

Ipumbu Shiimi: Addressing financial inclusion in Namibia

Statement by Mr Ipumbu Shiimi, Governor of the Bank of Namibia, at the official launch of the Nam-mic Payment Solution, Windhoek, 24 April 2012.

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Director of Ceremonies

Members of the Board of Directors of Nam-mic Payment Solution

Members of the Media

Distinguished Invited Guests,

Ladies and Gentlemen

I am pleased to join you in witnessing the official launch of Nam-mic Payment Solutions, which will be a second mobile payment services provider authorised by the Bank. ***I am equally pleased*** to note that Nam-mic is embracing modern technology to provide value added services to its 200,000 union members.

Ladies and Gentlemen, The Bank welcomes the Nam-mic Payment Solution because it comes at a time when there is a greater need to find accessible, affordable and inclusive payment services to extend financial services to the excluded community. I therefore welcome the “Nam-mic CellCard” authorised by the Bank as an electronic wallet card that will enable payment for goods and services, person-to-person payments, airtime and electricity purchases.

The Bank has identified financial inclusion to be an important thrust in the Bank’s developmental role in achieving the ideals of Vision 2030. The Bank, therefore, has made financial inclusion as one of the key strategic objectives of the Bank. At the centre of the Bank’s agenda to address financial inclusion, is access to financial services and payment services.

As you may recall, in 2011, the Bank with the banking industry launched the National Payment System (NPS) Vision 2015 document. One of the strategies set out in that document, is to increase the accessibility of the payment system by providing for new types of participants, but at the same time maintaining the safety and efficiency of the payment system by adhering to sound internationally accepted payment system risk principles.

In line with the NPS Vision 2015 the Bank issued a Determination on the Issuing of Electronic Money in Namibia which became effective on the 1st of March 2012. This regulation essentially applies to all persons who intend to issue e-money in Namibia. Both banking institutions and non-bank actors are permitted to apply for authorization to issue e-money. As such any persons operating and/or issuing electronic money without the distinct authorization from the Bank of Namibia is committing an offence in terms of the Payment System Management Act, of 2003, as amended.

The determination on the issuing of electronic money paves the way for the development of innovative solutions which are supported by a realistic approach to regulation. Competition in the provision of innovative payment solutions, especially where such solutions are turned into practical products that are responsive to the needs of the financially excluded, is healthy. Although we expect banking institutions to continue to serving as the core of the payment system, it is non-banking institutions such a Nam-mic Payment Solutions that will be contributing to the competitive environment in the establishment of payment methods and delivery channels thus serving as an impetus to innovation.

Electronic payment solutions and thus mobile payment solutions is one of many initiatives that the Bank is promoting to increase financial inclusion. In this connection, this initiative of enabling money to be transferred across the country from person to person through a mobile solution **at affordable costs** will go along way in increasing access to financial services in line with broader National Objectives.

In conclusion, Director of Ceremonies, Ladies and Gentlemen we have come a long way in establishing a safe, sound and efficient payment system in Namibia. The challenge is to make them accessible, affordable and inclusive. Payment systems issues are perpetual on the Bank's agenda and we all need to contribute to achieving the twin goals of financial inclusion and provision of speedy, efficient, robust, accessible, safe and **affordable** modern payment methods.

Let me once again congratulate Nam-mic Payment Solution for coming up with this innovative mobile payment services for their members. At this juncture, I now declare the "Nam-mic CellCard" officially launched.

I thank you for your kind attention.