



MICROLINKS

SHOW ME THE MONEY! LESSONS LEARNED IN DIGITAL PAYMENTS

WEBINAR CHAT TRANSCRIPT

FEBRUARY 9, 2017

Presenters

Fernando Maldonado, USAID

Marcella Willis, NetHope

Jamie Zimmerman, BFA Global

Moderator

Chrissy Burbank, Knowledge-Driven Agricultural Development (KDAD) Project

Chrissy (Microlinks): Welcome everyone!

Chrissy (Microlinks): We're still getting set up over here in DC for our in-room presentation.

Chrissy (Microlinks): Let's take this time to introduce ourselves and say where we're participating from.

Chrissy (Microlinks): My name is Chrissy and I'm helping host this webinar for the Knowledge-Driven Agricultural Development Project in D.C.

Blessing Mutsaka: Blessing Mutsaka, USAID Zimbabwe.

Chrissy (Microlinks): Welcome, Mutsaka!

Johannes Badenhorst: Johannes Badenhorst, Cape Town, South Africa.

Chrissy (Microlinks): Hello, Johannes!

Ahmed Ibrahim Mussa: My name is Ahmed Ibrahim Mussa from Mercy Corps. Ethiopia.

Chrissy (Microlinks): Welcome, Ahmed!

Chrissy (Microlinks): Please take a look at our polls while we continue to introduce ourselves. Welcome to our newcomers!

Dick Tinsley: Dick Tinsley from balmy Colorado.

Anastasiia Vynnychenko: Hello! My name is Anastasia and I'm participating from Ukraine!

Indra Klein: Hi, Indra Klein, independent consultant, D.C. – looking forward to today's presentation.

Dick Tinsley: Sound check, please.

Regina Brown: Regina Brown from Dakar, Senegal.

Indra Klein: Will links to slide deck and other info be available for download before event starts?

Indra Klein: Audio is great!

John Aggrey: John Aggrey, Louisiana State University, Louisiana, U.S.

Anne-Laure Asboth: Hello, Anne-Laure Asboth from Paris, Advans Microfinance group.

Jesus Pizarro: Hello everyone, I am Jesus Pizarro from Heifer International, please show me the money!

Gilly O'Sullivan: Gilly from Dublin, Ireland. Irish League of Credit Unions Foundation. Looking forward to the webinar!

Chrissy (Microlinks): Hello Anne-Laure and Jesus!

Kumar Lakhavani: Good Morning, this is Kumar Lakhavani - a former USAIDer.

Dick Tinsley: Do I have to dial in or can I get sound from the computer?

Chrissy (Microlinks): Welcome Gilly, John and Kumar.

Nicholas Anderson: Nick Anderson, Save the Children.

Christy Fellner: Hello all, looking forward to learning.

Sharon Sibanda: Sharon Sibanda, World Vision International and listening in from Zimbabwe.

Dana Lunberry: Hello! I'm Dana from Opportunity International based in London. I'm also researching the digitalization of microfinance with the London School of Economics.

Carla (Microlinks): Hi Dana! Welcome to our Microlinks Seminar today! So happy you can join us!

Carla (Microlinks): Welcome Christy and Sharon thank you for joining us from Zimbabwe! Good Afternoon!

Gordon Crann: Hi Everyone. I am Gordon from Rotarian Action Group for Microfinance & Community Development in Toronto, Canada.

Don Humpal: Good morning. Don Humpal, DAI from soggy Sacramento.

Christy Fellner: Hello Sharon, this is Christy from World Vision U.S. I look forward to meeting your colleague Joyce at the GAM Hub in 2 weeks.

Carla (Microlinks): Hi Nicholas! Are you joining us here from Washington, D.C.?

Nicholas Anderson: I am.

Tricia Peterson: Hi to all! Tricia Peterson with Samaritan's Purse joining from La Paz, Bolivia.

Kathleen Palla: Hi! Kathleen Palla listening in for Accenture Development Partnerships. Washington, D.C.

Carla (Microlinks): Hello, Don! Welcome from Sacramento – D.C. is gloomy as well!

Carla (Microlinks): Hi Tricia! Great to have you from way up high in La Paz!

Carla (Microlinks): Hi Kathleen, thanks for joining us today!

Carla (Microlinks): Good afternoon, Uloma! Great to have you!

Stephen Kiingi: Steve Kiingi, IITA Nigeria.

Chrissy (Microlinks): Welcome, Steve! Thank you for joining us!

Ataur Rahman: Hi everyone, this is Ataur from Bangladesh!

David Savino Berno: Hi to everyone, this is David Berno, financial inclusion consultant based in London.

Chrissy (Microlinks): Nice to have you, Ataur! Thank you for being with us David.

Breana Timlin: Hello, Breana from The Kaizen Company – Washington, D.C.

Ataur Rahman: Thanks.

Carla (Microlinks): Hi Breana! Great to have you! Chillier commute this morning than yesterday!

Indra Klein: Would you provide the link for the slide deck for download?

Sunil Bhat: Hi, this is Sunil Bhat from MicroSave (a DFS consulting firm based out of India).

Carla (Microlinks): Hi Indra here you go!

Carla (Microlinks): https://www.microlinks.org/sites/default/files/resource/files/2017_02_09_Seminar_Webinar_Show_Me_the_Money_Compressed_Edited.pdf

Reboneng Makoa: Hi, I look forward to learning and hearing best practice stories.

Carla (Microlinks): Hello Sunil! Great to have you from India!

Stephen Kiingi: Hello, has it started...there is no sound on my end?

Carla (Microlinks): Reboneng, we look forward to sharing some great information with you!

Constanze Lehmann: Hi, this is Constanze from Mambu (Fintech from Berlin).

Indra Klein: Thank you for the link!

Carla (Microlinks): Folks! We welcome all of you here online with us and thank you for taking the time to join us! Please make sure to ask any questions you have right here in the chat box! We invite questions and will be sure to send them on to the presenters later!

Carla (Microlinks): Hello Constanze! Good afternoon to you in Germany!

Carla (Microlinks): Hi Stephen – it has started, did you get sound?

Constanze Lehmann: Will this session also be recorded?

Carla (Microlinks): Yes, it will be recorded.

Ataur Rahman: We successfully achieved the same. Find our all learning documents: <https://www.microlinks.org/library/mstar-mobile-solutions-technical-assistance-and-research-activity-profile-bangladesh>

Stephen Kiingi: Yes, had to reboot so to speak...thanks.

Carla (Microlinks): Thank you for sharing, Ataur!

Rod Dubitsky: Hi, Rod from BRAC here.

Carla (Microlinks): Great @Stephen!

Jennifer King: Hi, Jennifer from MEDA here.

Carla (Microlinks): Rod, welcome! Please let us know what BRAC is!

Carla (Microlinks): Hi Jennifer, what does MEDA stand for?

Jennifer King: Mennonite Economic Development Associates, www.meda.org.

Carla (Microlinks): Thanks for sharing!

Kevin McOkwiri: Hi Kevin McOkwiri here from BEhub Behavioral Economics Hub based in Nairobi, Kenya.

Chrissy (Microlinks): <https://www.betterthancash.org/>

Carla (Microlinks): Good afternoon, Kevin! Thank you for taking the time to join us!

Indra Klein: Are there any instances of excessive or unreasonable fees for use of service?

Chris Gaginis: Question: For those of us looking to gain access to the payments system here in the U.S. – how do we partner with a financial institution to test a platform or model transactions?

Indra Klein: Would you touch upon how users are able to maintain recordkeeping?

Carla (Microlinks): Great questions, thank you Chris and Indra!

Carla (Microlinks): We will address any questions you have after the presentation so please continue to ask them right here in the chat box!

Chris Gaginis: In terms of monetary inclusion, does USAID have any guidelines for KYC/BSA/AML compliance?

Indra Klein: With use of digital payment platforms, is there evidence that reflects any effects on the credit profile of the user? And if so, how are financial & insurance institutions adapting to better streamline processes?

Gordon Crann: How do digital payments help the ultra poor lift themselves out of extreme poverty?

Gilly O'Sullivan: What is your opinion on a small financial institution owning their own infrastructure? Is the high cost sometimes offset by the ability to own your own product?

Kevin McOkwiri: Hi Chris, having worked in digital finance in a number of countries, KYC regulations are always set by either the country's central bank or communication authorities when it comes to Telcos.

Indra Klein: Would you elaborate on how organizations encouraged users to transition to digital payments, especially with regard to trust issues and educational processes?

Indra Klein: Any challenges with regard to government and international regulation compliance, especially for small stakeholders?

James Taylor: Two!

Carla (Microlinks): Great questions, thank you, please do keep them coming!

Gordon Crann: What is the experience of digital payments with savings groups, such as AKF's pilot digital savings groups?

Chris Gaginis: How does the lack of internet access hinder the development of payments in rural areas?

Indra Klein: What safeguards were implemented to ensure proper payment as well as protect the rights of users?

John Aggrey: How secure are the platforms used for digital payments?

Dick Tinsley: How does all this compare with the Kenya model, which appears to have a well-established digital financial system via the cell or smart phone?

Kevin McOkwiri: @Chris, most digital payments come in the form of SIM toolkit, requiring no internet service and providing better secure service for the user.

Indra Klein: What are upfront costs to implement program/process? And sustainable costs? Are any costs transferred to users as service fees?

Carla (Microlinks): Great questions! Thank you all!

Anthony Orlando: Do you have any insight into whether the rural poor are open to uptaking digital currencies (i.e. Bitcoin, but not necessarily Bitcoin)?

Dana Lunberry: Also, related to digital usage and transaction fees: is there evidence that digital finance is pro-poor? For most day-to-day transactions (local shopping), using cash continues to be the cheaper option for the customer in many contexts.

Jesus Pizarro: Bitcoin is a great alternative!

Gordon Crann: Providing training in basic financial literacy is important for the poor. How is this financial literacy training provided in relation to mobile money and digital payments?

Indra Klein: Were PSAs used to help promote these programs? If so, could you elaborate on roll out as well as what processes were put in place to provide more detailed information?

Zahra Niazi: Couple of questions (apologies if I missed this): 1. were there any heterogeneous effects with regards to preference and access (men vs. women), 2. what would you think is low hanging fruit for FSPs to get people to switch to digital? Given that training to recipients might be costly.

John Aggrey: Given that digital transactions are carried out via the SIM toolkit, how do you address the challenge that comes with poor network connectivity in rural areas, which hamper transactions? Constant interruptions in the services may discourage the rural poor from embracing digital payments.

Indra Klein: Tech question: how was compatibility addressed, especially with those who possessed older model cells? What were associated costs?

Indra Klein: Long-term: is a system in place to ensure that the rights of users are protected when there is no NGO involvement?

Sharon Sibanda: Econet has introduced a dual wallet and now EcoCash users can have a USD wallet and a rand wallet. Though there is still general resistance to the rand by the local population that views the USD as preferable. But use of rand is increasing as now the Government of Zimbabwe has introduced the Bond note, which only valid in Zimbabwe.

Ataur Rahman: Great Presentation!

Indra Klein: I agree, Ataur.

Carla (Microlinks): Glad you are all enjoying the presentation! We have some great questions! Thank you for being so engaging!

Indra Klein: With use of the digital financial platform, is there evidence of increased savings on the part of user?

Indra Klein: With regard to service providers, do governments allow international companies to participate?

Dick Tinsley: What is the potential for this system to get hacked and people to lose the money they have in the system?

Karim Bin-Humam: What are your experiences in creating business cases for MNOs and/or financial institutions to expand their infrastructure and agent networks to reach new areas and where might we find guidance on making such business cases?

Indra Klein: How are NGOs utilizing social media to promote programs to raise awareness – successes and challenges – as well as a tool to allay concerns/mistrust (video interviews, graphics, etc.)?

Zahra Niazi: Excellent question by @Karim Bin-Humam, it would be great to know what the business case is for not only digital payments (which reduce

leakages and are more efficient), but for encouraging customers to switch to savings and other digital financial products to reach financial inclusion.

- Indra Klein: In regions where cultural mores are challenging, what challenges exist in male-female households, especially when both are wage earners? If so, what measures have been/are being taken to address such?
- Carla (Microlinks): We will be getting to your questions very shortly as Jamie wraps up her presentation! We have a great list of questions that we will intermix with the questions we have from the folks who joined us here in D.C. We will get to as many questions as possible. Thanks!
- Carla (Microlinks): Please do not forget to access the library resources at Microlinks: <https://www.microlinks.org/show-me-money-lessons-learned-digital-payments>
- Anastasiia Vynnychenko: Are there any best practices or lessons learned in using digital payments to engage with diasporas to support home country development?
- Don Humpal: Who owns the metadata for social transfers and digital payments. How do independent third party evaluators access the data to assess ROI?
- Jaime Huang: Thank you for your presentations.
- Carla (Microlinks): Thank you Jaime for joining us – it was a really good presentation!
- Brian Dusza: Is there empirical evidence/research that shows that users of mobile money have higher income, access to school and health care, better connection to value chains, etc. – the priority areas for USAID?
- Don Humpal: On cash shortages/fails in cash outs: Are any providers using or developing cash demand forecasting, e.g. for seasonal peaks around crop marketing, school fees?
- AV Tech (Washington DC): From Chidambaram 2: In India we face problems in digital transfers. Now the e-wallets are faked and customers are cheated. When these digital transfers reach a certain volume, there are techni-cheaters.
- Christy Fellner: Thank you – very informative session.
- Stephen Kiingi: Different models work under different environments; the Empesa model worked in Kenya given the dominance of the mobile service provider. In Tanzania, this model was not transferable given the unwillingness of mobile service providers have others piggy back on the rural

dealerships/infrastructure. A donor had to set up the infrastructure and then have the service providers compete.

- Carla (Microlinks): Folks – we are going to switch the layout to our end polls
- Carla (Microlinks): But the question and answer will continue on for the next ten minutes!
- Carla (Microlinks): So please stay on with us and answer the polls while listening to the speakers answer your questions!
- Carla (Microlinks): @Christy thank you for joining us!
- Carla (Microlinks): Please take a moment to fill out the polls, the webinar will not end until 10:30! Thank you!!
- Carla (Microlinks): We have about four minutes left for questions!
- Indra Klein: Thank you for another thought-provoking presentation. It would be interesting to learn how programs have involved and impacted communities-at-large, to include economy/market place.
- Indra Klein: oops...evolved.
- Carla (Microlinks): Stick with us and do take a moment to fill out the polls before you leave. Thank you all so much for joining us and don't forget to check out Microlinks for additional resources including today's presentation, the audio recording and transcripts: <https://www.microlinks.org/show-me-money-lessons-learned-digital-payments>
- Carla (Microlinks): Thank you Indra for all your insightful and thought-provoking questions!
- Indra Klein: There are so many posted questions online. Will there be an attempt to address them by presenters?
- Indra Klein: Offline and uploaded to the website?
- Carla (Microlinks): Yes, we will see about creating a blog post out of them.
- Indra Klein: Thank you :)
- Carla (Microlinks): Keep looking at the event page for those resources in the next couple of weeks.
- Carla (Microlinks): You are welcome.

Carla (Microlinks): Thank you everyone for joining Microlinks today! We thank your participation and look forward to seeing you next time!

Sharon Sibanda: Thank you.

Carla (Microlinks): Thanks, Sharon!

Jesus Pizarro: Thank you.

Douglas Mackie: clap clap clap

Gordon Crann: Thanks.

Jesus Pizarro: Adios.

Carla (Microlinks): Thanks Jesus, Gordon and Douglas!

Carla (Microlinks): Ciao!

John Aggrey: Thank you. Very insightful presentations.

Carla (Microlinks): Thank you John, they were.

Indra Klein: Have a great day! Look forward to next presentation!

Carla (Microlinks): Same to you Indra!

Chrissy (Microlinks): Thanks everyone, we're closing the webinar room!

Chrissy (Microlinks): Have a great day!

George Oganda: Great day to you Team as well @Chrissy