**Research and day 1 summary**

This workshop presents a unique opportunity to concretise the experiences and lessons of mobile-money expansion. Instead of re-inventing the wheel, we can instead learn from the pitfalls and challenges faced and overcome in East Africa. Mobile Money has the potential to revolutionise traditional retail banking throughout much of West Africa. In day one we outlined the following:

1. Mobile Money is a clear **‘game-changer’** radicalising both the banking and telecoms sectors
   1. Expanding financial inclusion through mobile platform reduces the need for high-cost, brick and mortar bank branches.
   2. Wider financial inclusion for previously unbanked groups has the potential to greatly **reduce poverty**, by enabling households to be more **resilient to shocks,** and enabling households to change occupations. Transfers can be used for **insurance** and **smoothing risks** from shocks
   3. As noted in the Kenyan experience, mobile-money also dramatically lowered transaction costs for users themselves.
   4. Continued **innovation** holds greater promise for expanding services to low-income households. Examples from Kenya include: **savings and credit** provided through M-SHWARI, and a **new mobile-tradable government bond** expected to launch later this month, called M-Akiba
   5. In addition to its **impact on growth and inequality** within each countries, there is a massive potential of **cross-border economic linkages** being strengthened throughout West Africa.
2. The barriers to reaping these gains however, still remain. The big challenge for mobile money is developing a flexible and **‘enabling’ regulatory framework**.
   1. Regulation needs to address the needs **and interests of banking institutions as well as telecommunications companies.**
   2. Overly **restrictive regulations** or in areas where mobile expansion is largely led by the banking sector, mobile penetration is often stifled
   3. Regulation must sufficiently protect for customers, particularly for **financially illiterate or partially illiterate adults**. At the same time, however, regulations must be flexible enough to allow for innovation and adaptation by Mobile Network Operators.
   4. Regulation must **address licensing and compliance requirements** for agents as well as MNOs. These should govern the following:
      1. Customer acquisition and registration
      2. Agent acquisition and scale-up
      3. Transaction reporting requirements
      4. Theft and fraud prevention
   5. At a more granular level even more basic barriers to mobile money penetration exist as persistent challenges. These include:
      1. Access to infrastructure for electricity and mobile network coverage
      2. Non-standardised **documentation** or ID cards
      3. **Low levels of trust** in banking institutions

*Session summary written by Upaasna Kaul, Managing Editor & Hub Economist*