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**12TH AFRICA REGIONAL GROUP MEETING
05-06 June 2006, Hammamet (Tunisie)**

SUMMARY CONCLUSIONS

Hosted by La Poste Tunisienne, the 2006 WSBI Africa Regional Group brought together 45 delegates from 16 savings and retail banks¹ of as many countries to brainstorm on the topic: “*African savings banks facing the technological challenge*”. The meeting also offered a platform for networking between WSBI African members and potential partner institutions such as iVery Payments (South Africa), Child Savings International (Netherlands), Planet Rating (France).

1. General Remarks

The participants exchanged information on the costs and benefits of investing in Information and Communication Technology (ICT). New technologies are driving significant progress in the payment industry and have become a major factor for raising efficiency, improving customer satisfaction and governance. The participants recognised that, due to rapid and recurrent changes, technological choices are critical in the management of modern enterprises. More broadly, the discussions highlighted the connections between Technology, Access to Finance and Remittances.

▪ ***Access to Basic Financial Services***

Savings banks including in Africa have an inbuilt commitment to providing access to financial services. They are double bottom-line² financial institutions. As such, their products and services are useable even for low value and irregular financial needs and most of the savings banks have products to satisfy the full spectrum of customers’ functional needs. Their branch network is dense and open to all levels of society.

The discussions stressed that technology is instrumental in enhancing access to finance and that increasing access to finance in the region is primarily the responsibility of savings banks. The various communications presented a wide range of possibilities for savings banks in Africa to promote account-based services and electronic payments by using cards, phone and internet devices.

¹ The following institutions attended the meeting: La Poste (Benin), SONAPOST (Burkina Faso), SNPSF (Comoros), CNCE (Cote d’Ivoire), CBB (Ethiopia), OPG (Guinea), KPOSB (Kenya), CEM (Madagascar), Barid Maghrib (Morocco), Postefinances (Senegal), Postbank (South Africa), Postal Bank (Tanzania), CET (Togo), La Poste (Tunisia) and Post Bank (Uganda). Ecobank Group (West and Central Africa) joined as a potential member.

² Double bottom-lines refers to the traditionally known principle according to which two goals are foreseen: the profit and loss account and the equally longstanding goal of ensuring the financial needs of all segments of the population.



It was pointed out that the mobile phone infrastructure has dramatically expanded on the continent and is now more stable in most African countries; therefore it could offer a better platform for investments aiming at achieving outreach.

- ***Remittances***

The meeting acknowledged that remittance flows to African economies will continue to grow and highlighted the critical role of savings and retail banks in delivering fair value remittance services. However, upcoming changes are foreseen, due to the advent of leading card issuers in the remittance business. Savings banks acknowledged the huge potential of leveraging on remittance flows to increase mass access to basic financial services in Africa.

2. Challenges

Progress has been made in various African countries to reform (postal) savings banks. Still a lot remains to be addressed in this process of revitalization and some of the major challenges are on the:

- ***Technology side***

Although the costs of investing in technologies remains challenging for institutions with limited financial resources like savings banks, there is growing awareness among them that investments in technologies are rewarding in several aspects: increasing flexibility and efficiency, improving customer service and satisfaction.

- ***Institutional and governance side***

Some savings banks are still governed by too restrictive laws that are making their business unsustainable in a competitive market environment. Moreover, in their endeavor to restructure into retail banks there is a need for rooting the professional management and corporate governance culture.

3. Recommendations

Taking into consideration the above critical challenges, savings and retail banks are encouraged to:

- Leverage on remittances for expanding access to account-based and card-based services;
- Take advantage of these commercial opportunities in the remittance business to establish multi-partnerships;
- Cooperate in dismantling “exclusivity rights” granted to any remittance service providers;
- Promote and stimulate regional cooperation opportunities in critical areas such as: product development, cost-efficient solutions for computerization and automation, money transfer services, knowledge sharing, etc.