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The Global Telecom Women's Network

Newsletter

February 2010

Welcome to this edition

In this issue

Dear GTWN members and friends,

Welcome to the first GTWN Newsletter for 2010. The start of a new decade enables us to look back at more than fifteen years of the GTWN, and review its many achievements, while also looking forward to our future activities together.

This year our Annual General Meeting will once again coincide with the holding of the GSM Association's Mobile World Congress, which is being held from 15 to 18 February in Barcelona, Spain. Once again we are fortunate to have strong support from our many members and their organizations, and we are very grateful to Monitise, the world's leading mobile banking and payments partner, for their major sponsorship of our Power Breakfast meeting on Tuesday 16 February at the Arts Hotel.

The theme of the Power Breakfast is "Upwardly Mobile- Smart Phones, Broadband, Money, Apps, and Content". We have invited a number of very special guests to explore this theme. Our members and their mentorees will have the opportunity to exchange views with: Ann Mei Chang, Global Director Mobile Engineering of Google; Laureen Cook,VP – LTE, Alcatel Lucent; Myla Vilanueva, GTWN Asia Pacific President, Novare Technologies President; as well as Special Guest Mrs Cherie Blair, President of the Cherie Blair Foundation for Women Entrepreneurship. We are also grateful for the generous sponsorship of mobile banking and payment experts Monitise.

This newsletter also highlights a range of topical issues and areas with which some of our key GTWN members are currently involved, as well as some of the major themes under discussion at Barcelona 2010. These include: the growing role of mobile money, especially in the developing world; Alcatel-Lucent's industry initiative to combat climate change; former GTWN President Julie Meyer's ongoing activities in fostering entrepreneurship and innovation in the ICT sector; and news of recent appointments and career moves of our members.

We hope that you enjoy reading the newsletter and that we will have the pleasure of your company in Barcelona.

With best wishes,

Ingrid Silver
GTWN President, Europe
Partner, Denton Wilde Sapte

Vicki MacLeod
GTWN Secretary General
Principal Telecommunications, MacLeod Consulting

GSMA Development Fund and Cherie Blair Foundation for Women launch mWomen Report

We are delighted to announce that the GSMA Development Fund have partnered with the Cherie Blair Foundation for Women to produce the first global market sizing report of its kind, "Women & Mobile: A Global Opportunity," a study into the mobile phone gender gap in low to middle-income countries to ascertain the size of the mobile phone gap and how we can collectively help to close it. The report was written by Vital Wave Consulting.

The research aims to provide data to validate the hypothesis that women account for the minority of mobile subscribers in developing countries. This research has revealed that in low to middle-income countries women are 21% less likely to own a mobile phone than men and that closing the gender gap would bring the benefits of mobile phones to an additional 300 million women enabling them to improve socio-economic opportunities for themselves, their families and communities at large, in line with the 3rd Millennium Development Goal of gender empowerment.

Our aim is also to gain a clearer understanding of the mobile phone gender gap and the barriers women face in mobile adoption. Our research found that the two biggest barriers facing women is cost and a perception that owning a mobile phone is not necessary.

The research also found that mobile operators and the development community were interested in closing the gender gap to generate both new commercial opportunity and social development.

The report will be officially launched at the GSMA Mobile World Congress in Barcelona, February 2010 and from there the GSMA Development Fund and the Cherie Blair Foundation for Women hope to launch larger programmes to drive mobile uptake of women. We are holding a mWomen workshop on Thursday 4th March where we will discuss the ideas and opportunities on increasing women's uptake of mobile communication and promoting the phone as a productivity and development tool, through access to banking, education and health messaging.

The research calls for the mobile industry, development community and policy makers to undertake a number of steps together including, specifically addressing women in segmentation strategies and marketing tactics; creating innovative programmes to increase the uptake of mobile phones amongst women; promoting the mobile phone as a life enhancing, effective development tool which creates education, health, employment, banking and business opportunities; and designating high-profile champions of mobile phones for women. Developing a comprehensive plan for empowering women with mobile phones will require the involvement of all stakeholders from the private, non-profit and public sectors. Each stakeholder will need to take steps on their own, but also work together for maximum impact and to close this gap.

Also taking place at the Launch will be the GSMA Government and Regulatory Awards, which will be held on the evening of Monday, 15 February at the Hotel Miramar, Barcelona.

For more information about the GSMA Development Fund: www.gsmworld.com/mwomen and for The Cherie Blair Foundation for Women: www.cherieblairfoundation.org

Sarah Crampsie
GSM

Cherie Blair

ICT Industry Initiative to Combat Climate Change[1]

Although the recent Copenhagen climate talks yielded no binding, concrete agreement, the meeting stepped up the world's focus on the urgency of reducing greenhouse gas emissions. Copenhagen did provide an opportunity to review the broad range of programs and projects undertaken by companies to combat climate change outside of any firm political leadership on the issue. Companies in the Information and Communications Technology (ICT) sector, like their counterparts in the energy, transportation and other industries, have launched numerous initiatives to reduce energy consumption and, in so doing, achieve more sustainable development.

ICT consumes relatively little energy, but usage is exploding

Compared to other sectors, the ICT industry is responsible for a relatively small portion of global greenhouse gas emissions – about 2-to-2.5% according to the International Telecommunications Union (ITU)1. That includes emissions by ICT companies directly as well as energy consumption by ICT equipment. Fixed-line telecommunications account for about 15% of the total, while mobile telecommunications contribute an additional 9% and LAN and office telecommunications about 7%.

However, ICT usage is expected to expand rapidly over the coming decade, especially in developing countries. If nothing is done, the ICT contribution to global greenhouse gas emissions is projected to nearly double – to about 4% – by 2020.

ICT companies are taking steps both to reduce their own energy consumption and to provide more energy-efficient equipment. Thanks to new techniques and technologies, ICT equipment energy reductions are currently running at 10-to-20% annually. For example, the amplifiers and base stations used in mobile networks are now designed to consume less power. Mobile networks

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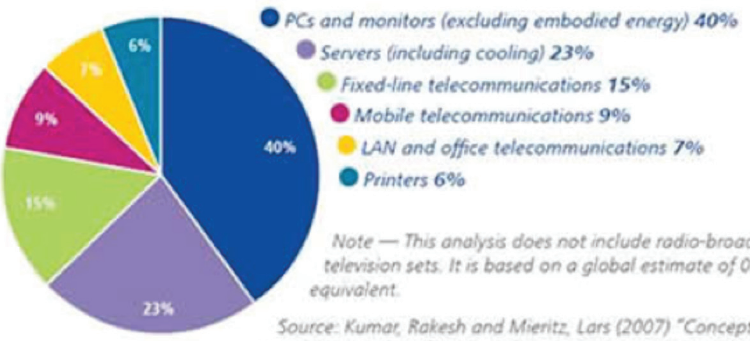
[1] The information in this article is taken from www.greentouch.org and is reproduced at the suggestion of GTWN Steering Committee member, Laureen Cook of Alcatel-Lucent

ICT Industry Initiative to Control Climate Change cont'd

Figure 1 — Estimated distribution of global CO_2 emissions from ICTs



Note — This analysis does not include radio-broadcasting equipment or television sets. It is based on a global estimate of 0.9 Gigatonne of CO_2 equivalent.

Source: Kumar, Rakesh and Mieritz, Lars (2007) "Conceptualizing "Green IT" and data centre power and cooling issues", Gartner Research Paper No. G00150322.

are making greater use of renewable solar and wind energy sources. Fiber optic cables are cutting energy consumption in fixed networks. Energy-efficient cooling systems are being widely introduced in ICT equipment.

Over the next decade billions more people will upload and share video, images and information over the Internet and other communications networks. Analyst IDC suggests that within five years there will be some 15 billion devices connected to networks. According to most studies, in spite of increasing ICT network usage, the current industry efforts to reduce power consumption should enable the ICT sector to maintain its current greenhouse gas profile over the next decade. Though, with ever increasing bandwidth and applications this becomes an even greater challenge. What is really needed is a dramatic reduction in energy consumption.

New Paradigm

Though the steps being taken are commendable, the projected result pales in comparison to the potential benefits of a more ambitious, far-reaching approach. Research from Bell Labs determined that today's ICT networks have the potential to be 10,000 times (four orders of magnitude) more efficient then they are today. This conclusion comes out of Bell Labs' fundamental analysis of the underlying components of ICT networks and technologies (optical, wireless, electronics, processing, routing, architecture, etc.) and studying their physical limits by applying established formulas such as Shannon's Law, 'father of information theory'.

Achieving even one-tenth of Shannon's lower limit would cut network energy consumption by a factor of 1,000. A thousand-fold reduction in energy consumption is roughly equivalent to being able to power the world's communications networks, including the Internet, for three years using the same amount of energy that it currently takes to run them for a single day.

These huge gains can only be achieved by rethinking the way telecom networks are designed in terms of low energy processing. Today's networks are designed for optimal capacity, not efficient energy use. What is needed is a major breakthrough, a radical re-design of networks, and that can only be achieved through the contributions of all essential participants, from basic and applied researchers and component suppliers to network operators, equipment and system suppliers and governments.

Multiplier Effect

While these re-designed networks would dramatically decrease direct ICT energy consumption, the energy savings would be overshadowed by the indirect effects. Because ICT constitutes what the World Economic Forum describes as "our collective nervous system," touching nearly every industry sector a shift in the magnitude of ICT energy usage would reverberate throughout the global economy. By further enabling energy efficiencies across the energy-hungry portions of human enterprise, the ICT sector holds the potential to substantially contribute to the fight against climate change on a global scale.

For example, it is estimated that the generation and distribution of electricity accounts for about one quarter of total worldwide greenhouse gas emissions. More than 80% of electricity is generated by burning carbon-based fuels. Using ICT capabilities to more efficiently generate and distribute electricity, through such techniques as smart electricity grids and smart metering, would impact billions of commercial and residential subscribers worldwide, significantly reducing greenhouse gas emissions. Transport, the second-leading greenhouse gas emitting sector after energy, likewise stands to reap benefits from more energy efficient communications technology. For one, ICT can eliminate the need for much travel through advanced video conferencing and web-based seminars. ICT systems and solutions can help reduce transport CO_2 emissions through so-called intelligent transport systems, in applications such as traffic management and parking optimization.

Buildings represent another area where ICT advances can dramatically reduce CO_2 emissions. 'Smart building' technologies that make building design, construction and operation more energy efficient, depend on ICT systems. These include building

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management systems that run heating and cooling systems according to each occupant's needs, or software systems that automatically turn off PCs and monitors when users are absent.

Sustainability Gains

It is impossible to calculate precisely the impact on global energy consumption of extremely low-power ICT networks. It is clear, however, that the reductions in greenhouse gas emissions would be enormous. The Global e-Sustainability Initiative (GeSI) research estimates an increase of 72% in direct ICT energy usage from 0.83 $GtCO_2e$ in 2007 to 1.43 $GtCO_2e$ in 2020, if we remain on a business as usual trajectory. However, this would be accompanied by a 15% cut in overall CO_2 emissions (7.8 $GtCO_2e$ or five times its own impact) thanks to ICT-enabled systems and solutions. The impact of ICT networks that use 1,000 times less direct energy themselves would be substantially greater than the 15% GeSI projection.

As an essential element in sustainable development, the struggle against climate change depends on a sharp reduction in usage of carbon-based fuels. While dramatically more efficient ICT networks do not represent a panacea, they do hold the potential to enable substantial, sustainable reductions in greenhouse gas emissions across broad sectors of human activity on a global scale.

To dramatically reduce the carbon footprint of ICT networks, an entirely new network must be created — a global network of partners with both critical expertise and shared interests. This network of connections and relationships will serve as a foundation for partnership, a structure for collaboration and a platform for discovery, innovation and invention.

This network is the Green Touch™ Consortium[1]. Green Touch[2] is open to all sectors of the ICT industry and academia and draws on the expertise of its members- service providers, software and infrastructure vendors, and research institutions. These representatives from industry and academia will collaborate in applying established science to pioneering the new technologies to on which energy efficient networks of the future will depend.

Green Touch is gathering the best and brightest, with their knowledge and passion, to form the critical mass needed to reinvent the global communications infrastructure and meet the challenge of eco-sustainability.

By 2015, the goal is to deliver the architecture, specifications and roadmap – and demonstrate key components – needed to reduce energy consumption per user by a factor of 1000 from current levels.

Green Touch members and the global community will benefit from:

- Dramatic reductions in energy consumption, carbon footprint and operating cost
- Nothing less than the reinvention of today's communications networks
- Unprecedented collaboration between leading experts from around the world
- Application of fundamental research in exciting new areas
- Opportunities to bring innovative new ideas, products and solutions to market
- new mathematical methods must be developed to understand the capabilities of these channels. Based on this insight, new codes, signaling methods and equipment can be developed to greatly increase channel capacities while reducing their energy consumption.
- We already know that existing multi-access communication methods can be improved through innovative signaling methods. For instance, wireless base stations are often equipped with multiple antennas, where signals are pre-coded to ensure that the right signals reach the right destination.
- In the same way that postal codes help ensure rapid delivery of mail, electronic coding is used to improve the reliability and efficiency of information transfer. Codes are used for data compression, cryptography, and error-correction, and more recently also for network-layer coding. One of the major tasks facing scientists and engineers today is to design and implement codes that take system constraints into account, such as time variations in multi-user environments.

The Green Touch consortium's members are experts from industry, academia and government and non-profit research institutions around the world who have come together to find new approaches for energy efficiency and to invent radical new technologies that will be at the heart of sustainable networks in the decades to come. Members are:

- AT&T
- [Alcatel-Lucent] Bell Labs
- China Mobile
- CEA-LETI Applied Research Institute for Microelectronics
- Freescale Semiconductor
- Foundation for Mobile Communications
- IMEC
- The French National Institute for Research in Computer Science and Control (INRIA)
- The Massachusetts Institute of Technology's (MIT) Research Laboratory for Electronics (RLE)
- Portugal Telecom
- Samsung Advanced Institute of Technology (SAIT)
- Stanford University's Wireless Systems Lab (WSL)
- Swisscom
- Telefonica
- University of Melbourne's Institute for a Broadband-Enabled Society (IBES)

[1] Green Touch and the Green Touch logo are trade-marks of Alcatel-Lucent.
[2] http://www.greentouch.org/

The value of Mobile Money

One of the key themes of the 2010 GSM World Congress in Barcelona is mobile money, and its promise for future development, in both the developed and the developing world.

Monitise, best known for its mobile money services in the UK and USA, where it provides a range of mobile money management and payments services to over 1.3 million customers of over 200 financial institutions, has a unique approach. It offers an easy route for Banks and Mobile Operators alike to offer secure mobile money services using its proven, integrated Mobile Money Manager platform. Uniquely, Monitise provides a fully managed service, building a managed service business in the country rather like a shared ATM platform run by VocaLink in the UK.

To cater for the special circumstances of unbanked people, Monitise has enhanced its product suite with the addition of a Monitise Virtual Account service which can be linked to a prepaid Visa card if the customer so chooses. The benefit of this approach is that it allows all banks and operators to cost-effectively offer services to the unbanked, creating a genuine choice of financial service providers to people This approach is designed to reduce the cost of mobile financial services to the unbanked and increase financial inclusion. The first deployment of this platform is in Uganda, East Africa. This approach has been ratified and supported with a $1.5 million grant from the Africa Enterprise Challenge Fund (AECF) which is run by UK's DFID and the Dutch development agency.

A number of recent developments and initiatives have also highlighted the potential of mobile money services to make life easier for those who have no access to bricks and mortar banking services, especially in parts of Africa[1].

In 2009 the GSMA launched its Mobile Money for the Unbanked programme (MMU). The aim of the program is to accelerate the availability of mobile money services to the unbanked and those living on less than US$2 per day. Supported by a grant from the Bill & Melinda Gates Foundation, MMU has a stated goal of reaching 20 million people by 2012. A special tracker site[2] chronicles progress towards reaching this goal – and ultimately making mobile money a mainstream business. The site allows users to identify where one or more mobile money offerings have been launched in a particular country and those where these services are yet to be launched. It therefore allows companies to assess latent demand for mobile money in each market.

23 January 2010 saw the launch in Sierra Leone of the Zain Telecommunications and Zenith Bank 'Zap' mobile banking service, which was marked by the staging of a float parade along the major streets of Freetown, capital of Sierra Leone. Zap Mobile-Commerce will enable customers to access their money faster and more conveniently. The service helps customers to pay bills and pay for goods and services at all times. They will also receive and send money to friends and loved ones. All Zain subscribers can sign up for free for the services by completing an application form with all Zain agents in villages, towns and cities, where Zain operates.

Mobile banking is also being used as a tool to enable the payment of small donations to assist the victims of natural disasters. The devastating earthquake which hit Haiti on12th of January 2010 led to pledges of millions of dollars from around the world. According to Mobile Money Africa[3], small donations are making a big impact in Haiti, with donations from mobile phones alone already exceeded 24million USD with more than 2.5million people texting $10 for the Haiti relief efforts. Safaricom, MPESA's parent company, set up a donation account for Kenyans to make donations via Mobile Money platform, MPESA.

M-PESA (M for mobile, pesa is Swahili for money) is the product name of a mobile-phone based money transfer service that was developed between 2003 and 2007 for Vodafone. The development was initially sponsored by the UK based Department for International Development (DFID). The initial concept of M-PESA was to create a service which allowed microfinance borrowers to conveniently receive and repay loans using the network of Safaricom airtime resellers. This would enable microfinance institutions (MFIs) to offer more competitive loan rates to their users, as there is a reduced cost of dealing in cash. The users of the service would gain through being able to track their finances more easily. But when the service was trialled, customers adopted the service for a variety of alternative uses; complications arose with Faulu, the partnering microfinance institution (MFI). M-PESA was re-focused and launched with a different value proposition: sending remittances home across the country and making payments.

The GSMA has also developed a **Mobile Money Tracker**[4] designed for the mobile money and financial inclusion community to track markets where mobile money has been launched, assess latent demand for mobile money in different markets, and benchmark approaches that other operators have taken to service design and partnerships. The tracker provides a global snapshot of what the mobile money looks like today, which operators are active in each market, what services they're offering, how they've partnered with banks and technology providers, and more. The tracker is designed to include any deployment that delivers a financial service (i.e. money transfer, bill payments, savings) via a mobile phone to the unbanked or under-banked population in developing countries. This could include deployments that are not MNO-led. WING Money in Cambodia is a good example of a deployment like this, which is not tracked in the tool.

[1] http://mobilemoneyafrica.com/archives/1441
[2] http://www.wirelessintellignve.com/mobile-money

[3] See http://mobilemoneyafrica.com/
4 For more details see www.gsmworld.com/mmublog

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The Value of Mobile Money cont'd

The tracker was developed in response to the rapid speed at which this industry is developing, and the need that we all have for good, accurate data. Through the tracker, we can provide the industry with a global snapshot of activity. The tracker is designed to be updated very regularly, basically as soon as information can be publicly released. There will also be a feature on MMU Blog (www.mmublog.org) where recent developments on the tracker are summarised. This will include new features that have been launched on the tracker, and new data for countries that has been added.

Bridget Cosgrave appointed Executive Director of Digital Europe

GTWN President, Bridget Cosgrave was appointed in March 2009 as the new Director General of DIGITALEUROPE[1], the principle advocacy group of the European digital economy. Digital Europe acts on behalf of the information technology, consumer electronics and telecommunications sectors. DIGITALEUROPE ensures industry participation in the development and implementation of EU policies. DIGITALEUROPE's members include 58 leading corporations and 40 national trade associations from all the Member States of EU; altogether 10,000 companies with 2 million employees and 1,000 billion euros in revenues.

DIGITALEUROPE is dedicated to improving the business environment for the information technology, communications and consumer electronic sectors, and to promoting industry contribution to economic growth and social progress in the European Union.

Bridget has built her career in the ICT, financial services and industrial sectors. Ms Cosgrave was a member of the Executive Committee of Belgacom Group for six years, during which she was successively, founder President, CEO and Chairman of Belgacom International Carrier Services, Chief Operation Officer a.i. of Fixed Lines Services, and Executive Vice President of the Enterprise division. She also served on the boards of Belgacom Mobile and Telindus Group. Belgacom Group is the service provider in Belgium offering "quadruple-play": fixed and mobile telephony, broadband and IP television.

Bridget has a strong knowledge of industry associations having spent five years as Deputy Director General of ETSI, the European Telecommunications Standards Institute, the pre-eminent body for direct industry elaboration of standards for mobile, fixed, satellite, broadcast and Internet products & services. Bridget is also an independent non-executive director of Essilor International SA, the global leader in ophthalmic optical products, and SES, the world leading satellite communications service provider. She has previously served on the board of Eutelsat.

[1] For more information see http://www.digitaleurope.org/index.php?id=23

Special report: End of the road for E-Money Directive?

by Rod Kirwan and Ed Hayes of Denton Wilde Sapte

Rod Kirwan

Ed Hayes

"Inherent weaknesses have prevented [the Electronic Money Directive] from delivering the expected results. These weaknesses ... are linked mainly to the inadequacy of the legal and prudential framework for electronic money institutions under the current [Electronic Money Directive]". That is the critical conclusion of the European Commission published, together with reform proposals, on October 13, 2008. For the last eight years, mobile operators in the EU have struggled with regulatory confusion caused by the E-Money Directive.[1] Uncertainty has stifled innovation and the vision of high speed 3G networks and mobile payment services powering vibrant mobile commerce has simply not materialised. This article briefly considers where the E-Money Directive went wrong and how mobile payment systems have taken off in countries with little regulation. It looks at the Commission's proposals for reform, and how they offer certainty and a lighter touch. Whether this is enough to stimulate the innovation seen elsewhere is less clear.

Where did the E-Money Directive go wrong?

The key problem for mobile operators was the way the E-Money Directive defined "electronic money" and "electronic money institution", terms central to deciding when the E-Money Directive applies. The E-Money

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1 Electronic Money Directive (2000/46/EC)
http://ec.europa.eu/internal_market/payments/emoney/index_en.htm

Directive was conceived as a response to card based electronic cash systems issued by operators like Mondex, Proton and Primeur and treated them as financial institutions. They had to obtain an e-money licence, make e-money redeemable and maintain high quality liquid assets as reserves. It confined them to act only as e-money issuers, with a few narrow exceptions for close ancillary activities.

The problem for mobile operators is the broad definition, wide enough to cover what had become normal mobile operations. Value on pre-paid cards, payment for ring-tones and premium mobile content all looked like electronic money, but were only ancillary to mobile operators main function of providing communications. The burden of banking style regulation loomed. Mobile operators weren't alone in this problem, as ticketing systems like London's Oyster card suffered from the same problem of being "hybrid issuers".

Following high-level lobbying and loud complaints by hybrid issuers, the European Commission issued Guidance Notes in 2005. These attempted to clarify application of the E-Money Directive by suggesting that the E-Money Directive does not apply if no direct billing takes place between a third party and a mobile customer. It hoped this would cover the typical m-payment scenario where a mobile operator reduces a customer's pre-paid credit as payment for goods or services provided by a third party, perhaps a ring-tone or game. But while some Member States followed the Guidance Notes, others decided to hold off applying the E-Money Directive to mobile operators until further clarification. Belgium took the opposite approach and classified pre-paid mobile credit as e-money.

European Member States are inconsistent on other issues. The E-Money Directive gives discretion to grant waivers for small electronic money institutions, provided they fall below certain thresholds. Different countries adopted different positions on whether such waivers were automatic or only available on application and whether waivers apply to some or all of the electronic money regulations. Even the threshold amounts were not consistent across Europe.

Meanwhile ...

The position in Europe contrasts dramatically with the m-payment developments in Africa, which is relatively unregulated and where m-payments have achieved remarkable growth. In Kenya, for example, Safaricom's **M-Pesa** service picked up 600,000 new users in January 2008 alone. M-Pesa continues to add 12,000 new users each week. **Wizzit** is a mobile payment service operated in South Africa, but linked to a bank account unlike M-Pesa. Wizzit users can make person to person payments, transfer money, purchase prepaid electricity and buy airtime for a prepaid mobile phone. U-com, the mobile operator in Uganda, recently announced plans to launch a mobile payment service. In Egypt and Nigeria, airtime transfers are possible between subscribers for a small fee, a form of mobile transaction that that has encouraged a form of barter.

Outside Africa, Globe Telecom in the Philippines operates G-Cash, a mobile wallet service allowing cashless and cardless financial micro-transactions. Users can purchase goods and services, make micro payments (as low as US$0.04), pay taxes and bills and make domestic and international remittances. In mid-October, Orascom Telecom announced a partnership with Western Union to develop and launch mobile payment systems. Vodafone UK is currently trialling an extension of M-Pesa that will allow UK-Kenya remittances.

The interest of European operators is not restricted to international remittance. O_2 and Vodafone this month announced a new SMS based mobile payment service in Germany. Although the operators are not e-money issuers – the system is more like "mobile direct debit" than e-money – it shows the enthusiasm for payment service innovation.

What next for m-Payments in Europe?

The European Commission has acknowledged the flaws in the current e-money framework and the chilling effect on innovation. By August 2007, only E1bn of electronic money was in circulation compared with E637bn of cash. Only 20 electronic money institutions were licensed at the end of 2007, with some 127 entities operating under a waiver.

On October 13, 2008, after three years of consultation and review, the EC put forward a proposal to replace the E-Money Directive with new rules.[2] The Commission hopes the revised framework will encourage new electronic payment service providers and create E10bn of electronic cash by 2012.

The Commission's proposals have four key aspects:

- **A simpler, technology neutral definition of 'electronic money'**: The new e-money definition captures monetary value stored electronically on receipt of funds that is used for making payments. This encompasses pre-paid cards and electronic purses, as well as e-money stored at a remote server location.
- **More proportionate prudential regulation better able to accommodate small newcomers**: It will scrap the existing authorisation procedure that was based on regulations for credit institutions. Instead, electronic money institutions will need to comply with the application and licence procedures introduced by the Payment Services Directive.[3] This eliminates overlap between the regulation of electronic and normal payment services and brings consistency. In addition, the initial capital requirement is reduced from E1m to E125,000 and ongoing capital requirements are less strict.
- **The possibility of 'hybrid' e-money institutions**: E-money institutions are allowed to undertake activities other than issuing e-money.

[2] Commission adoption of a proposal for a Directive on the taking up, pursuit and prudential supervision of the business of electronic money institutions, amending Directives 2005/60/EC and 2006/48/EC and repealing Directive 2000/46/EC: http://ec.europa.eu/internal_market/payments/docs/emoney/com_2008_627_en.pdf

[3] The Payment Services Directive (2007/64/EC) was adopted in November 2007. It must be implemented into national law by November 1, 2009. The Payment Services Directive promotes a single market in payment services by harmonising the regulation of payment services operators.

- **Clarification of the rights of consumers to redeem e-money**: Consumers have the right to redeem electronic money at all times, free of charge, if redeeming the full amount. However, the new proposals allow mobile operators to charge a proportionate fee where redemption is partial or occurs before a fixed term contract has expired.

The treatment of hybrid issuers is particularly interesting for mobile telecoms operators. The new E-Money proposals carve out " services based on any telecommunication... device, where the goods or services purchased are delivered to and are to be used through a telecommunication, digital or IT device, provided that the telecommunication... operator does not act only as an intermediary between the payment service user and the supplier of the goods and services."[4]

Almost identical language is used in the Payment Service Directive.[5] The UK Treasury's commented on this exception earlier this year[6] to note that it created a distinction between a mobile operator acting as a mere intermediary for a payment to a third party, and situations where it "adds value" in providing goods or services and takes payment itself. Where it is a mere intermediary, it is a "payment services operator" and subject to the new regulations. Where it adds value (such as search or access) and collects payment itself, perhaps on a revenue share model, it is not. The Treasury concludes, that "as most mobile operators in the UK add value to the payment services they currently offer their customers, through a discreet contractual relationship with their customers, the majority are expected to fall outside the scope of [this directive]".

[4] Article 1(4)
[5] Article 3(l)
[6] Implementation of the Payment Services Directive: a summary of consultation responses: http://www.hm-treasury.gov.uk/media/1/0/consult_paymentservicesdirective_response170608.pdf

That is fine for mobile operators that simply want to offer payment services for transactions like ring-tone and mobile gaming purchases. They now have clarity that they will not have to comply with the new E-Money regime and Payment Services Directive. For those with broader m-payments ambitions, the position remains rather less attractive. If they want to offer an electronic purse they must comply with the new E-Money regime and the Payment Services Directive.

The African context is different from that of Europe. A much greater proportion of the population is unbanked than in Europe, internet access is limited (especially compared to mobile penetration), economic migration has helped create a demand for person to person cash transfer services, and anti-money laundering rules are not as strict. All of those factors favour m-payment service providers.

This does not mean mobile payments are unlikely to take hold in Europe. Europe, especially in rural areas, suffers a digital divide in terms of broadband access (and therefore access to internet banking services). The eastward expansion of the EU has brought with it growing economic migration (and a need to remit payments to families at home). And the success of services like Paypal highlights consumer demand for person to person transfers (even among the banked).

These characteristics, the European Commission's research and the evident interest of European mobile operators suggest strong demand for mobile payments systems in Europe. Experience in Africa and elsewhere shows that innovation will occur where there is limited or light touch regulation. Proposals to replace the E-Money Directive will lower the regulatory burden and increase certainty and consistency for mobile operators. But for operators with more ambitious plans for mobile payment services, there remains a banking style regulatory regime.

Julie Meyer: Building an entrepreneur country[1]

Back in 1998, when I founded First Tuesday – a network of entrepreneurs which many credit with igniting the internet generation in the UK – we were a small group of digerati who met on the first Tuesday of the month to talk about building internet start-ups. We were a 'digital island' of sorts.

Today in 2009, I don't know a single person under 30 who wants to work for someone else. People of this generation see themselves as their own P&L, their own brand, and are familiar with business through programmes like Dragons' Den and The Apprentice.

The rise of the serial entrepreneur, the micro entrepreneur, the young entrepreneur, the portfolio entrepreneur and the lifestyle entrepreneur has been unmissable over the past decade in the UK.

This trend is due to the rise of what could be described as 'Individual Capitalism', a form of business where the basic unit is the individual rather than the corporation. The internet opens up opportunities for how people work – remotely or from home, from their phone, as a small firm looking much bigger than they are – and this shift away from 'Corporation Man' to 'Individual Capitalist' has gained enormous momentum. The recession has created many enforced Individual Capitalists in the form of freelance consultants, but many others are corporate refugees of their own choosing.

So while few of us will make millions from a trade sale of our firms to a multinational, and while we may not call ourselves entrepreneurs, we are actually all becoming 'Individual Capitalists'.

Yet those of us who have run our own firms understand the enormous pressures of keeping a team aligned, meeting the payroll, keeping fixed costs low, staying ahead of the competition, and getting people to buy what we sell. All of society benefits from the work we do to develop our businesses, create jobs and generate wealth. Many of us feel, however, that we go to 'another country' each day when we go to work. The speed and intensity at which we must work, the values it requires to build trust in an organisation, the level of dedication and drive seem inconsistent with the rest of society. Other people just don't get it. I would love for the corporate titan

[1] Julie Meyer is Chief Executive of Ariadne Capital. This article was first published in July 2009. For more news and views of leading entrepreneurs, see www.entrepreneurcountry.net

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who never has had to worry about cashflow in a personal way to walk in our shoes for just an hour; entrepreneurship is not for the fainthearted. If you open the newspaper on any day of the week, you'll see that the media focuses on the FTSE 100, the old, established, big businesses, and on governments who are at best ignoring the little guy'. The media don't really start paying serious, regular attention to any emerging company until it has reached big itself in a big way.

And yet small does become big, and start-ups do change the world, in the process creating jobs, new industries, wealth and pride in ourselves.

So the average company owner, the SME entrepreneur, the Individual Capitalist goes to work each day in a fictional place – let's call it 'Entrepreneur Country'. He or she manages his firm from near death experiences to breakthrough moments and back again. There is no work-life balance, and the stress rips through their personal life pretty regularly. It's not because they aren't good business people. It's because business is a rough old game, and there's no job security if you are the owner.

And yet business creates the wealth from which all of society operates, so an inspection of 'Entrepreneur Country' might be worthwhile if we are to understand how to build more successful global leaders out of the UK.

What is it like to spend a day there? There are some obvious messages that arise out of a trip to 'Entrepreneur Country'.

Reduce the size of government in order to reduce the tax burden on SMEs

Cash really is king: effective entrepreneurs quickly learn to keep fixed costs very low. They don't build infrastructure ahead of having recurring revenues. They rely heavily on consultancy contracts. They learn to barter or to finagle for free just about everything. If you don't hustle, you don't survive.

So not surprisingly, the single biggest benefit that government could provide start-ups at the beginning of the entrepreneurial journey is to charge them less PAYE and National Insurance. Not just defer it – make it smaller. A lower tax burden would reduce the need to raise so much from small businesses. Last year in a government-led focus group in which I participated, along with the CEOs of leading UK start-ups, high PAYE and NIC payments to HMRC were frequently cited as one of the most debilitating factors in running a private company.

Challenge the media to step out of their comfort zone

Leading entrepreneurs learn early to communicate their vision. However, little of that vision gets captured by the media. There remains a view that small business is admirable but rarely raises the bar, or creates new FTSE 100 companies. In short, that the economic growth that will fuel the recovery won't really come out of the entrepreneur-led new businesses, but by existing large businesses – those that are being propped up and stumbling on day to day. SMEs at best get a corner of the coverage in national newspapers. If we want to build an 'Entrepreneur Country', then as consumers of media we must demand that more coverage is given to high-growth businesses creating new industries. One easy way to test this theory is to develop forums online where the entrepreneurs are given opportunities to be profiled, answer questions, and share their view of society and markets. Which newspaper will rise to the challenge?

Treat the SME as your corner store

One of the most important ways that Britain can support its start-up ecosystem is to buy more from the companies that populate it. For SMEs who sell to enterprises (rather than consumers), convincing corporate buyers to purchase from them and pay on time can be a major problem. I advised a tech start-up in December 2003 which was very nearly made bankrupt by the stalling process it endured at the hands of an incumbent telco which had promised to become a customer. Just because a company doesn't have a balance sheet with assets of £10 million, doesn't mean it might not be solid. Good executives know how to manage the risk of working with start-ups – giving them a chance to bring transformational innovation into the corporate landscape. Make buying from SMEs a part of your corporate vision.

Educate the young to expect success

Leading entrepreneurs cite factors such as teachers who encouraged them to be everything they could be, or learning environments where they were taught to think originally early on in their lives, as key influences.

At Ariadne Capital, I can tell within ten minutes of speaking to an entrepreneur who has come to pitch whether or not they expect success. These people exude confidence, not a nauseating sense of entitlement, and convey that they will achieve their goals whatever you decide.

Back Social Enterprise

Entrepreneurs are some of the most generous people I know. They 'send the elevator down' to the next generation, as the overwhelming majority of them remember that they have been helped by others before them. Provoke their generosity by giving tax incentives for their work. One of the leading IT entrepreneurs of the UK, Paul Barry-Walsh, set up the Fredericks Foundation which is the leading micro-finance organisation in the UK. They have made 600 loans to those who have fallen by the wayside whether through crime, drugs, disability or life choices. The Fredericks Foundation saves millions for the UK government because it turns individuals from a cost to society in to taxable micro-entrepreneurs. Each of the Fredericks entrepreneurs then – by their example in their families and neighborhoods – sets examples of business transforming lives. As Barry-Walsh says: "Pure and simple, business is the answer." Set people like Paul Barry-Walsh loose to find more ways to tackle social problems by facilitating his work and that of others like him.

Social enterprise is a hot area where many leading entrepreneurs are flocking, whether it's Hoult's Yard in Newcastle, or DoTheGreenThing out of London, or Bono's Red led by Seb Bishop, the founder of Espotting, or Just Giving which is transforming charities. Not only do entrepreneurs know what to do to fix social problems, they do it.

Make ecosystem economics work

There is a profound network orientation in business today. Companies which succeed know their place in the ecosystem in

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which they operate and crucially align the economics for the entire ecosystem. I first learned this in 2004 through Alastair Lukies, the CEO of Monitise, a global leader in mobile banking services based in the City of London. Years before the business was successful, his dogged determination to make the mobile banking world work for all parties involved – the customer, the bank, the mobile operator – was impressive. Simpay and other competing schemes failed because they had a bias or a dominant player in the ecosystem which wouldn't relinquish market power.

One of the smarter examples of a government-funded organisation's involvement in building the innovation ecosystem is the way that the Technology Strategy Board operates. They have identified various social or business challenges where innovation is necessary such as a low carbon or digital economy. Their model is to organise an ecosystem approach to meeting the challenge by aligning start-ups and corporates to work closely to achieve success.

Remember, Britain can handle BIG

We will make huge strides towards creating 'Entrepreneur Country' if we tie the outcomes of people's actions most directly to the efforts they put into their lives. If the media then cover the achievement of the breakthrough moments in a more profound way, then the young learn that society does value risk-taking and achievement in new business and industries.

The United Kingdom is good at building visions for the next paradigm shift. Witness the activities of the Royal Society, or Tim Berners-Lee's role with the world wide web, Jonathan Ive's iPod, Robin Saxby's breakthrough with the ARM microchip, Stephen Wolfram's Wolfram|Alpha, Charles Dunstone's mobile phones empire, or game-changers in the financial services sector like Travelez, Zopa, Egg, Monitise and Wonga.

Part of the reason that the average 28 year old who is setting out to build a new venture thinks big is that he or she knows that Britain can do big. Indeed, it has a proud history of doing so.

We owe it to those creators of the next big thing to suspend disbelief and negativity, to don the cloak of optimism every morning, and be the facilitator of their success in every way that we can.

We are fortunate indeed that there are people in society who are obsessed to bring the new to life, and choose to live abnormal lives in the doing of it.

Our response to their drive and hard work should be an embrace and a recognition that while they conduct the orchestra, we play the flute, horn and keyboards.

So it's very simple. The entrepreneur, the creator of value, is the Hero.

Internalising these points takes us into 'Entrepreneur Country'.

© Julie Meyer

Leora Nir joins GTWN

Leora Nir, Vice President of TV Channels, Dori Media Group Ltd, has recently joined the GTWN and is working hard to promote the goals and activities of the GTWN in Israel.

Dori Media Group (DMG) is active in the international television market, specializing in the various business aspects of the Telenovela genre. The Group's business model focuses on a number of distinct but complementary businesses, each generating income independently: producing and distributing Telenovela; operating television channels; and selling related merchandise, thus creating a synergistic business group.

Through its varied subsidiaries DMG produces Telenovela in Latin America and in Israel; it distributes its telenovela in more than 65 territories around the world; it owns and operates two TV channels dedicated to Telenovela in Israel and two TV channels in Indonesia. In addition to this, DMG creates merchandising and ancillary business for Telenovela series and their by-products.

In 2008 the group finished the production of Lalola, which was sold to 65 countries since its debut on August 2007 in Argentina.

The group has developed expertise in the production of Telenovela for children and teenagers, and has had international success with its series including Rebelde Way, Floricienta, Rincon de Luz and El Refugio.

The Telenovela produced or financed by the group are sold both in their original form (the original produced series) and in format deals (a license to reproduce by a different company in a different country). To date, the group's Telenovela have been reproduced in varied countries from Mexico and Brazil in Latin America, through Russia and Germany in Europe, to the Middle-East and India in Asia.

In addition DMG owns a growing library of Telenovela series, totaling over 4,000 TV hours, and plans to produce approximately 800-1000 new hours every year.

The Group's television channels in Israel demonstrate the success of the Telenovela genre in attracting strong viewership. Since 2002, DMG's main channel VIVA has been the second most popular amongst all cable and satellite channels available in Israel, according to actual viewing audience share and total rating by reference to the number of television households. Viva's weekend supplement pay channel, "Viva Platina" is enjoying growing popularity as part of the entertainment packages of cable and satellite.

Through the combination of production and distribution of Telenovela and the ownership of television channels and merchandising rights, the group believes in creating a value chain which maximizes earnings potential and which gives it a competitive advantage.

The group operates from offices in Israel, USA, Switzerland, Argentina and the Philippines.

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Leora Nir: Biography

Leora. Nir has over 20 years experience in the communications industry. From 1971 to 1982, she worked for diverse Israeli Government press and media offices in the field of radio broadcasting, news coverage and news reporting, becoming director of the news division for the Government Press Office in 1979.

From 1982 to 1986, Leora was a vice president managing the legal aspects of investment at Robots & Software International, Inc., a New York based company specializing in direct foreign capital investment and limited partnerships in Israeli high-tech companies, becoming a consultant for their Israeli subsidiary during 1986-87 with responsibility for project evaluation, investor relations and the preparation of investment infrastructure.

From 1990 to 1995, she was director of programming for Golden Channels Ltd, one of Israel's main cable TV companies becoming business and strategic development director in 1995. From 1997 to 1999, Leora acted as an independent consultant for strategic development and regulatory affairs to the telecommunications market, as well as member of the competitive strategy team for the then new DBS venture. Her extensive experience includes infrastructure, service and content.

In 1999, she co-founded Davka with DMG (then "Yair Dori Communications Ltd."). Davka, which was merged into DMG, is the owner and operator of Viva and Viva Platina, the DMG Group's Telenovela channels.

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GTWN Mission Statement

The purpose of the GTWN is to provide a forum for executive women active in telecommunications to get together and "network"; to provide a role model to younger women managers active in telecommunications; and to contribute to the evolving global information society in a positive manner.

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