

BILL & MELINDA
GATES *foundation*

An Introduction to the Bill & Melinda Gates Foundation & Financial Services for the Poor Program

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David Lubinski
Dilwonberish Aberra

A PERSPECTIVE FROM 13 YEARS OF EXPERIENCE FUNDING INITIATIVES IN FINANCIAL INCLUSION

1. The Foundation's Global Reach and Presence
2. The Foundation's Work in Africa
3. Where Does Financial Services For the Poor Fit in the Foundation?
4. Financial Services for the Poor Strategy
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THE FOUNDATION'S GLOBAL REACH AND PRESENCE



US \$51B
Endowment

US \$46B
Total grant payments (Q4 2017)

US \$4.7B
2017 grant payments

1,541
Employees worldwide

Trustees
Bill & Melinda Gates,
Warren Buffett

THE FOUNDATION'S WORK IN AFRICA (2014 – 2018)

\$3.2 billion

Total grants disbursed in 11 African countries

\$520 million

Total grants disbursed to rest of Africa

59

Employees worldwide

3

Country offices in Nigeria, Ethiopia, South Africa



FSP: WHERE WE FIT IN THE FOUNDATION

Gates Foundation				
Global Health	Global Development	Global Growth and Opportunity	U.S. Program	Global Policy & Advocacy
<ul style="list-style-type: none"> Discovery and Translational Sciences Enteric and Diarrheal Diseases HIV Malaria Neglected Tropical Diseases Pneumonia Tuberculosis 	<ul style="list-style-type: none"> Emergency Response Family Planning Global Libraries Integrated Delivery Maternal, Newborn & Child Health Nutrition Polio Vaccine Delivery 	<ul style="list-style-type: none"> Agricultural Development Financial Services for the Poor Water, Sanitation & Hygiene Gender Equality 	<ul style="list-style-type: none"> K-12 Education Postsecondary Success Washington State 	<ul style="list-style-type: none"> Tobacco Control Development Policy and Finance Philanthropic Partnerships
	<ul style="list-style-type: none"> India Country Office Africa Country Office (Ethiopia, Nigeria, South Africa) 			<ul style="list-style-type: none"> China Country Office

Source: gatesfoundation.org (May 2017)

FINANCIAL SERVICES FOR THE POOR STRATEGY

Building Blocks

Policy and Regulation

- Enabling Regulations
- Consumer Protection Regulations
- Stability and Oversight
- Policies To Drive Usage

Infrastructure

- Mobile Connectivity
- Pro-poor payment systems (L1P)
- ID Systems
- Effective distribution/service network
- Data sharing

Private Sector Engagement

- Compelling CVPs
- Effective marketing and sales

Payments Outcomes

DFS Payment Services that are:

Accessible: Users in our target population can easily acquire and use DFS services

Reliable: Users' money and information are secure and available for use; systems help deter usage for money laundering and terrorist financing

Valuable: There is a clear CVP for the poor to use DFS rather than cash or other traditional services

Affordable: End users are willing and able to pay for the cost of preferred product and receive value in excess of cost

Profitable: DFS providers earn sustainable margins

Usage Outcomes

Usage of DFS is ubiquitous by the Poor

By 2030, 80% of adults worldwide and 60% of sub \$2.50/day adults have and actively use a digital account to make payments and to access additional products beyond P2P

Usage of DFS is ubiquitous by Women and Girls

By 2030, the gender gap in usage has been eliminated

Diversification of Usage

Households use an effective range of financial tools

Impact Outcomes

Financial Health + Poverty Alleviation

Fewer people slide into poverty, more people move out of poverty, and daily consumption is increased because of their use of DFS products and services:

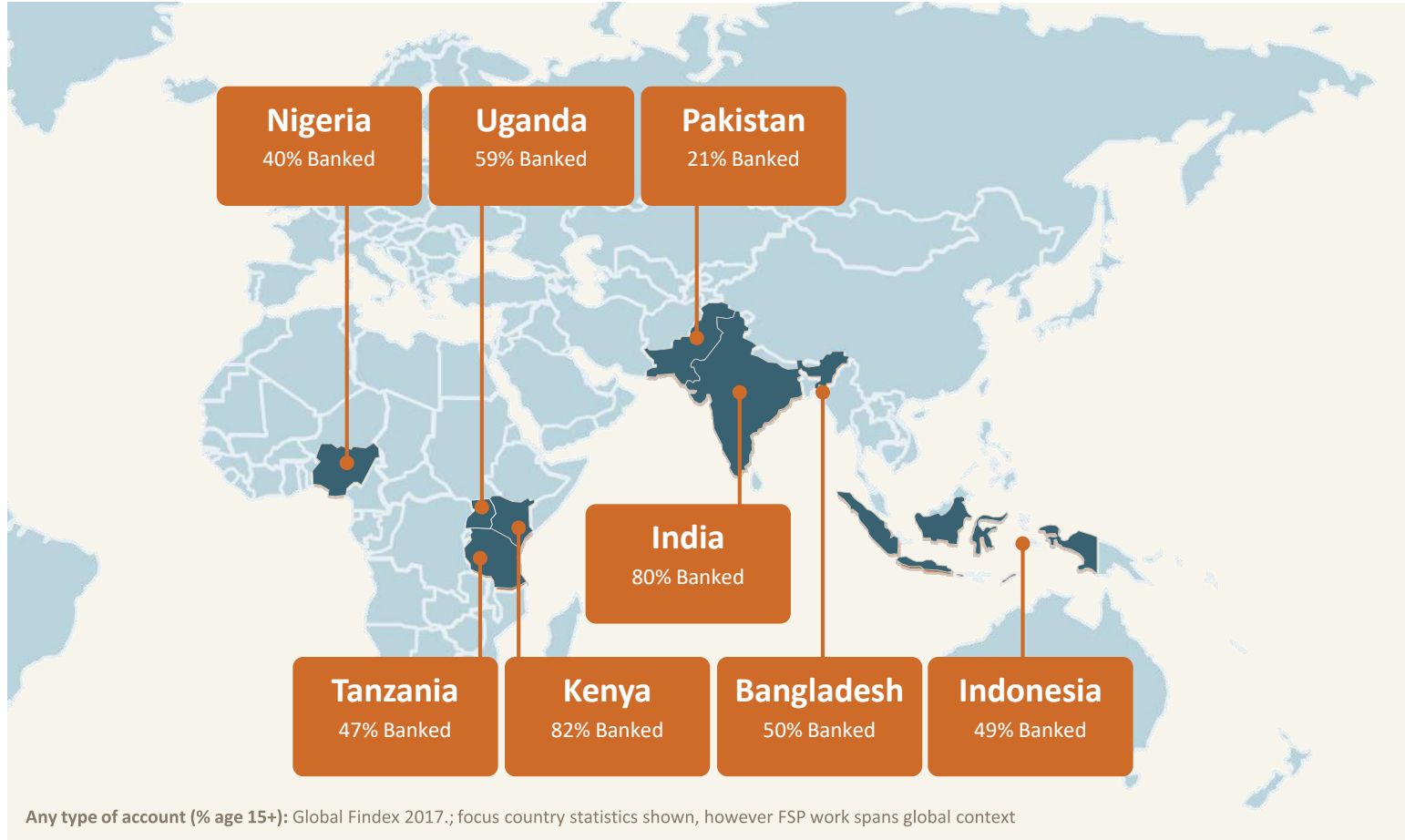
Consumption Smoothing

Households use DFS to manage and recover from income and expense shocks

Productive Investment

Households are better able to acquire equipment and materials that improve their long-term incomes

GLOBAL WORK IN FINANCIAL SERVICES FOR THE POOR



130
2017 Active Grantees

>\$118M
2017 Annual Disbursements

35
2017 Employees Worldwide

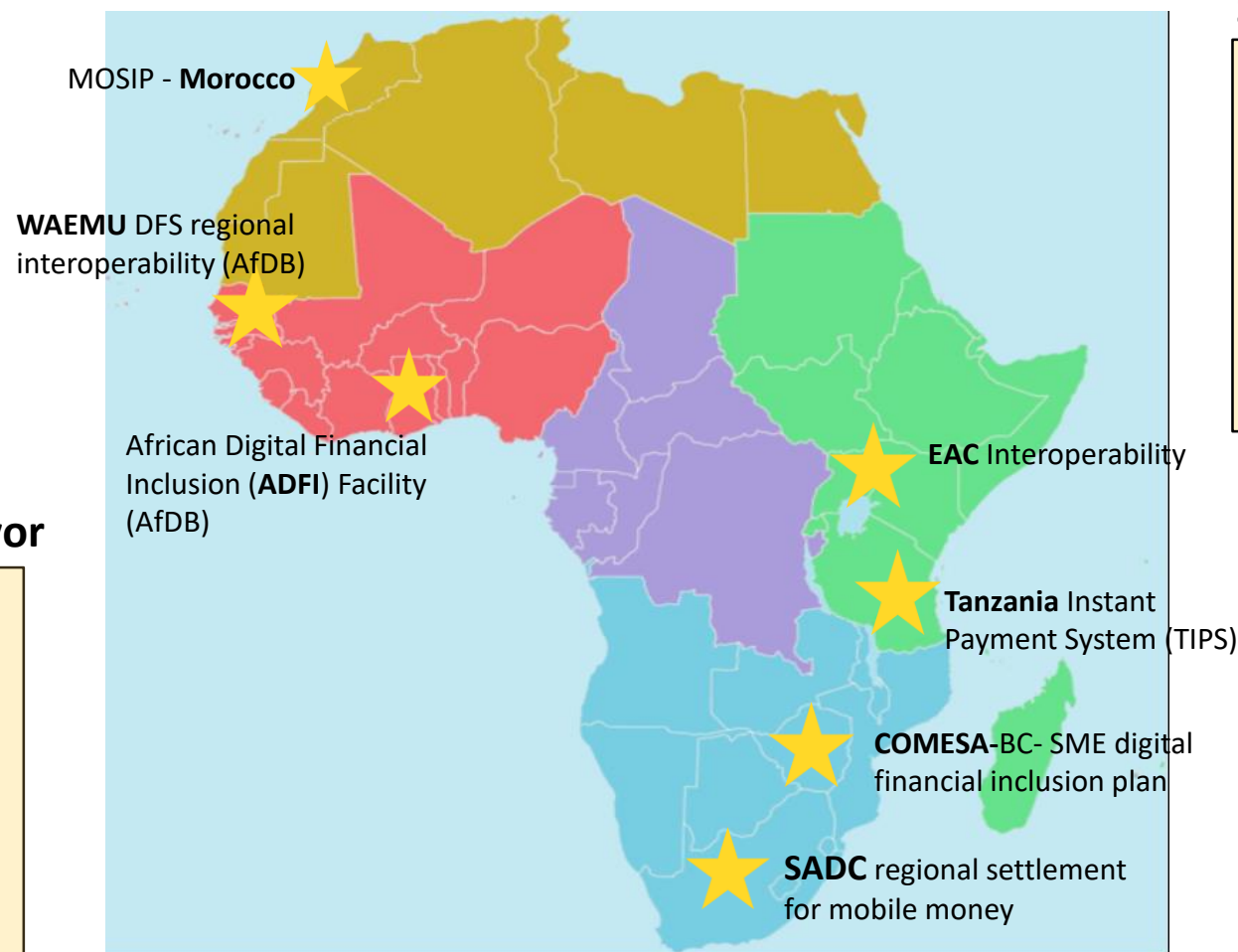
SCALING DIGITAL FINANCIAL SERVICES IN AFRICA

Africa by the numbers

- 1.2bn people/2.4bn by 2050
- 55 countries; 38 with <20m and 23 with <10m total population
- 8 regional economic communities or trade blocs with overlap
- 44 Central Banks
- 42 currencies; 2 currency unions
- ~400m+ adults unbanked; 332m have mobile phones
- ~60% of unbanked are women
- 78% mobile phone ownership

Scale drivers in Africa's favor

- Economies of Scale opportunity
- Regional communities leading harmonization and scale
- Trade & Transport integration
- Commercial Financial Service Provider Economics
- Payments integration and harmonization exploration by the Association of African Central Bank governors



Scaling DFS in Africa

- Payment infrastructure
- Identity infrastructure
- Enabling regulations
- Research
- Cross Cutting*: Gender, Capacity Building, & Advocacy

Continental & multi-country investments *(not shown on map)*

- Digital Economy for Africa – WBG
- Africa Scale Enablers – FTS
- ID for Development – WBG
- Africa Policy Accelerator – UNCDF
- JPAL Africa Research on ID, payments & governance

WHAT MAKES A DFS SYSTEM PRO-POOR?

1. Tiered KYC
2. Open and Interoperable System
3. Real Time Clearing
4. Push Payment Model
5. Same Day Settlement
6. Governance by Participant Service Providers
7. Shared Interoperability and Fraud Management Infrastructure
8. Cost Recovery Based Shared Infrastructure for Collaborative Space

FRAMEWORK FOR SCALING REGIONAL DFS IN SADC

Regulation	1. Regulation & Supervision	1. SADC CCBG/PSOC
Business	2. Scheme Governance	2. SADC PSMB
	3. Scheme Ownership	3. TCIB Payment Assoc. (TPA)
	4. Scheme Rules	4. SADC BA Beige Book
Delivery	5. Scheme Operator	5. BankServAfrica
	6. Scheme Participants	6. Authorized TPA Participants
	7. Scheme Platform Provider	7. BankServAfrica
Technical	8. Scheme Platform Infrastructure	8. TerraPay + proprietary + COTS

THANK YOU

FOR MORE DETAILS PLEASE CONTACT US AT:

- DAVID LUBINSKI - DAVID.LUBINSKI@GATESFOUNDATION.ORG
- DILWONBERISH ABERRA – DILLY.ABERRA@GATESFOUNDATION.ORG