



**Southern African Development Community  
Committee of Central Bank Governors  
Payment System Project**

**PROGRESS REPORT  
FOR PERIOD APRIL 2008 TO SEPTEMBER 2008**

**1. Introduction**

During the period under review:

- i. a survey on the effectiveness of use of the Real Time Gross Settlement (RTGS) systems implemented in member countries was conducted;
- ii. the country leaders were requested to submit payment system statistical data for publication on the website;
- iii. a report was produced on the regulatory diagnostic relating to mobile banking; and
- iii. the annual payment systems regional conference was held.

The project team aims to undertake further activities during the 2008 and 2009 period, subject to discussion and consideration by the country leaders. These include:

- i. co-ordinate provision of assistance to countries on the efficient use of their RTGS systems;
- ii. further refine the process of collection and publication of payment system related statistical data;
- iii. facilitate the refinement of the regulatory diagnostic templates and the conducting of focussed interviews with member countries;
- iv. develop a proposal for a cross-border payment settlement system based

- on a single currency; and
- v. follow-up on possible opportunities for project funding.

## **2. Survey on the effectiveness of RTGS systems in member countries**

Based on an issue raised at the CCBG meeting in Tanzania in April 2007, the project team conducted a survey with member countries to establish the soundness and efficiency of RTGS systems in the region, and determine if these systems were being used efficiently. Countries were requested to provide a wide range of information. Areas of general concern were identified and highlighted for presentation and discussion at the regional payment systems conference in July 2008.

A plan of action is being prepared to address the more specific concerns of each of the countries. Countries will inform the project team should they require on-site visits to address facets of their operations.

## **3. Submission of payment system related statistical data for publication on the website**

Countries in the past provided payment system statistics for publication in the BIS Green Book. Similar information will now be published on the SADC website. The information submitted by the countries will be published per country in one report.

A refinement of the procedures to submit the data is being investigated. The new procedures would allow for countries to update their information directly.

## **4. Report on the regulatory diagnostic survey on mobile banking**

Mobile banking is the term used for performing balance checks, account transactions and payments to other persons using a mobile device such as a mobile phone.

Regulatory development in the area of mobile banking is in its infancy because of the new technology, and new conceptual models for banking and making payments.

A survey was conducted in the last reporting period by consultants, on behalf of the Consultative Group to Assist the Poor (CGAP), to assess the extent to which countries in the SADC region were ready to implement mobile banking.

The consultant who conducted the regulatory diagnostic survey presented the results of the survey at the regional conference. He also indicated that the templates used in the survey were still in a development phase and further refinement was necessary to ensure that they were able to be used globally as a standard.

The process to collect the information is being reviewed and could include interviews in the individual countries to ensure the correct interpretation of the requested information.

## **5. The annual payment systems regional conference**

The 2008 SADC annual payment system regional conference was held in Centurion, South Africa in July.

The conference focused on areas identified in the survey to establish the effectiveness of the RTGS systems implemented by SADC member countries. Presenters from the member countries shared their experiences with delegates on a wide range of payment and settlement related topics. These included cost recovery models, liquidity and collateral management, customer support center management, technical support and an approach to payment systems oversight.

Country leaders indicated that they found the sessions at the conference very helpful. Member countries are encouraged to contact the project team should they require further assistance on any specific issue. Such assistance could also be offered in the form of a team visit by a team constituted from the expertise in the region. A sample copy of an oversight profile and an oversight report will be made available to member countries by the SADC project team. A request was also made for workshops to be held, to focus on a range of technical topics.

There were presentations on the mobile payments initiatives in the region. Preliminary results of the regulatory diagnostic survey on mobile banking was presented, as well as progress by South Africa on drafting its own position paper on mobile payments.

A draft position paper on mobile payments for the region is being investigated.

An overview of the COMESA cross border settlement system, Regional Payment and Settlement System (REPPS), was presented to the conference. The system is scheduled for implementation towards the latter part of 2008. The SADC Payment System project team presented a cross border settlement model for the SADC region, based on a single currency framework. Country leaders agreed that this proposed model be presented to the CCBG in April 2009.

The meeting of the country leaders at the conference noted that the next conference should focus on broader issues. International speakers from other regional formations should be invited to participate. They also noted that cognisance should be taken of cross cutting issues across projects within the CCBG such as the Information Technology forum and Banking Supervision Project. This may lead to convening of annual meetings with the other project teams.

## **6. Funding**

The project leader of the SADC payment systems project had discussions with the Head of Payment System Development at the World Bank regarding possible future funding for SADC project initiatives.

The World Bank have scheduled a “Global Payments Week” for September 2008, in Vienna Austria just prior to the SIBOS conference at which regional initiatives will be discussed, including time set aside for discussion on issues related to Africa. It is hoped that possible funding of the SADC projects will also be discussed at this session. At the same conference the “Public, Private Sector Partnership on Remittances” will be launched.

The SADC Payment System project leader will be attending the Global Payments Week.

## **7. On-going supporting projects**

The *Vulindlela* newsletter and use of the [sadcbankers.org](http://sadcbankers.org) website continues to support communication and developments on the project.

## **8. Interaction with other international institutions and bodies**

The SADC Payment System Project Team continues to maintain good working relationship with international bodies, such as the World Bank, the Bank for International Settlements and other international organisations and institutions.

## **9. Conclusion**

The survey on the use of RTGS systems, conducted by the SADC payment system project team in the first half of 2008, formed the basis for presentations and discussions at the annual SADC payment system regional conference.

Emerging from the survey is that member countries may have areas of concern that are different from the other member countries. A task team of payment and settlement system experts from across the region may be required to assist member countries in the use of their RTGS systems.

Funding to initiate the projects to integrate the payments systems in the region is necessary. An inter-country work group would be required to meet regularly to map out and monitor the integration process. Additional work groups would address specific aspects of the integration.

The SADC Payment System Project Team remains grateful for the co-operative working relationship with the payment systems project country leaders and the support of the CCBG and its Secretariat.