



REPUBLIC OF KENYA

**MINISTRY OF INFORMATION, COMMUNICATIONS AND
TECHNOLOGY**

**SPEECH BY MR JOE MUCHERU EGH, MBS, CABINET
SECRETARY, MINISTRY OF INFORMATION,
COMMUNICATION AND TECHNOLOGY DURING THE
LAUNCH OF TELKOM MOBILE FINANCIAL SERVICES ON
MONDAY, 12th MARCH 2018 AT THE RADISSON BLU
HOTEL**

Mr Eddy Njoroge, Board Chairman, Telkom

Mr Aldo Mareuse, CEO Telkom

Mr Kris Senanu, MD Enterprise Division

Mr Francis Wangusi, CA Director General

Distinguished Guests,

Ladies and Gentlemen,

Today is a significant moment in Kenya's Telco sector as we witness the launch of the **Telkom Mobile Financial Services**, and also take stock of our collective progress and

accomplishments in the mobile money ecosystem over the past decade.

First, I would like to congratulate Telkom for this milestone that will offer innovative solutions to mobile subscribers, through Money Financial Services that we are launching today. This is an affirmation to the world that, Kenya, as an acclaimed home of mobile money revolution, continues to reengineer.

We take pride in that, like our athletic champions who have brought us global fame, mobile telephony has also earned us distinct global recognition because of the innovation aptitude

displayed in our mobile financial sector that has impacted our society positively.

As you all know, the dividends of this mobile financial services in our country are well documented. The available platforms have created unimaginable levels of financial inclusion and uplifted many individuals and households out of poverty.

Similarly, the service has increased diaspora remittances, transformed financial services once reserved for banks and has

upset conventional regulatory models as we know them and defying innovation platforms.

However, even with these achievements, we remain cognizant that technology is constantly changing and there is need to innovate further using the lessons learnt as we journey along.

Ladies and gentlemen,

Available data indicates that there is still a big segment of our population that lives outside the reach of a mobile broadband enabled network. The conservative figure is about 25% of the

reachable population. This gap is attributed to insufficient infrastructure and lack of a form of identification that hinders potential subscribers to acquire and register a mobile SIM. Similarly, the operators are yet to capture an extensive demography of the addressable rural markets.

The Government is committed to pursuing aggressive strategies to ensure that existing gaps in the mobile financial services are bridged to enable citizens reap the benefits of social and economic transformation delivered by these revolutionary mobile financial services. The Government is also aware that we cannot

do this without support from the Private Sector whom we invite to work with us in this pursuit.

I am excited that the recent developments in the mobile market, in respect to wallet-to-wallet interoperability, are indeed making remarkable progress.

I am glad that Telkom has been part of the interoperability engagements and has contributed significantly to the achievement realized by the sector so far.

I am confident that with the acquisition of the license, Telkom will now join the recently launched interoperability pilot to demonstrate its ability and catalyze growth of innovation and entrepreneurship.

At this juncture, I challenge the sector players to escalate their dialogue for further innovation that focuses on regional interoperability for more interconnected financial eco-system aligned to the **Smart Africa Initiative**, aimed at creating a single digital market in Africa with a population of billion.

You will be pleased to know that at Smart Africa's Steering Committee meeting held last month in Addis Ababa, Ethiopia, member states were asked to adopt and implement the regulation of the **One Africa Network (ONA) Africa Single Network** about **Free Roaming and International Communications.**

The Executive Board of which His Excellency President Uhuru Kenyatta is a member, has already contracted a technical provider to set up the traffic exchange and financial settlement platform to monitor the installation of regional Session Initiation

Protocol (SIP) nodes, which are expected to be operational by July 2018.

Amongst other benefits, this platform will enable African countries to maintain their sovereignty and oversee their own traffic; encourage telecommunications services exchanges between African countries; and also improve the quality of service of communications in Africa.

Ladies and Gentlemen,

In order to grow the mobile money and overall Telco sector, it is in our interest that the operators play in a level field, one that spurs momentum of the mobile financial services and avails a more equitable and competitive condition in the market. I am excited to learn that **T-kash**, Telkom's new mobile money product is mirrored on global best practice of a mobile money fintech. I am informed that the platform will simplify processes and reduce transaction costs – thereby moving money around much easier in a less complicated manner.

These are the types of innovation that will look up to improve lives of Kenyans and boost the economy. As Government, we are committed to creating a conducive business environment by developing responsive policy and regulatory frameworks that encourage competition and innovation. The policy objective is to attract investments and encourage networks to better utilize their infrastructure for operational efficiency.

Indeed, Kenya ranks favorably on the global index as an attractive destination for doing business although we still aim at

improving our ranking through enabling policy and regulatory instruments.

We are resolute in ensuring the advancement and application of cutting edge technology to attain a globally competitive and prosperous country, as envisioned in our long-term development blueprint, Vision 2030.

Ladies and gentlemen

On national development, the government aims to leverage on ICT for the attainment of the **Big Four Agenda** that focuses on

manufacturing, food security, universal health, and infrastructure to boost GDP and improved standards of living.

Similarly, the government has also **consolidated ICT services in the public sector by centralising the procurement of ICT goods and services.** The objective is to promote standardization, effectiveness and efficiency the public service.

As I conclude, **Ladies and Gentlemen**, the Government recently set up a Taskforce to look into how technologies such as Distributed Ledgers (such as blockchain) and Artificial Intelligence can promote efficiency and transparency in public service delivery.

The Government hopes to implement the system to streamline records in land registries, educational institutions and infrastructure among other areas. We ask Telcos and indeed all other sector players to support the Taskforce and contribute insights aimed at enriching the content in the Committee's final report.

With those remarks, I once again congratulate Telkom Kenya during this momentous occasion as we unveil their Mobile Financial Services platform – **T-Kash**.

God Bless you! Asanteni Sana!