

# Interoperability and financial inclusion in Africa

 By [Nicci Botha](#)

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There is still \$400m unbanked in Africa, and the goal is to work with the private and financial sector to connect the poor with adequate financial systems, says Kosta Peric, deputy director, Financial Services for the Poor Programme, The Bill & Melinda Gates Foundation.



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“Africa is leading the pack in financial services. It has been successful with mobile money and has 150 mobile money operations on the continent. The question is how do we scale it?” he asks.

He suggests that this is an age of interoperability, and there should be payment platforms interconnected between mobile money and traditional banks.

Peric uses Tanzania as an example. The country has four mobile money providers. “While each was reasonably successful on their own, the Tanzanian central bank decided a year ago to go the interoperability route. Since then, money transactions have increased 1,000-fold. Interoperability is not necessarily easy to implement. This is where the Gates Foundation is trying to help by developing an open source platform.”

In addition, interoperability should expand to cross-border transactions. For example the Southern African Development Community banking project is working on just that. While in West Africa, eight countries are sharing a common currency to

facilitate regional payments.

Matteo Rizzi co-founder, FinTechStage, says that in Europe there has been an explosion of mobile banks, but they all have the same offering. However, in Africa, there is no dominant bank.

“We are seeing more and more apps being developed to solve particular problems. But we need to find more partnerships between start ups and traditional financial institutions.”

## ABOUT NICCI BOTHA

Nicci Botha has been wordsmithing for more than 20 years, covering just about every subject under the sun and then some. She's strung together words on sustainable development, maritime matters, mining, marketing, medical, lifestyle... and that elixir of life - chocolate. Nicci has worked for local and international media houses including Primedia, Caxton, Lloyd's and Reuters. Her new passion is digital media.

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