



African ATM Technology Enablement Forum

4pm SA time Thursday 13th November 2008

Minutes of 3rd Teleconference of 2008

1. Welcome and introduction

Mike welcomed participants to the last teleconference of the year. He thanked Brian McLean and Barry Forbes for making 2008 a positive year for this forum since we will soon have the ATM Toolkit for Africa ready for use.

He also thanked John Hardy, former CEO of LINK, who had offered to edit the manual *pro bono*. This would represent world-class feedback and input into the manual.

Mike mentioned he had obtained ‘Principles of Payments Industry Self-Governance’ by the International Council of Payment Association Chief Executives (ICPACE), published in November 2007. Copies could be requested from him.

2. Approval of minutes of 30th July teleconference

The minutes of the previous teleconference were accepted without changes.

3. The ATM ToolKit for Africa

Mike and Brian shared that Barry has conducted extensive research with the likes of SARB, Bankserv and PASA and has written a first draft of an ATM Toolkit for Africa.

Barry has submitted a revised Toolkit Framework as follows.

Synopsis

“The manual will be “governance centric” rather than “switch centric”. In other words, a top-down approach where it is first established that sufficient, valid and efficient governance and regulatory structures are in place, before a project is initiated to build the business and technology structures required for an ATM Payment Service. Several different business models/architectures are introduced conceptually to emphasize the point that there are alternatives; that the solution proposed by a favoured vendor is not the only possibility; that different econo-geographic situations require different solutions.

It supports the view that a balance must be struck between innovation and regulation. The need to follow internationally accepted standards (whether formalized or de facto) is stressed, as is the importance of preparing for interoperability. It suggests that a Public Private Partnership approach could be suitable for a capital intensive task such as this.

The ToolKit includes a possible governance structure as well as examples of regulations and rules, all of which are meant as input to the necessary inclusive process that must be established to define a suitable regulatory infrastructure for managing switching and clearing in an ATM payment service for a country (or region). Together with the suggestions on how to go about the process, it is hoped that the path of learning by mistakes may be shortened and eased.”

Brian confirmed that this approach of being “governance-centric” was in line with the thinking of leading payments groups in SA.

The Toolkit will be made up of 5 Sections:

1. **Introductory section.** This introduces the topic and positions it in terms of its business domain. Its contents are:
 - **Preamble/Prologue**
 - **Purpose**
 - **Scope**
 - **How to Use**
 - **Definition of an ATM Payment Service relative to a National Payment System and Payment Cards**
2. **Business Model Definition section.** This shows that there are several different business models that can be used, individually or in combination, in the ATM service domain, depending on the needs and environmental circumstances of each case. This has been included as a result of discussions with several people active in the payments area within Africa; there is a need to enrich the input into the debates around what approach to take in payments systems improvement, and to contra the singular proprietary solutions sometimes promoted by the vendor lobby. Providing some reference to possible alternatives, in concert with a concern about standardization as illustrated in other areas of the ToolKit, should help the decision making process of individuals, and help the case for interoperability. This section introduces a variety of potential models and an initial analysis of their strengths and weaknesses.

3. **The Main Reference Body.** The depth of the content in this section varies as a result of the availability of input within the current timeframe. Some items are only mentioned as placeholders; obtaining detail will require ongoing negotiation over time due to the commercial, competitive, nature of the payments switching business. A lot of potentially useful information is considered as intellectual property and there is an unreasonable (in the author's opinion) belief that sharing sanitized operational information will allow potential customers to "roll their own". This concern ignores the vital role that experience plays in the successful creation of a payments business. Other items are thin in detail because they require collaborative effort (e.g. workshops, etc) with multiple parties, alternatively content will develop in parallel with specific implementation activities and can then be input to the learning process. Some items may never be completed here as they may prove to be too operationally detailed to exist in this level of document.

The information contained within this section is obviously generic guideline material and will not be suitable in its specific form for implementation. It is drawn from best practice implementations and is intended to be used as input to enrich the development of structures and procedures that need to be developed individually in every case.

- **Governance Structures**
 - **Committees, Boards and Bodies**
 - **Accountabilities & responsibilities**
- **Payment Streams and Regulations**
 - **Definitions**
 - **Rules**
 - **Agreements**
 - **Policies Legal Relationships**
- **Architectures/Solutions**
- **Operating Rules and Procedures**
- **Interfaces and Standards**

4. **The How-To-Do-It section.** This section contains some information on *how* to best approach the implementation, once a decision has been made on *what* to do. This is again generic information that will not necessarily be suitable in every case, and is no more than most competent implementation service organizations would do, but it is believed to be useful as input to an implementation control process.

- **ATM Development Framework Programme Definition**
- **Programme Management**
 - **Project Management**
 - **Project Administration**
- **Program Office**
- **Project Plans**
- **Vendor Management**
 - **RFI/P/Q process**

5. **The ToolBox.** This is the final section that is intended to include “useful information” as collected over time. It is a set of data that has the potential to grow over time, thus the suggestion above that this should really be part of a web site. If this ToolKit document continues to live, and develops into the basis for activity in the developing ATM space, then this ToolBox section will grow (and become too cumbersome for manual updating).

- **Expert Assistance/Contacts**
- **Conference Proceedings**
- **Documentation Library**

The committee expressed satisfaction with the structure and progress of Barry’s ATM Toolkit for Africa.

Brian explained that the idea was not to produce scheme rules as such but governance principles as well as a “how to” for setting up ATM payments service within a national payments system.

4. The ATM ToolKit for Africa : Phase 2

Once the Toolkit has been completed and edited by John Hardy, it would be passed to experts within SA and Africa for further comment and “Africanisation”.

Mike commented that the next phase in 2009 would be to provide exposure for the Toolkit at SADC central bank conferences and at the World Bank conference in CT in April.

We could also set up workshops in East and West African regional centres.

Phase 2 needs to be costed so we can approach sponsors. We could design specific sponsorships for Phase 2 such as donor contributions of say \$500 and other more substantial contributions. Should Phase 2 be successful, we can cost and raise sponsorship for Phase 3 which would be approaching targeted countries for consultancy work on ATM payment service development within national payment networks.

6. Mobile phone banking

Mike shared that mobile phones were proliferating in Africa and mobile phone banking was an exciting new application. ATMIA had produced international best practices for secure mobile phone banking and committee members were welcome to request copies from him at mike@atmia.com Peter Freeman pointed out that this Forum can use both the Toolkit and the mobile phone best practices to promote technology development in Africa as both technologies were profoundly enabling.

7. Next meeting:

TBA as part of 2009 conference call schedule