



# PAPU DIGITAL FINANCIAL SERVICES (DFS) WORKSHOP

*Fostering Financial Inclusion through Digital Solutions*

December 11th, 2024  
Arusha, Tanzania

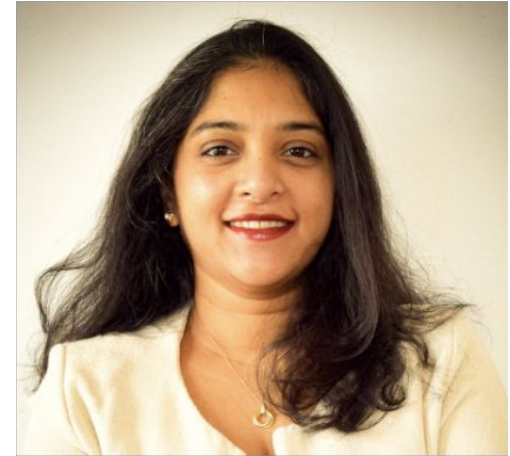
AMARANTE  
CONSULTING

**Sahana is Managing Director and Partner at Amarante Consulting**, a leading firm specialized design and implementation of digital, finance and inclusion projects since 2008. She has over 16 years of experience working across public and private sector entities on projects of digital transformation and innovation for sustainable and inclusive growth. Sahana enjoys strategy building, partnership modeling and development of both large-scale and micro digital transformation projects.

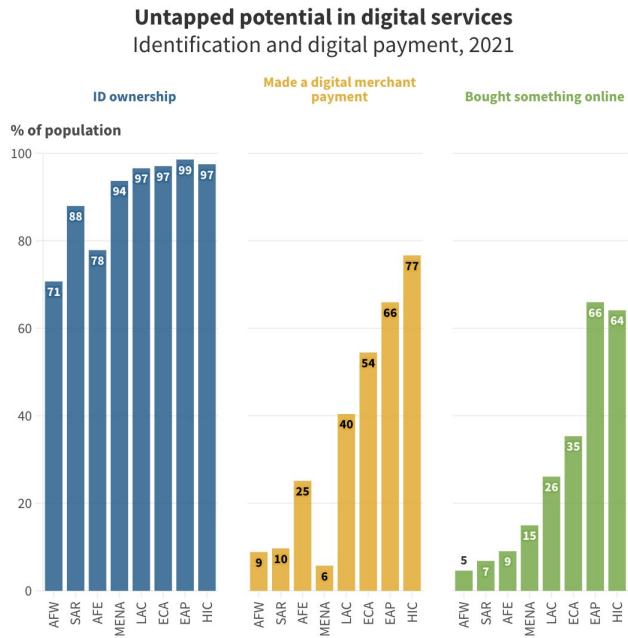
Her current focus lies in **enablement of digital and “phygital” public infrastructure** projects. These empower national strategies and initiatives for democratization of access to priority products and services, catalyzing aggregate growth in emerging markets. The Posts are an integral part of this.

With experience delivering projects across the globe, Sahana believes digital transformation and leaving-no one-behind principles will drive necessary change to contribute to growing economies in a sustainable manner; thus contributing significantly to the SDGs.

Sahana's work has taken her to work in multiple emerging markets across Africa, Middle East, Asia and Latin America. She has an MBA from HEC, Paris. She is **bilingual in French and English, speaks Hindi and Spanish, among others.**



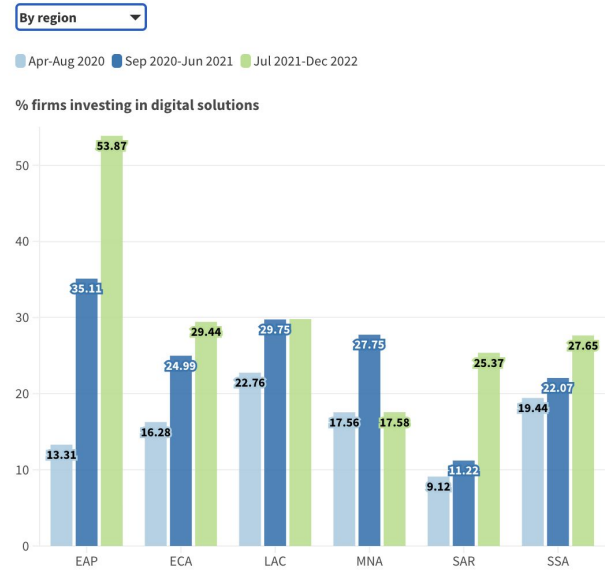
# A RAPIDLY DIGITIZING WORLD: WHAT IT MEANS FOR POSTS (1/2)



Source: Findex and ID4D dataset, 2021 • Note: Population-weighted average by region.

Digital payments and e-commerce are growing rapidly worldwide, but a significant gap in emerging economies presents a key opportunity for Posts to drive inclusion and growth.

### Share of firms investing in digital solutions



Source: World Bank Business Pulse Survey

Investment in digital solutions is growing globally, with regions like East Asia leading the way. However, in many developing regions, less than 30% of firms have embraced digital tools.

## A RAPIDLY DIGITIZING WORLD: WHAT IT MEANS FOR POSTS (2/2)

- **Responding to disruption is urgent:** Posts must evolve their service offerings to adapt to the challenges of rapid digital innovation and changing customer expectations.
- **Digitizing operations is essential:** Posts must modernize their branch networks, logistics, and financial services to remain competitive in the digital economy.
- **Advanced technologies drive transformation:** Leveraging tools like RFID, AI, big data, and automation is critical for operational efficiency and customer satisfaction.
- **Bridging physical and digital gaps:** Posts can connect underserved communities to financial services, e-commerce, and digital ecosystems using their extensive infrastructure.
- **Leadership ensures success:** A dedicated team/executive with clear ownership is vital to leading and sustaining digital transformation efforts.



# POSTS: BRIDGING GOVERNMENT AND PEOPLE FOR IMPACTFUL SERVICES

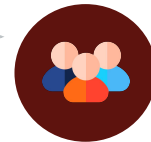
Posts serve as a vital link between **government agendas** and **community needs**, driving **inclusive access** to products and services while ensuring **economic growth** and **resilience**.



Delivering state priorities through Posts



Connecting people to essential services and opportunities



## How Posts support government goals

- Prioritize **financial inclusion** and **digital literacy** through **policy frameworks**.
- Strengthen **national infrastructure** to enable seamless connectivity for services.
- Invest in digital transformation initiatives to **support state-owned enterprises**.
- Drive public service accessibility with **modernized systems** (e.g., payments, IDs, and G2P programs).
- Foster **economic growth** by leveraging postal networks for last-mile delivery.



Partnerships with governments, DFIs, Donors, FSPs, Fintechs, etc.



- Posts connect government priorities with **underserved populations**.
- With a **vast physical and digital infrastructure**, Posts can deliver public services efficiently.
- Serve as **trusted intermediaries** providing essential financial and government services.
- **Facilitate access** to financial inclusion, digital payments, e-commerce, and logistics.

Improving access and inclusion.



### MSMEs, retail & gig workers

MSMEs account for **50% of GDP worldwide**.



### Women

Untapped financial services market can unlock **revenue potential of \$700 billion globally**.



### Rural Populations

**235 million farmers** globally remain unbanked



### Migrants, Refugees, youth & other underserved

**43.4 million refugees** worldwide as of mid-2024

# STRATEGIC BUSINESS MODELS FOR POSTAL NETWORKS

Postal networks can unlock significant opportunities for MSME digitalization by adopting strategic business models that leverage their infrastructure and trusted position. **Four broad business models are identified for postal networks:** acting as **financial service agents, digital payment acceptors, facilitators of supply chain payments and Postal Banks / Microfinance Institutions**. Each model offers distinct pathways for Posts to enhance digital financial services provision and promote financial inclusion.

## MODEL 1



### Posts as financial services agents

Posts act as agents for financial providers, offering services like CICO, payments, savings, credit, and insurance. Example: India Post, which reaches 15 million rural customers through its network.

## MODEL 2



### Posts as digital payment acceptors

Posts enable digital payments through channels like POS, QR codes, and e-wallets. Example: Qatar Post partners with QPay to facilitate cashless transactions.

## MODEL 3



### Posts as facilitators of MSME payments and delivery services

Posts integrate logistics with payment solutions to support supply chains. Example: Thailand Post Mart helps small farmers sell and deliver products domestically and internationally.

## MODEL 4

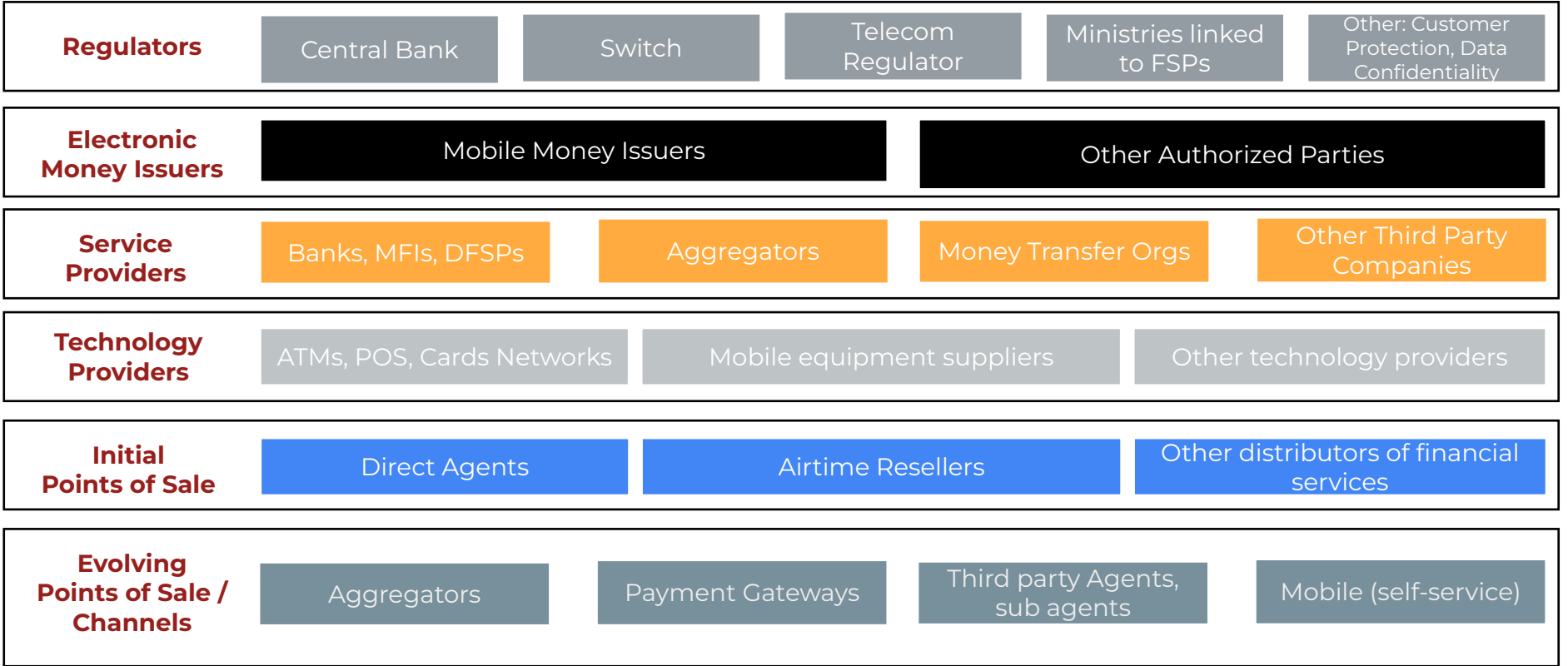


### Postal bank or MFI

Posts operate as licensed financial institutions, offering comprehensive savings, credit and other financial products and services tailored to underserved communities.

**These business models are not mutually exclusive; Posts can adopt a combination of models to maximize their impact, tailoring their approach to the specific needs of their communities and local market conditions.**

# OVERVIEW: TYPICAL DFS ECOSYSTEM



# POSTS AS ENABLERS OF LAST MILE DFS

The study reveals that postal networks, through strategic business models and partnerships, have the potential to significantly enhance access to digital payment services, addressing key challenges such as financial exclusion, limited infrastructure, and the need for scalable, tailored solutions.



**Trust & Access:** Postal networks are positioned as **trusted, accessible intermediaries for MSME financial services**, leveraging their vast presence and customer familiarity.



**Bridging Gaps:** Posts can address **digital payment gaps** for MSMEs, which face difficulties in accessing financial services due to **lack of infrastructure, limited KYC processes, and inadequate digital literacy**.



**Partnerships:** Partnerships between postal operators and financial service providers (FSPs) are essential for success. Posts should leverage **FSP platforms** to avoid building new technology from scratch, which accelerates service deployment.



**Tailored Solutions:** Key success factors include **understanding local market conditions, regulatory requirements, and tailoring services to specific MSME needs**.



**Flexibility** in the digital services offered, such as different payment acceptance methods and loan products, is critical.



**Capacity Building:** **Postal staff capacity-building and skills training** programs are critical for ensuring that Posts can deliver and manage these new services effectively.



**Interoperability:** Interoperability of digital payment systems across financial platforms is vital to achieving scale. This enables a broader reach for MSME services and improves governance, risk management, and acceptance points.



**Sustainability:** Posts should develop **comprehensive business cases and financial projections** backed by robust market research. This will guide decisions on which models to adopt and ensure long-term financial sustainability.



# AMARANTE AT VARIOUS LAYERS OF THE POSTAL SECTOR



**Amarante signing MoU with PAPU**



**Ethiopost + La Poste Tunisienne Cooperation - Exposure Visit Facilitated by Amarante**



**Amarante team conducting interactive session on Agent Banking business cases - In Uganda with ABC Co. and Ethiopost**



**Amarante team conducting exposure visit in Uganda**



**Urban FGD held in Jakarta, Indonesia**



**Semi-urban FGD in Dakar, Senegal**



**Rural FGD held in Bindhroli, India**

**Focus group discussions (FGDs) with women customers of Fintechs and Posts, to understand customer needs, challenges and behaviours.**

# AMARANTE: GLOBAL EXPERTS IN DIGITAL TRANSFORMATION

**Amarante's global reach, agile approach, and specialised expertise** enable us to deliver tailored digital transformation solutions. We help **public and private sector** clients implement impactful strategies that **drive growth, enhance efficiency and profitability while also benefiting communities.**



Over **300 projects**  
delivered, across  
over **70 countries**

**Pluri-cultural team**  
distributed across  
the globe

A **diverse skill** set and  
in-depth understanding of  
**local contexts**

Over  
**11** spoken  
languages

# THANK YOU.

Thank you for your time and attention. As Posts navigate their digital transformation journeys, Amarante remains committed to supporting your efforts to drive financial inclusion and innovation. We look forward to continuing the conversation and working together to unlock new opportunities.



AMARANTE  
CONSULTING

Please scan below for more information about Amarante's work in the postal sector.

AMARANTE FOR POSTS



AMARANTE AU SERVICE DES  
POSTES



# ANNEX: POSTS' POSITION FOR FACILITATING FINANCIAL INCLUSION THROUGH DFS (SWOT)

## STRENGTHS

**Experience in inclusive financial services** and growing DFS presence  
**Deep and wide rural presence** with frontline workers.  
**Strong brand recall** within communities and customers  
**Extensive partnerships** for value-added services.  
**Postal banks established** to improve savings and service offerings.  
**Preferred CICO points** due to robust liquidity.  
**Strong intention to engage** underserved segments, such as MSMEs via e-commerce.  
**Historical consumer data** for tailored services.



## WEAKNESSES

**Mass-market approach:** product design and delivery not tailored to MSMEs, women, or young people.  
**Missing informal micro-entrepreneurs** due to focus on registered MSMEs.  
**Skills gap in DFS** business strategy and product delivery.  
**Skills gap among frontline staff** lead to inconsistent consumer messaging.  
**High dependence on partners** for IT systems and control of product design and delivery.



## OPPORTUNITIES

**Natural conduits for G2P services** and financial inclusion programs targeting MSMEs.  
**Better positioned to influence policy and regulations** than private sector counterparts.  
**Increased digital awareness and adoption** creating new markets for DFS beyond urban areas.  
**Opportunity to address rural gaps** with physical access points and tailored services  
**Scaffold product offerings** with local language information, build capabilities, and improve adoption rates.



## THREATS

**Regulatory regimes limit capabilities** for credit and savings products, restricting MSME engagement.  
**Limited digital maturity of ecosystems**, including infrastructure gaps, low customer digital literacy, and fragmented service delivery.  
**Increased risk of fraud and cybercrime** in digital transactions via in-house or partner platforms.  
**Tighter consumer/data protection regulations** discourage Posts' appetite for innovation in DFS.



## ANNEX: AMARANTE: A KEEN FOCUS ON SOCIAL & ECONOMIC IMPACT

### *We work with*



**Governments &  
Central Banks**



**Donors,  
Funds and  
Investors**



**Digital tech  
providers for  
Development**



**Banks, MFIs, MNOs,  
Start-ups**



**Other private sector  
players**

### *To better serve and include*



**Women**



**Youth**



**Entrepreneurs**



**SMEs**



**Small hold  
farmers**

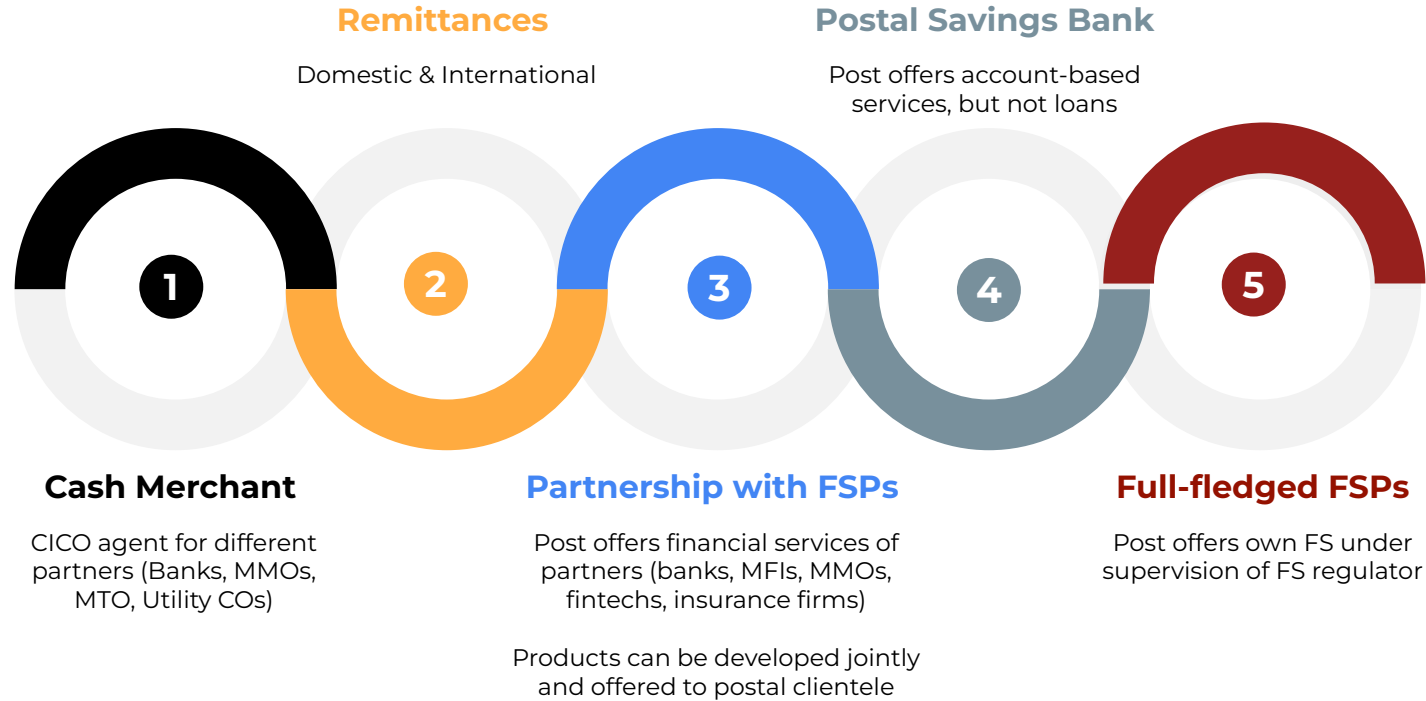


**Refugees &  
migrants**



**Other priority  
segments**

## ANNEX: POSTAL DFS: USE CASES



*Progression to Complexity / Sophistication*