Rural post offices and postal agencies provide very limited financial services because they only can keep a very limited amount of money. Post offices located in areas where there is no bank must resort to physical cash transportation to or from the nearest post office. Availability of cash in the post office depends on the class of the particular office. For example, ‘first class’ post offices have a high intensity of operations, so more cash is on hand, and along with it greater management and security. When a post office does not have sufficient cash, delays can extend to 40 hours before the client receives the cash. The Retirement Savings Accounts provide significant revenue in which to invest in other financial services – as do the inactive current accounts.

There are six major banks in the country. The post office has an agreement with one bank that has 70 agencies – which translates into the post office having access to 70 bank agencies as well. However, the 240 postal offices are not connected, which is one of the most serious obstacles to improving and expanding services.

The World Bank will be discussing its first mission to the country. Discussions will revolve around cash and information management, examining the

costs of transportation, the costs of the banks, the costs of security measures and the risks linked to cash management in post offices and banks. After understanding the current situation and challenges, a number of steps will be taken to improve the management of information and cash, in particular: identifying an online system to strengthen the safeguarding of money; finding solutions to the issue of electrification; and determining the logistics required to ensure that post offices have sufficient cash on hand for their clients.

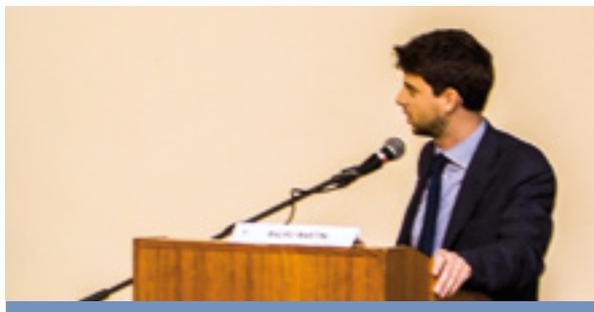
Highlights of the brief plenary discussion

- A holistic approach is needed. Many countries in Africa are facing similar problems, and it is critical that a systematic exchange of information takes place – to understand who is doing what and where. In this way, successful synergies can form, and successful initiatives can be replicated elsewhere.
- Cash management can be extremely costly. Paper currency, and transporting it, is a very expensive proposition and presents significant security issues and costs as well. In this regard, digital cash needs to be explored and exploited as a priority, involving more commercial activities and thus minimizing costs to the post offices. This means that post offices will need to spend more time connecting to vendors, postal agents and the like, in order to encourage customers not to have to come to the post office for cash. Otherwise, operations will become more and more complex, and the costs will become increasingly unmanageable.
- Introducing dashboards for better controls of information systems is important. Many mistakes can be made – inadvertently and deliberately – when recording transactions. A dashboard in which real-time transaction reports are submitted on a daily basis would assure that any error could be addressed within 24 hours.

5 March Session II | The road ahead

The premise of this session was to present the African Postal Financial Services Initiative (APFSI), particularly with regard to:

- Next steps in implementing the projects in the four pilot countries
- Scaling up, dissemination and replication
- National and regional workshops in selected countries in Africa for medium-term road maps



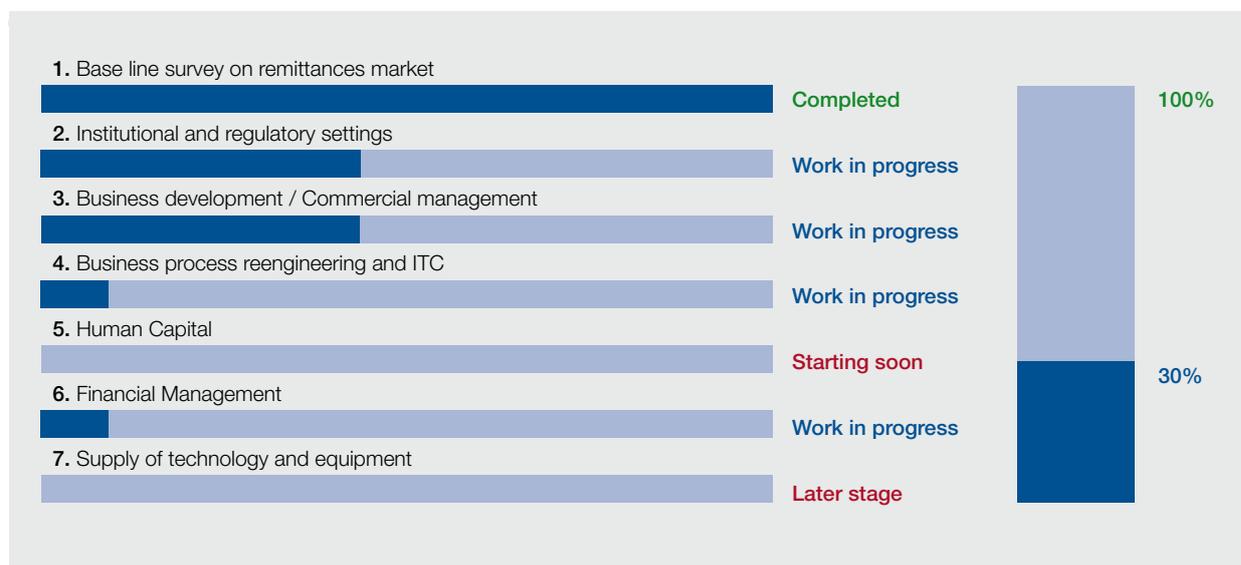
Mauro Martini, Monitoring and Evaluation Officer, FFR, IFAD, gave the presentation on the APFSI and next steps in the implementation of the activities. As previously mentioned by Pedro De Vasconcelos, the overall objective is to enhance competition in the African remittance marketplace by enabling African post offices

to offer financial services. The specific objectives are to:

- Reduce the cost of remittances to/within Africa
- Reduce transaction times of remittances to/within Africa
- Broaden the network of rural locations where remittances can be picked up
- Deepen the range of financial services provided in rural areas.

The initiative is targeting 11 countries, 4 of which are already in various stages of receiving technical assistance (see diagram below): Benin, Ghana, Madagascar and Senegal. An additional seven countries (Burundi, Egypt, Ethiopia, Kenya, Uganda, Zambia and Zimbabwe) are in the process of undergoing a country analysis, assessment, preparation of a blueprint for action, and the organization of national and regional round tables to discuss the remittance market in the country, key role of the postal operators, and identify funding or financial resources. The round tables will include postal operators, post banks, governments, regulators, microfinance institutions, the private sector (e.g. money transfer operators, mobile companies) and other interested actors and stakeholders.

Technical Assistance: Components



IFAD Financing Facility for Remittances (FFR) periodically releases new reports under the title *Sending Money Home*, which focus on central issues affecting remittances from global and regional perspectives. In the framework of the APFSI initiative, IFAD will release a new issue of the *Sending Money Home* with specific focus on postal networks. It is also in the process of preparing four working papers. The provisional titles are as follows:

- Building balanced partnerships between posts and banks
- Crafting a strategy for delivering more at the last mile
- Creating customer centricity in the postal organization
- Innovation through techno-centricity.



Cocktail reception

5 March Session III | Conclusions of the Conference and Recommendations

The concluding remarks to the conference were given by **Younouss Djibrine, General Secretary, Pan-African Postal Union (PAPU)** and **Pedro De Vasconcelos, Programme Manager, FFR, IFAD**.

Mr. Djibrine expressed his gratitude, in the name of the African postal community, to the initiative, particularly since it responds to an extra need for communication between all parties. The mission of the postal service is to offer a global service that fulfills the needs of all citizens, as expressed by them. Moreover, the services must be provided at reasonable cost, and with high quality, safety and security. Financial inclusion is critical, especially after the disaster created in African countries because of badly adapted economic reforms. The time has now come for all players to think of humanity, of their neighbours, and to take part in what should be a historic event – responding to the needs of all citizens, at all levels of society. The postal service has not only a societal obligation but also a society obligation, because society is an essential structure.

Partnership is critical to success. IFAD is a partner, the World Bank is a partner, and both are committed to fulfilling the needs of the poorest of the poor who live in African countries. There are also government partners, multilateral partners, universal partners, PAPU, the African Union, and others. They have recognized the role of the post office as having enormous potential to respond to these needs. There is a territorial presence, a procedural presence, and cost-effective possibilities to continue. However, post offices are underutilized, with a rich potential still untapped, under-exploited and under-explored. The conference has made it clear that the road of exploration must be taken, and not only through conferences, studies and research, but also through action. Words must lead to action. Financial services are waiting.

The digital world is evolving rapidly and relentlessly. The right road must be taken now, or 80 per cent of the African population will continue to lag behind. We must find the right road. And action needs to be concrete. Basic and intelligent infrastructure needs to be put in place, which will be costly. Resources will need to be mobilized, with contributions from all players. Government rules and

regulations will be needed – the regulatory framework – to enable the postal services to evolve and to promote financial inclusion in a safe and secure environment. Technological advances are connecting everyone, which in turn has the potential to provide a global offering for the transfer of remittances in a safe environment. The success of the post offices lies in three key words: integration, innovation and inclusion. Post offices will also need to understand how to sell themselves – promote their services and products. Citizens are not always aware of the offerings and therefore do not take advantage of them.

Another key word is motivation, which needs to be honest, sincere, fair and just in our concerted efforts. The needs are immense, and we cannot afford to waste or mismanage precious resources. Each dollar that is invested must be invested at the right time, for the right cause, and for the right clients. An efficient system for remittances and transfer of funds will in turn spur the development of small and medium enterprises that will flourish. This is the transformation being sought, a transformation that makes rural life attractive.

“The time has come. If we don’t do it, others will. It is difficult to go the last kilometre. The road becomes very hard. But this is where we must run faster. We have an obligation to do so.”

Younouss Djibrine



Mr. De Vasconcelos began by thanking Mr. Djibrine for highlighting the key points of the conference, particularly the goal of remittances and their investments, which is a key aspect of IFAD’s work on migration and remittances.

Postal networks are facing challenging times everywhere because of rapidly evolving environments and increasingly tough competition. Significant changes are needed, and postal networks have great expectations. At the same time, there are enormous opportunities to increase financial inclusion in rural areas. To implement these changes, strong engagement is required in terms of leadership, management, and the commitment of donors and implementing partners. A solid understanding is also needed of the global situation and the specific contexts of postal networks in order to mobilize this strong engagement in the long term and to translate it into concrete actions with tangible outcomes. In this regard, we need to be aware of both context-specific situations as well as common features, at national and market levels.

Markets are different, on the demand side and in the competitive context. There are also differences with respect to corporate governance, institutional capacities, product supply, strategic partnerships and country coverage. The different regulatory environments and relationships with public authorities cannot be overlooked either.

There are also important common or shared features, including the need to:

- increase revenues with financial services, in order to be sustainable
- have a better understanding of clients' needs
- optimize the organization, process and human resources according to market specificities
- balance a social/public mission with a commercial and sustainable approach
- respond to the rapidly moving competition and financial services, and the subsequent rapid changes in the rules of the game.

“Great opportunities require swift action. This applies to all of us here today, and to our mission.”

Pedro De Vasconcelos

Strategies and business plans will need to be developed, taking into account the competition context, partnership opportunities and the institutional and regulatory

constraints. These are key to creating innovative distribution models of financial services to the low-end segment of the market, particularly in rural areas.

Main recommendations

- The presence and historical footprint of postal offices are key added values that build trust, which is essential for client relations and the provision of financial services in rural areas. At the same time, lack of cash and weak connectivity leading to uncertain operations and time loss are the main constraints perceived by remittances users at post offices.
- Postal networks can leverage on their infrastructure and payment systems to extend the financial ecosystem in rural areas, providing low-cost, basic and transaction-based services to the low-end consumer market, thanks to appropriate partnerships with the private sector.
- There is a need to change the mind-set of postal operators, many of whom sit on good infrastructure but use it inefficiently. The post offices are one of the few entities best placed to achieve financial inclusion thanks to the capillarity of their network, their presence in rural areas, their proximity with the client, and the range of possible financial services they can provide.
- The African Postal Financial Services Initiative can provide a great contribution to the positioning and development of postal networks in Africa for the provision of remittances and other financial services. This can be achieved through the development of strategies and business plans that take into account the competitive environment, partnership opportunities, and institutional and regulatory constraints.
- Marketing strategies focused on client centricity are fundamental and need to be taken into consideration for the development and implementation of the future strategies and business plans.
- African postal operators are committed to the Initiative and reiterated their full support and willingness to cooperate. It will be important to understand to what extent the Initiative can bring the key African governments on board and lead them to play a major role for a changing and enabling environment.

Appendix 1

Agenda

8:30 – 09:00 Registration and networking coffee

SESSION I | Welcoming Remarks

09:00 – 09:40

Pedro De Vasconcelos

Programme Manager, Financing Facility for Remittances (FFR), International Fund for Agricultural Development (IFAD)

Sofia Moreira de Sousa

Deputy Head of Delegation, European Union Delegation to South Africa

Irina Astrakhan

Practice Manager, Finance and Markets, Africa Region, The World Bank

Younouss Djibrine

General Secretary, Pan-African Postal Union (PAPU)

SESSION II | Sending money home to Africa via the post office

09:40 – 11:00

• *Remittances market in Africa: Opportunities and challenges*

Pedro De Vasconcelos

Programme Manager, FFR, IFAD

- Key features of remittances to and within Africa: A rural perspective
- Beyond the market and remittances: Impact and opportunities for development

Marco Nicoli

Payment Systems and Remittances Specialist, The World Bank

- Remittance marketplace: Principles, products, providers and pricing trends
- Challenges in the last mile: Opportunities for an inclusive payments eco-system?

• *Linking remittances and financial inclusion: Postal solutions*

Ian A. Radcliffe

Director, World Savings Banks Institute (WSBI)

- Financial education: A lifetime challenge ranging from child and youth savings to pensions
- Who comes first: Customer centricity
- Delivering mail or money: The price of stamping out financial exclusion

• *Postal networks in Africa: Lessons learned and opportunities*

David Avsec

Deputy Director of the Postal Technology Centre, Universal Postal Union (UPU)

Alexandre Rodrigues

Programme Manager, Postal Financial Services, Universal Postal Union (UPU)

- Success stories and lessons learned from recent projects
- Beyond postal remittances: Universal Payment Gateway, E-commerce and mobile payments

Questions and Answers

11:00 – 11:30 Coffee break

SESSION III | Postal networks in the market place of remittances**11:30 – 13:00**

- *What customers want: Realities on the ground*
Presentation of market research on use of rural post offices for remittances

Ndeye Diagne

Managing Director for Senegal, Ivory Coast, Taylor Nelson Sofres (TNS RMS)

- Awareness, knowledge, needs, behavior and perceptions: Findings in the field
- Postal networks' perceptions
- Remittances and financial inclusion from a client perspective

- *Panel discussion*

Ian A. Radcliffe

Director, WSBI

Kameshnee Naidoo

Global Programme Advisor, Making Access Possible Programme MAP, United Nations Capital Development Fund (UNCDF)

Mia Thom

Engagement Manager, Centre for Financial Regulation and Inclusion (CENFRI)

Abel Motsomi

Information and Research Specialist, Finmark Trust, FINSCOPE

- Financial inclusion demographics and realities
- Access to financial services in rural areas
- Linking market opportunities to clients' financial goals

Moderator: **Frédéric Ponsot**

Remittances and Financial Inclusion Specialist, FFR, IFAD

*Questions and Answers***13:00 – 14:30** Lunch break

SESSION IV | Postal operators and partners in the marketplace

14:30 – 15:45

Sabasaba Moshingi

Chief Executive Officer, Tanzania Postal Bank

Colin M. Vickerie

President and Chief Executive Officer, Cash4Africa

Sebastian Plubins Malfanti

Managing Director, RIA Financial Services

- Challenges and opportunities in the remittance delivery value chain
- Opportunities in addressing the last-mile issues

Moderator: **Hans Boon**

Senior Expert on Postal and Remittances, FFR, IFAD

Questions and Answers

15:45 – 16:00 Coffee break

SESSION V | Technology as an enabler of a more competitive marketplace

16:00 – 17:15

Salvator Nizigiyimana

Director General, Regie Nationale de Poste du Burundi

Samuel Adu Bofo

Acting Managing Director, Ghana Post

Douglas Zimbango

Managing Director, ZimPost, Zimbabwe

Emmanuel Okoegwale

Principal Associate, MobileMoney Africa

In more than 20 African countries mobile money is available at post offices.

- What are the early lessons?
- Post offices – physical touch points, cash agents and proximity?
- Post offices: as hotspots in rural areas?

Moderator: **Kameshnee Naidoo**

MAP Programme Advisor, UNCDF

Questions and Answers

CONCLUSIONS OF DAY 1

COCKTAIL RECEPTION

SESSION I | Exchanging experiences and plans

09:00 – 11:00 Experiences from the field

Moderator: **Hans Boon**

Senior Expert on Postal and Remittances, FFR, IFAD

- ***Ghana Post: its role and potential***

Joint presentation by

Danladi Saaka

Chief Financial Officer, Ghana Post

Ricardo Valencia

Remittances Specialist, The World Bank

- What is the role of Ghana Post in the delivery of remittances?
- How can Ghana Post become more competitive in the remittance market?

- ***Business development for remittances in Benin***

Joint presentation by

Parfait Agblonon

Director General, La Poste du Benin

Babacar Gayé

Project leader in Benin, WSBI

- What is the competitive position of La Poste du Benin, and where are the quick wins?
- What are the key opportunities to expand remittance delivery in the last mile; which corridors, which channels and instruments?

- ***Towards operational excellence***

Joint presentation by

Saliou Fedior

Director for Studies and Projects, La Poste du Senegal

Alexandre Rodrigues

Programme Manager, Postal Financial Services, UPU

- What improvements and innovations in remittances are needed/envisaged in the business process? What are the quick fixes?
- Broadband connectivity and safe and secure cash handling: how critical are they?

- **Challenges in cash management**

Joint presentation by

Ami Rakotoarivelo

Deputy Director General Paositra Malagasy

Nicole Van Gans

Remittances Specialist, The World Bank

- Challenges in getting cash management centralized and online
- Improving the financial reporting to management and regulators: What are the steps ahead?
What do we see on the dashboard?

Questions and Answers

11:00 – 11:30 Coffee break

SESSION II | The road ahead

11:30 – 12:00

Mauro Martini

Monitoring and Evaluation Officer, FFR, IFAD

- Next steps in implementing the projects in the four pilot countries
- Scaling up, dissemination and replication
- National and regional workshops in selected countries in Africa for medium-term road maps

Questions and Answers

SESSION III | Conclusions of the Conference and Recommendations

12:00 – 12:30

Younouss Djibrine

General Secretary, PAPU

Pedro De Vasconcelos

Programme Manager, FFR, IFAD

Appendix 2

List of participants

Abbey Sendagire Semyalo

Posta Uganda

Abel Motsomi

Finmark Trust

Admore Kandlela

People's Own Savings Bank –
POSB, Zimbabwe

Adrie Kuyper

Small World, UK

Ahmed Cassim

Hello Group (Pty) Ltd

Albert Limbe

Malawi Posts Corporation

Alexandre Rodrigues, UPU**Ami Rakotoarivelo**

Paositra Malagasy, Madagascar

Andrew Nongogo

South African Post Office Ltd

Anne Karanja

Kenya Post Office Savings Bank

Assane Diagne

PosteFinance, Senegal

Babacar Gayé, WSBI**Barbara Rossi**

European Commission

Bassirou Wade

Société Nationale La Poste,
Senegal

Bezant Chongo

PlaNet Finance, Africa

Brendan Pearce

Finmark Trust

Brett Shapiro, IFAD**Clifford Nkomo**

CRASA, Botswana

Colin M. Vickerie

Roraima Group/Cash for Africa

Danladi Saaka

Ghana Post Company Ltd

David Avsec

UPU

Doudou Gueye

PosteFinance, Senegal

Douglas Zimbango

Zimbabwe Posts

El Hadji Malik Seck

RIA

Elizabeth Queen Montoedi

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Emmanuel Okoegwale

MobileMoney Africa

Emmanuel Okurut

Posta Uganda

Enagnon Parfait Agblonon

La Poste du Bénin S.A.

Enock Kinara

Postal Corporation of Kenya

Francis Carola

Seychelles Postal Services

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PostBank Uganda

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Habib Attia

African Development Bank –
Making Finance Work
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Hans Boon

IFAD

Henri Biadala

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Hesham Mohamed Refat

National Post Organization
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Hailu Kinfe Bune

African Union Commission, African
Institute for Remittances

Ian Radcliffe

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Ide-Souleiman Abdi Hadi

Ministère du Budget, Djibouti

Ignacio Reid

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Irina Astrakhan

World Bank

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Jo Rispoli

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Justin Magwaza

POTRAZ, Zimbabwe

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Société nationale des postes
Burkina Faso

Kameshnee Naidoo

UNCDF

Leon Isaacs

Developing Markets Associates

Marco Nicolì

World Bank

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Mia Thom

CENFRI

Michel Stuijt

Eurogiro Network

Mohit Davar

Instant Cash, UAE

Nadine Chehade

CGAP

Nancy Saleh

National Post Organization
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Ndeye Diagne

TNS Global

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Tamara Chunda

Zambia Postal Services
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Thato Mosisili

Lesotho Post

Titus Juma

Postal Corporation of Kenya

Wilfrid Martin

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Younouss Djibrine

PAPU – UPAP



Financing Facility for Remittances

www.ifad.org/remittances
www.RemittancesGateway.org



International Fund for Agricultural Development

Financing Facility for Remittances

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