GALLUP PAKISTAN
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FINDEV CYBERLETTER

NINETEENTH EDITION

Editor’s Note

Welcome to Gallup Pakistan’s FinDev Cyberletter. The principal purpose of this Cyberletter is to inform its readers of the latest developments in the financial industry across the globe, particularly in the realms of Financial Inclusion and Digital Financial Services (DFS), where efforts are being undertaken by both private and government sectors. This is the Nineteenth monthly issue of the FinDev Cyberletter series. Each issue of the FinDev Cyberletter will focus on a particular theme within the broader area of financial inclusion and related topics. This newsletter is divided into three main sections. The sections are:

1) **News Roundup** – this section will cover the latest happenings in the financial services industry in Pakistan.

2) **Initiatives** – Constant work is being undertaken by experts, governments and research organizations in order to enhance the understanding of, and to find solutions to the challenges encountered within the financial services industry. This section will aim to cover some of these research initiatives, both locally and internationally.

3) **Data Visualizations & Statistical Figures** - Research backed by data not only increases its credibility but also helps paint an accurate picture of the situation at hand. This section will contain graphical representations of data on various relevant topics.

A diligent effort has been made to ensure that the content extracted from external sources has been cited and given due credit. In some cases, excerpts from the original articles have been extracted. To access the original articles, please click on the link provided at the end of each article. In case of any errors or omissions, we would like to apologize and would be eager to rectify the changes at the earliest. For feedback, comments or questions, feel free to write to us at caf@gallup.com.pk.

Warm Regards,
The Gallup Pakistan Financial Inclusion Team
Led by **Bilal I Gilani** (Executive Director, Gallup Pakistan)

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GATEWAY GUIDE TO DIGITAL TRANSFORMATION OF MICROFINANCE INSTITUTIONS

If you are an executive of a microfinance institution (MFI), more than likely you have thought about taking the digital transformation route for your organization. Research tells you it's inevitable.

SBP UNVEILS STRATEGY FOR DIGITAL PAYMENTS

State Bank of Pakistan Governor Reza Baqir launched the National Payment Systems Strategy (NPSS) on Friday. Speaking to a gathering, which included World Bank President David Robert Malpass, Baqir said "this strategy lays out a road map and action plan for Pakistan to have a modern and robust digital payments network."

DIGITAL PAYMENTS – A MARCH TOWARDS CASHLESS ECONOMY

The State Bank of Pakistan issued an in-principal approval to NayaPay Pvt Ltd to operate as an Electronic Money Institution (EMI) in the country. In a statement issued on Monday said NayaPay will enable local citizens to open e-money accounts and make 'hassle-free' digital payments.

NEWS ROUNDUP

This section covers the latest happenings from the realm of financial inclusion and digital financial services across the globe.

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RURAL WOMEN, FINANCIAL INCLUSION AND COMMUNITY INVESTMENT FUNDS IN PAKISTAN: A SUCCESSFUL PATHWAY TO SUSTAINABLE DEVELOPMENT?*

By Asmat Kakar

Patriarchy and sociocultural constraints, chronic poverty, limited access to financial institutions and lack of financial control means women in Pakistan face a litany of injustices. However, women in Pakistan can be empowered via financial inclusion and projects such as those in Sindh province with the National Rural Support Programme of Community Investment Funds can help. Development from below, driven specifically by women-led community organizations, plays an integral role in achieving Pakistan's Sustainable Development Goals (SDGs). Rural women's active participation in development planning, implementation and their financial inclusion are rightly considered successful and effective pathways to promoting such development goals..

***Source: Published in The London School of Economics and Political Science, November 4th,2019**
Click to [here](#) access full article

GATEWAY GUIDE TO DIGITAL TRANSFORMATION OF MICROFINANCE INSTITUTIONS*

By Gayane Manukyan

If you are an executive of a microfinance institution (MFI), more than likely you have thought about taking the digital transformation route for your organization. Research tells you it's inevitable. Industry pundits warn you that you must "adapt or perish!" Conferences all over the world offer to help you start on this path, with headlines of "demystifying digital," digitizing savings groups, and ensuring an "inclusive digital future." To top it all off, according to McKinsey's report on "The Fight for the Customer," you could lose 20 to 60 percent of your profits by 2025 if you don't get on board with digitalization.

***Source: Published in FinDev Gateway, dated October 2019**
Click to here access full article

UBER'S FINTECH STRATEGY: A CONVERSATION WITH PETER HAZLEHURST, HEAD OF UBER MONEY*

By Ron Shevlin

The job of capital markets is to process information so that, Savings flow to the best projects and firms. That makes high finance sound simple; in reality it is dynamic and intoxicating. It reflects a changing world.

Today's markets, for instance, are grappling with a trade war and low interest rates. But it also reflects changes within finance, which constantly reinvents itself in a perpetual struggle to gain a competitive edge. As our Briefing reports, the latest revolution is in full swing. Machines are taking control of investing—not just the humdrum buying and selling of securities, but also the commanding heights of monitoring the economy and allocating capital.

*Source: Published in Forbes , Dated November 4, 2019
Click to here access full article

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THE INITIATIVES

Constant work is being undertaken by experts and research organizations to enhance the understanding and find solutions to challenges encountered within the financial services industry. This section covers some of these research findings.

SBP UNVEILS STRATEGY FOR DIGITAL PAYMENTS*

By Mutaher Khan

State Bank of Pakistan Governor Reza Baqir launched the National Payment Systems Strategy (NPSS) on Friday.
Speaking to a gathering, which included World Bank President David Robert Malpass, Baqir said “this strategy lays out a road map and action plan for Pakistan to have a modern and robust digital payments network.”
He continued that the key goal of this strategy would be to make access to financial services easier for people and help improve financial inclusion, particularly for women, along with greater documentation of the economy. The event was attended by key stakeholders including regulators, government entities, banks, telcos, Electronic Money Institutions, Payment System Operators/Providers (PSO/PSPs) and other fintechs.

***Source: Published in DAWN, dated November 02, 2019**
Click to [here] access full article

DIGITAL PAYMENTS – A MARCH TOWARDS CASHLESS ECONOMY*

By Usman Hanif

The State Bank of Pakistan issued an in-principal approval to NayaPay Pvt Ltd to operate as an Electronic Money Institution (EMI) in the country. In a statement issued on Monday said NayaPay will enable local citizens to open e-money accounts and make 'hassle-free' digital payments.

According to NayaPay, the in-principle approval allows the company to initiate a pilot phase of transactions in a controlled environment under the supervision of the central bank "to seek approval for the commercial launch of its services".

***Source: Published in The Express Tribune, dated November 25, 2019**

Click to [here](#) access full article

DATA VISUALIZATION

Research backed by concrete data not only increases its credibility but also helps paint an accurate picture of a particular situation. This section contains graphical representations on various topics.

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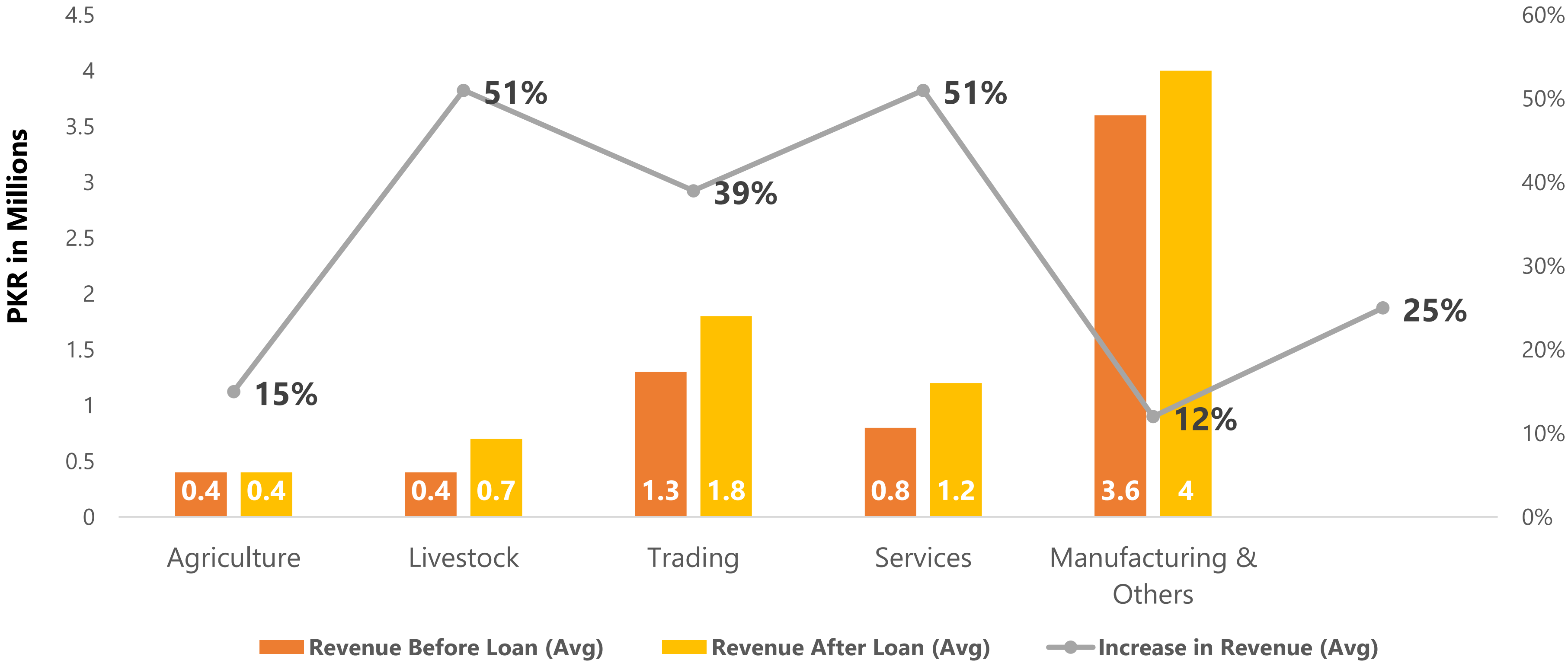
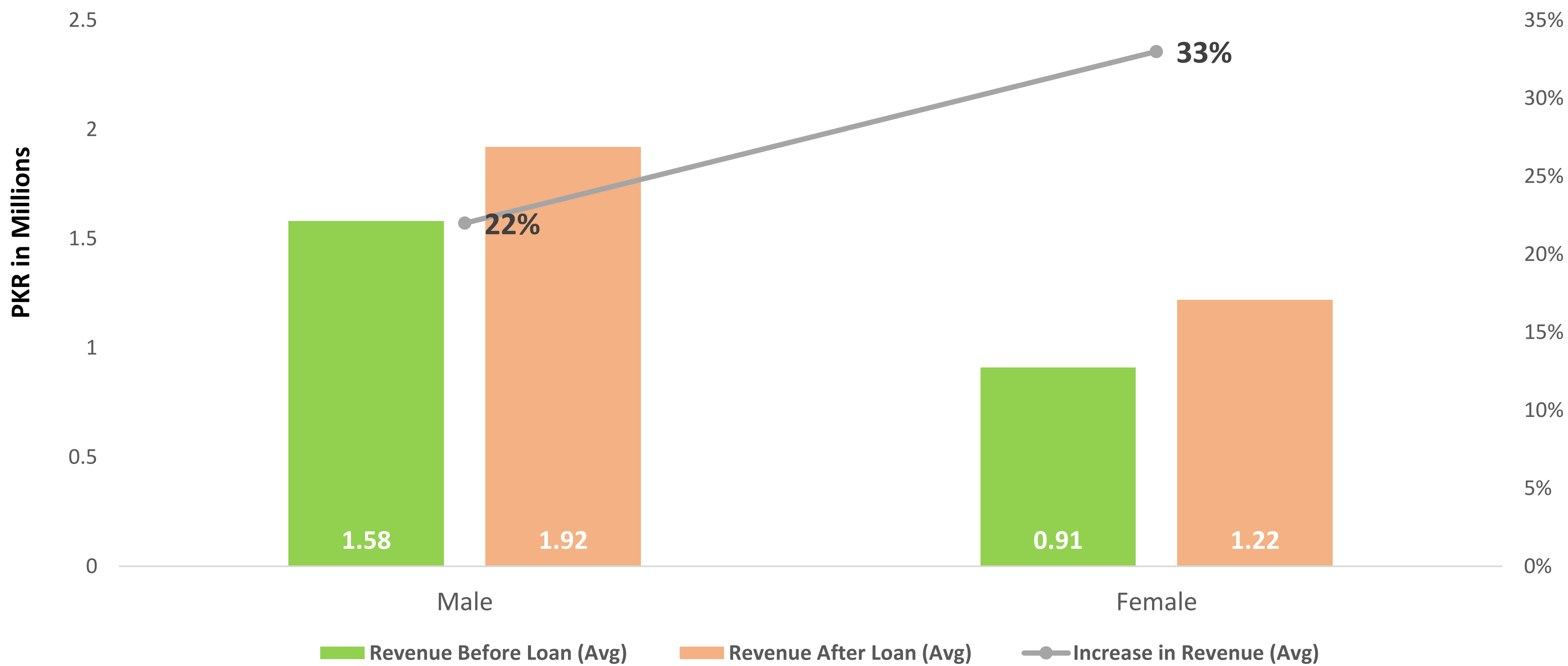
INCREASE IN REVENUE OF MICROENTERPRISES*



***Source: Microfinance & Enterprise Growth Evidence from Pakistan – Karandaaz Pakistan, 2019**
Click [here] to access full report

INCREASE IN REVENUE OF MICROENTERPRISES BY GENDER*



*Source: Microfinance & Enterprise Growth Evidence from Pakistan – Karandaaz Pakistan, 2019
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PAIN POINTS WITH QR CODE*

29% INCONVENIENT
- Lengthy Process
- Time taking
- Difficult to use

67% SERVICE GLITCHES
- Network issues
- QR code not read
- Double scan
- Mobile hangs

20% HASSLE
- Deal with more than one bank
- No instant settlement

22% COST
- High Charges

12% VENDOR PROBLEM
- Vendor prefer cash
- Vendors give discount on cash

17% LACK OF CASH FOR URGENT EXPENSES

***Source: Landscape of Merchant Payments – Karandaaz Pakistan, 2019**
Click here to access full report

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