

22ND MFC
ANNUAL CONFERENCE
**DEMYSTIFYING DIGITAL
IN MICROFINANCE**
ISTANBUL 2019

MAY 30-31, 2019
ISTANBUL, TURKEY
#2019MFC



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Digital Payment Solutions for Microfinance Clients

Moderator:

Hemant Baijal, Consultant

Speakers:

Archil Bakhuradze, Crystal

Mavsuda Vaisova, Humo

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MFI's want to introduce digital payments

- MFIs want to introduce a range of digital payment products
 - in addition to loans customers want digital wallets, prepaid cards, money transfers and payment services
- Country's legal and regulatory framework for MFIs permits what options are available within the country
 - MFIs can develop their own services
 - issue a branded product with a payment network (e.g. Mastercard),
 - in partnership with already established providers and fintechs offer such services.

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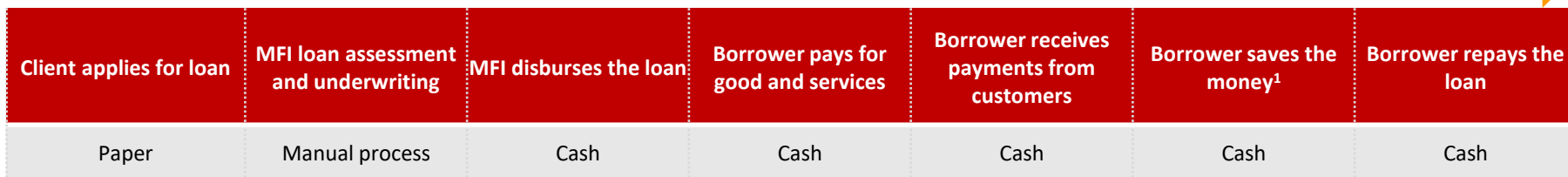


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Situation: lack of digital payments options create efficiencies in MFI value chain

GENERIC MFI LOAN PROCESS



DIGITIZATION OF PROCESS AND PAYMENT FLOWS

Process efficiencies

- Digitalization of processes
- Partner driven but bundled into a solution offering that is right for your customers

Payment efficiencies

- Configurable and flexible depending on the MFI needs

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Session Objectives

- Learn from experiences of MFIs in the region to implement digital payment strategies
- Identify steps that can be taken to get started with digitalization process
- Session will focus on following questions:
 - What are the options available to MFIs to implement their digital strategy – products and services that are meaningful and relevant to their customers?
 - What are the customer adoption challenges?
 - Is the legal and regulatory framework conducive to the development of such products by MFIs in your country?
 - What partnership arrangements are feasible – payment network, fintech/local bank partnership.

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Agenda

1. Learn from experiences of other MFIs in the region – what have been the opportunities and challenges to introduce digital payments
 - Microcredit Deposit Organization “Humo” Mobile Application – Humo Online
 - Crystal, Georgia
2. Group exercise (each table discusses experiences and presents a combined view)
3. Summarize outputs and identify initial steps MFIs can take to get process started

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Experiences from Tajikistan and Georgia

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Group Exercise

- Objectives
 - Discuss opportunities and challenges in introducing digital payments for their clients (20 mins)
 - Present group view (2 minutes per table)
- Rules
 - Identify person on table who will moderate conversation
 - Table moderator responsible for taking notes and then making a very short presentation to report outputs from the table
- Questions for group exercise
 - What opportunities do you see in your market – top 3 products and services
 - What have you done already to address these?
 - What legal/regulatory, infrastructure, partnership or other roadblocks you have faced?
 - What partnership opportunities have you explored or would have liked to explore but don't know how?

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Next Steps for MFIs

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Steps MFIs can take to implement digital payments

- Conduct assessment of client needs
 - What digital payment channels are best suited for your customer base
 - Legal and regulatory framework to introduce these options
- Build business case and strategic plan for introducing digital payments
- Leverage partnerships to introduce digital payments
 - Introduce digital payment solution with local bank or fintech
 - Introduce digital payment solution with global payment network (Mastercard, Visa, etc)
- Build operational platform to service your clients
 - Marketing
 - Customer service
 - Issuance
- Provide financial education materials

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