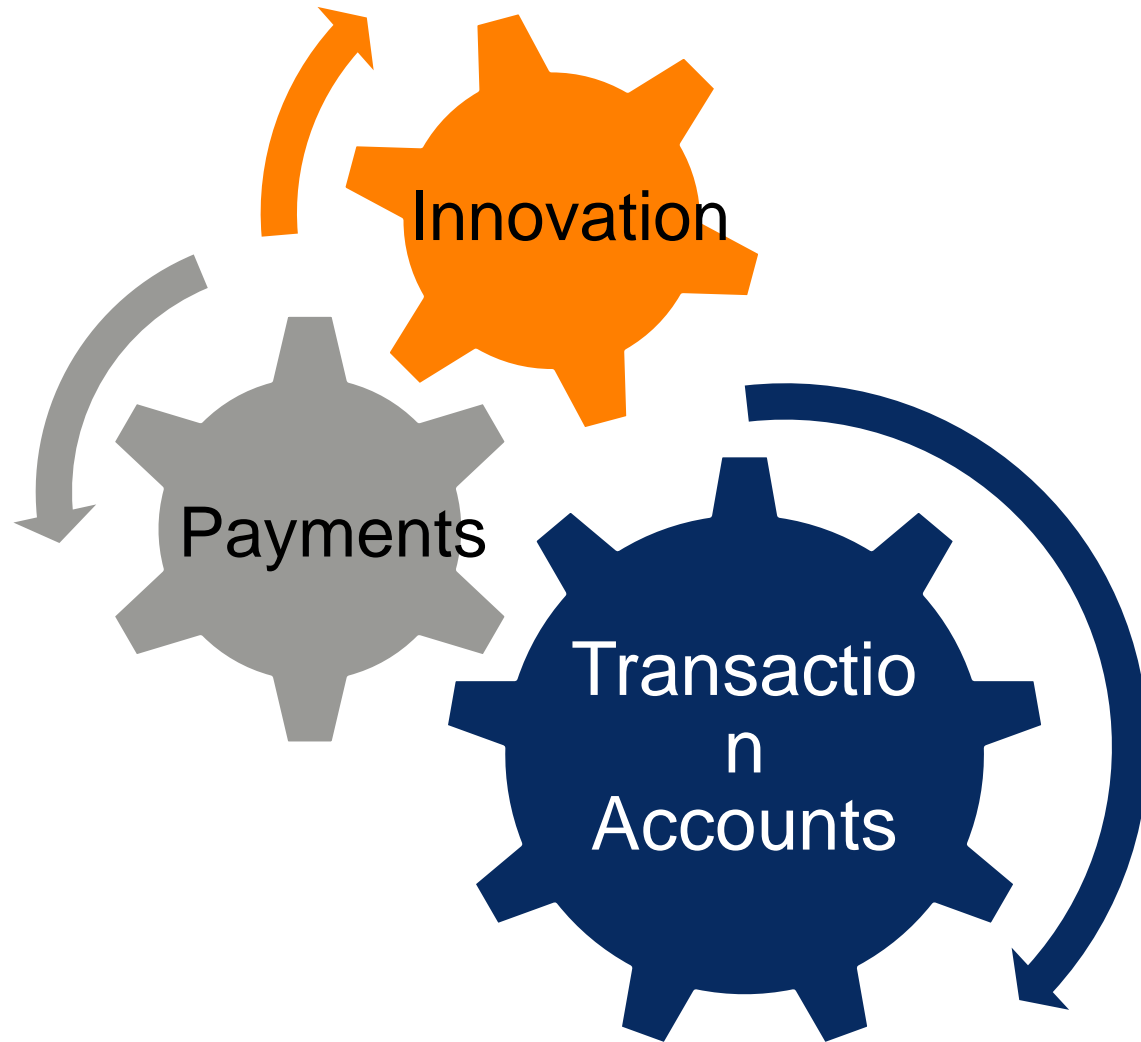


Innovation in Payments

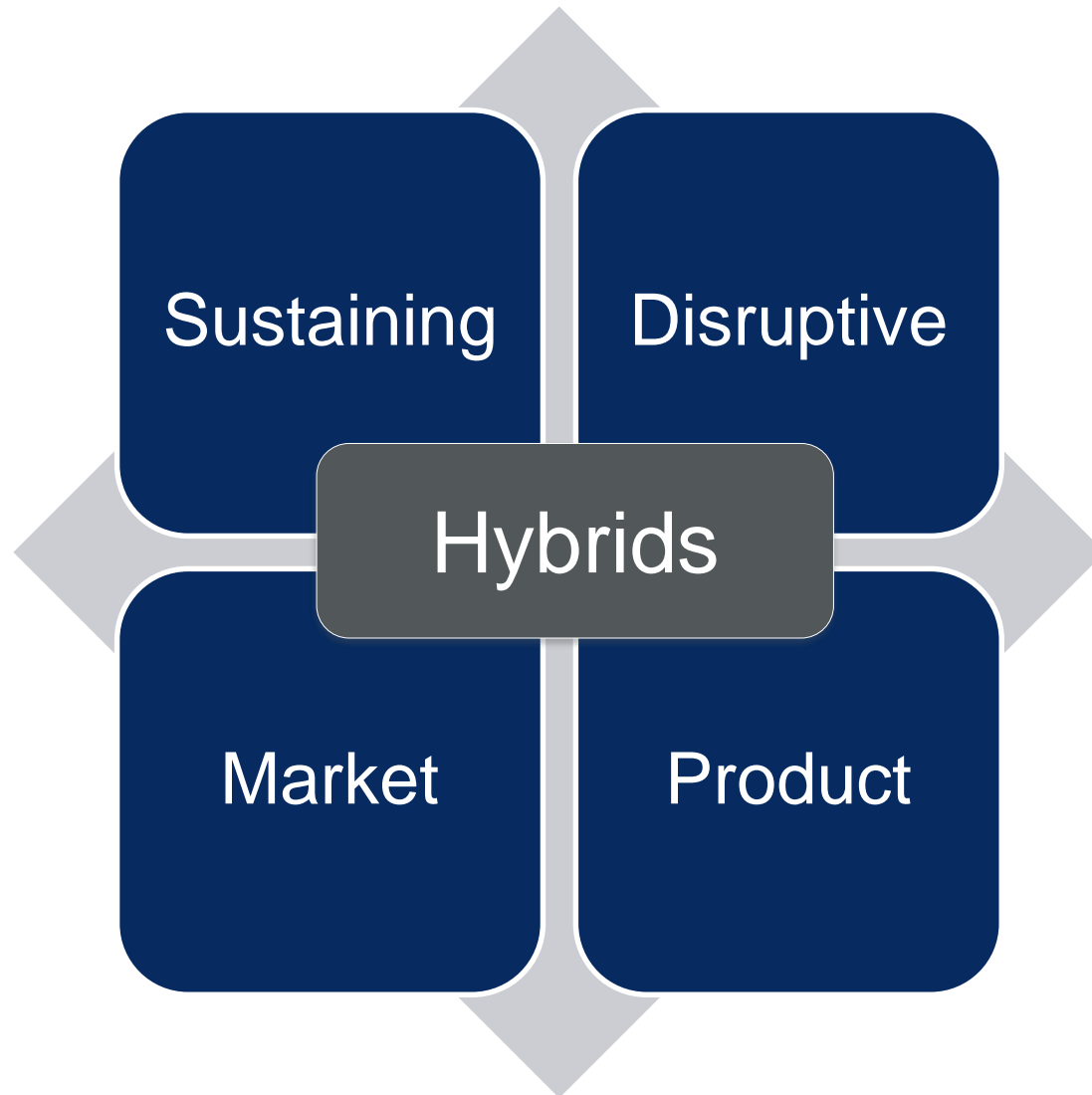
USAID Financial Inclusion Practitioners Day - December 2016



Transaction Accounts – A Foundation for Financial Inclusion

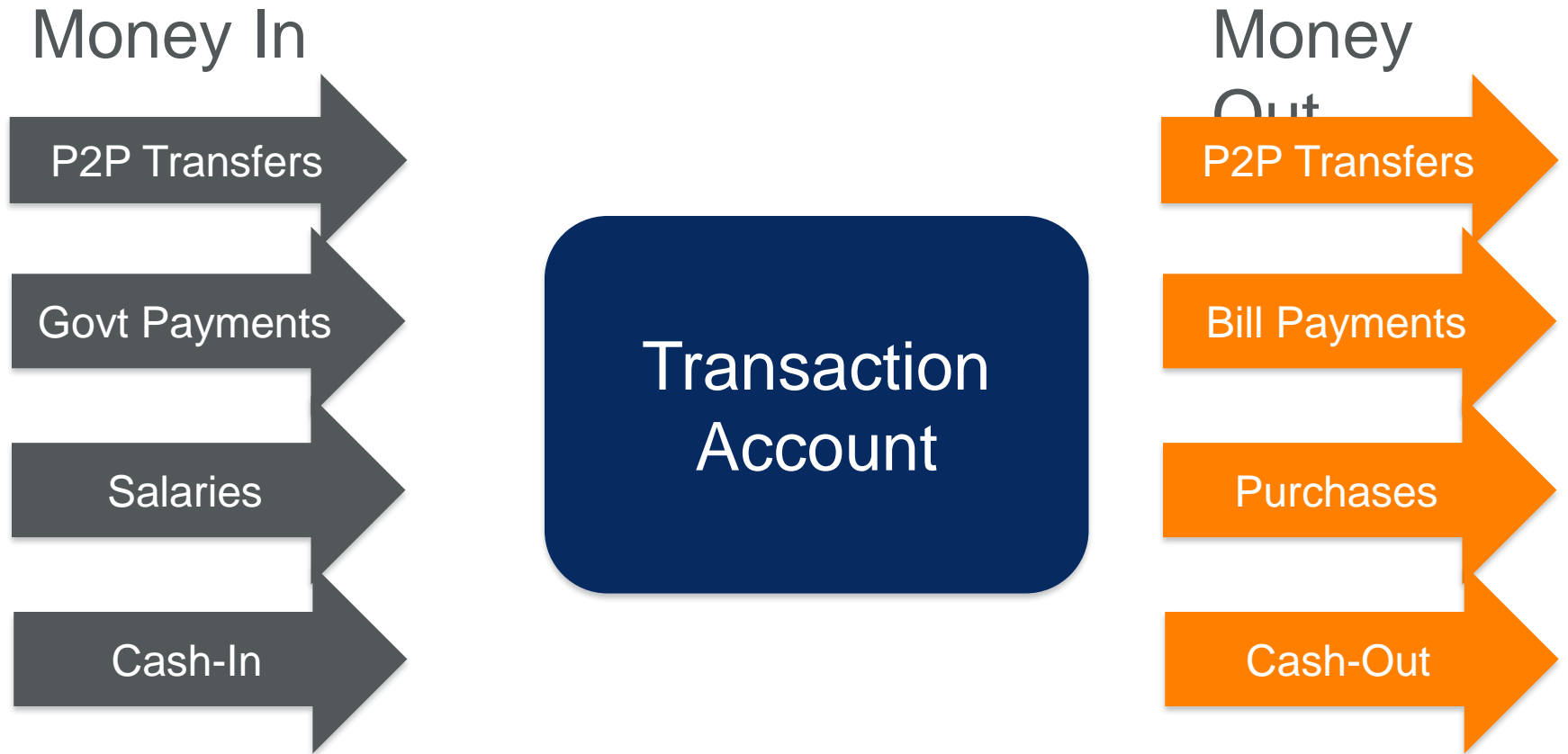


Innovation Frameworks



Payments Systems

Make Transaction Accounts Useful



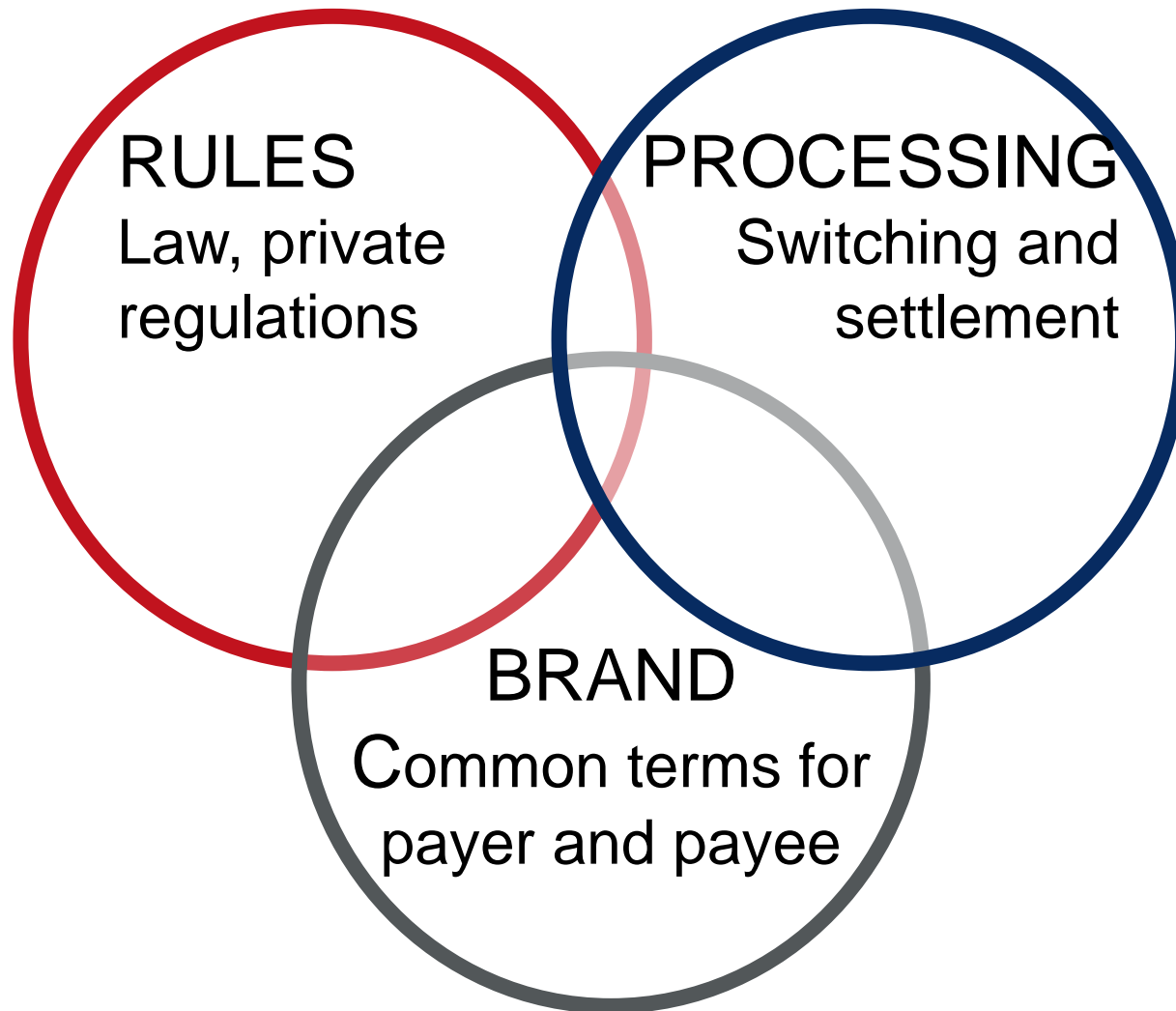
Most Systems are “Open Loop”

Consumers, businesses and governments access the payment system through their relationship with providers



Providers collaborate to create a payments system – often called a “Scheme”

Payments Systems Functions

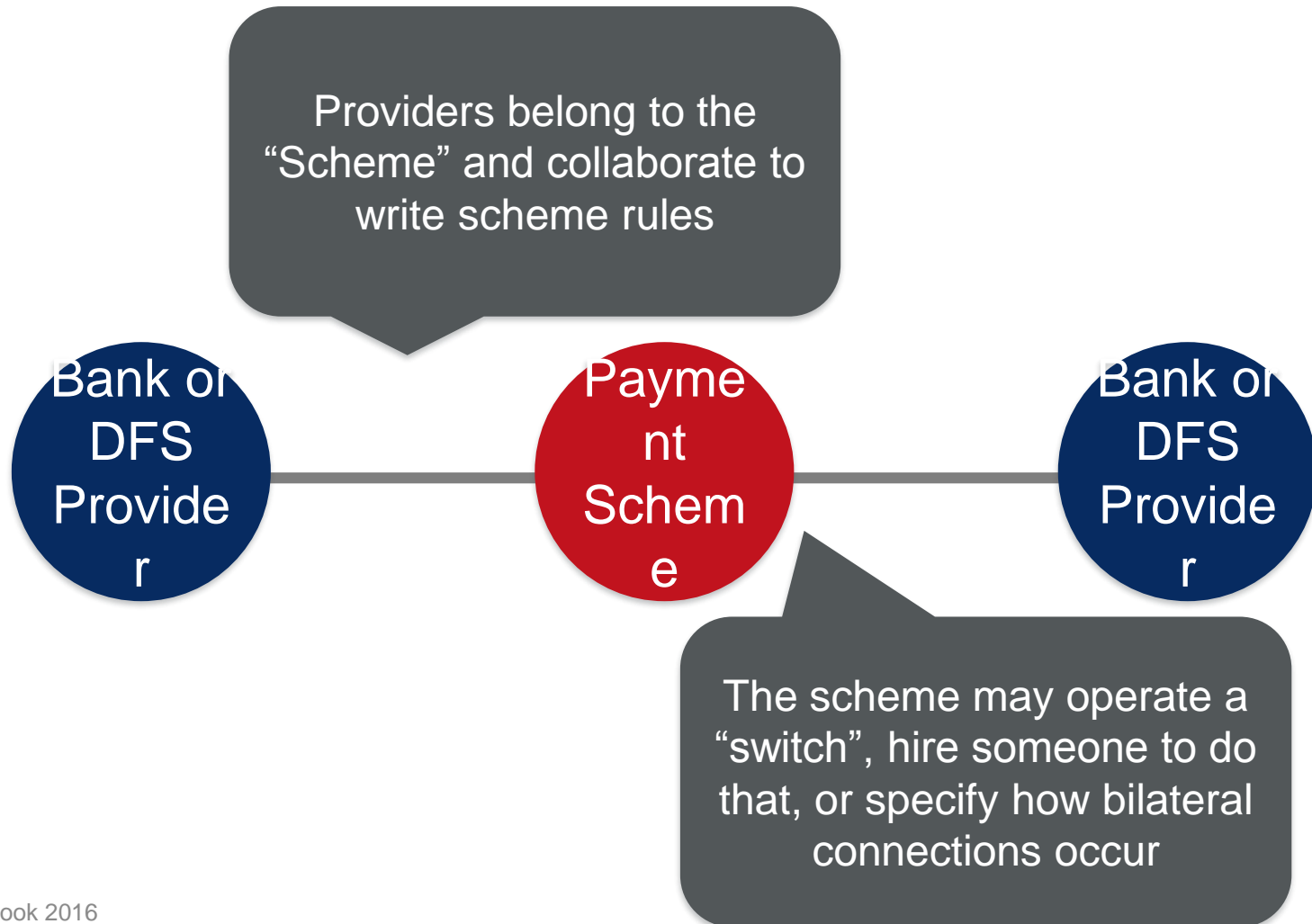


What Works in Payments Systems

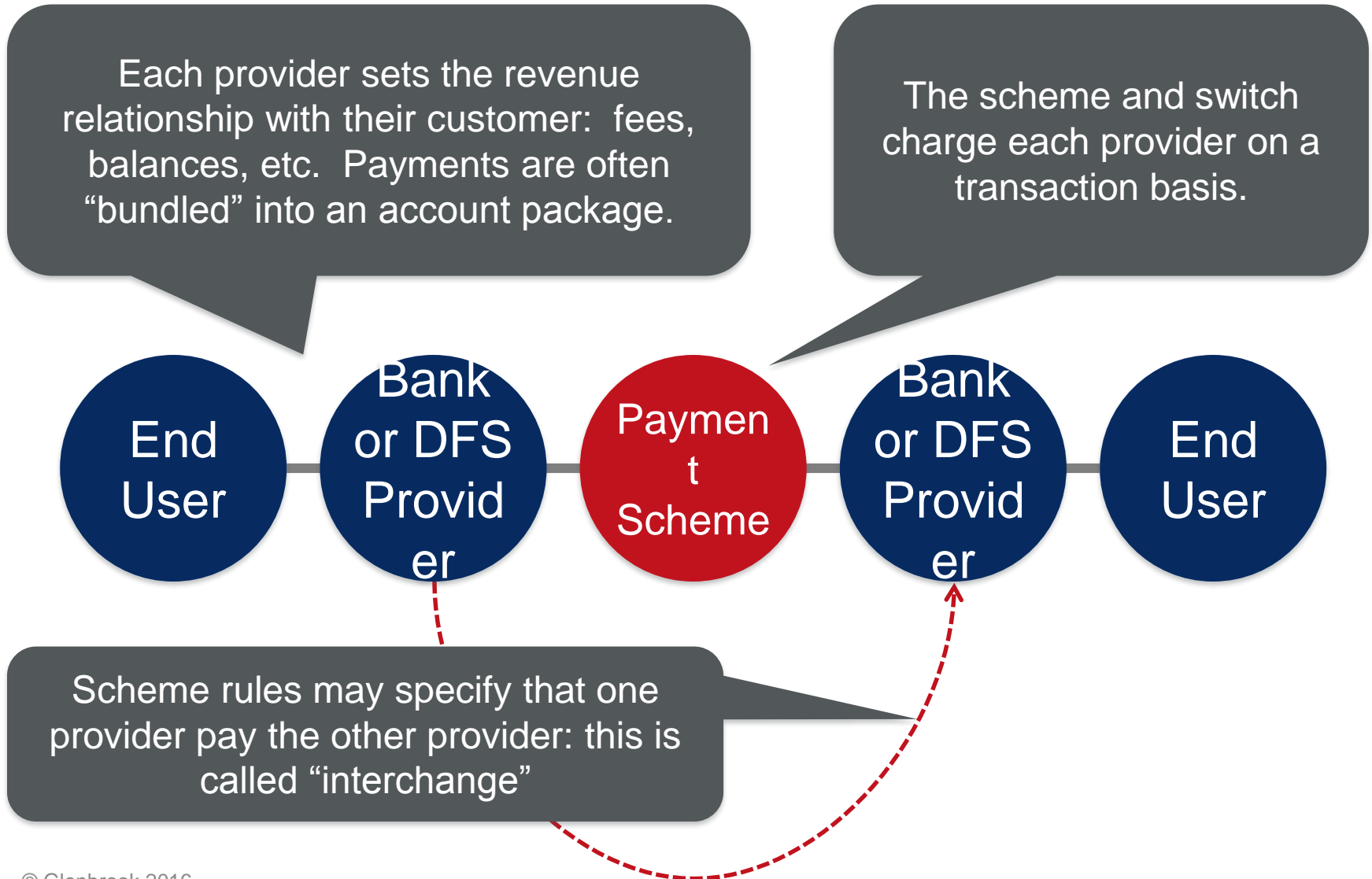
- DFS providers belong to multiple systems
- Systems support multiple use cases
- High volumes make systems economically efficient

Open Loop Systems Need Governance

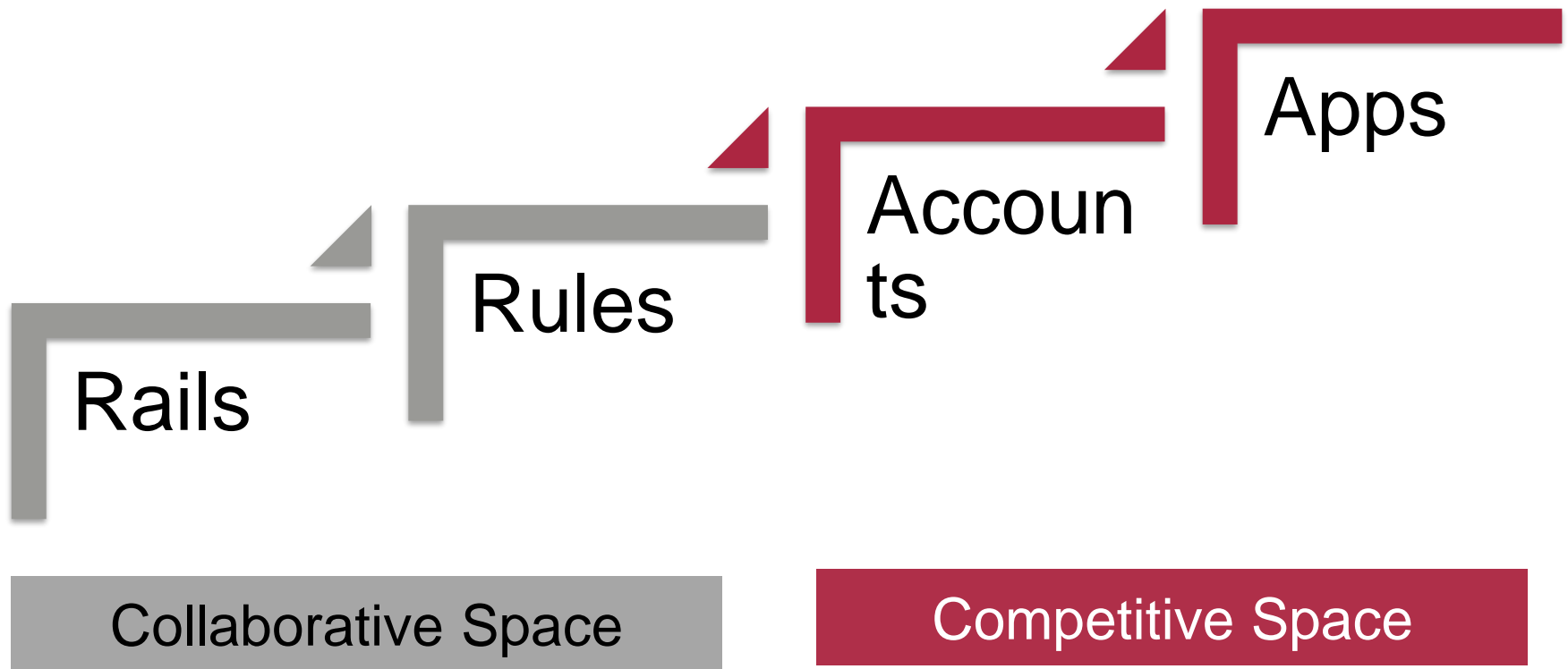
Participatory governance creates a sense of fairness



Payments Economics



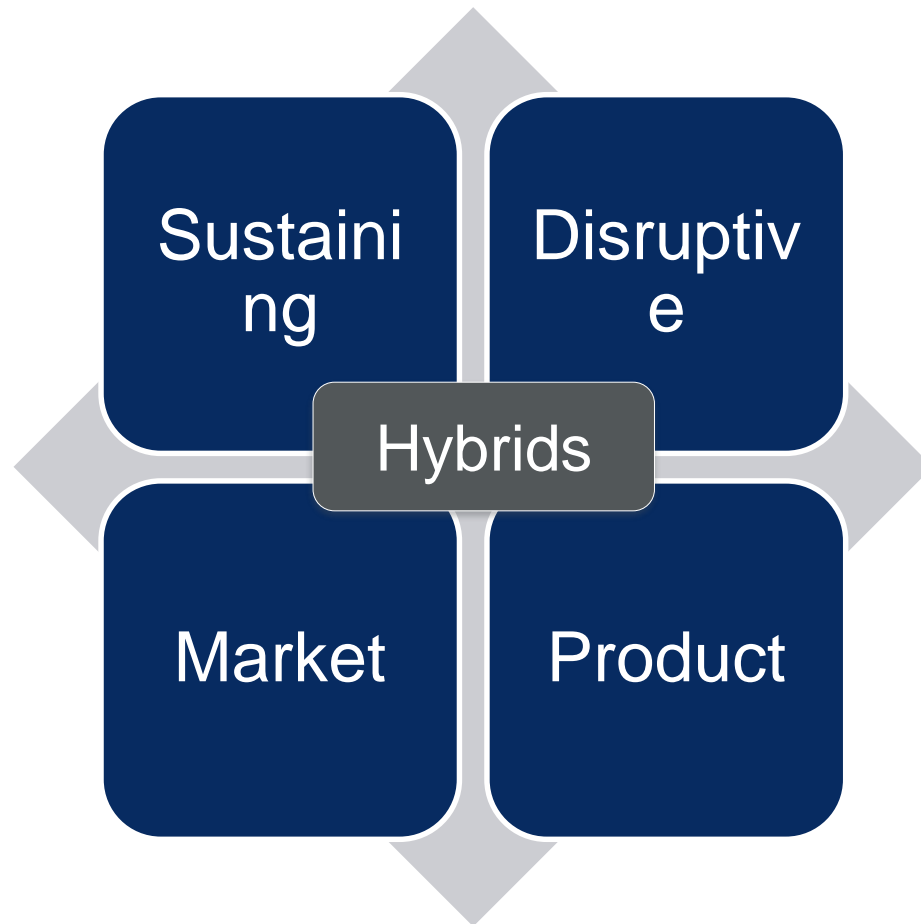
An Economic Framework



The Level One Project: Bill & Melinda Gates Foundation

Transaction Accounts for the Poor

What kind of innovation is this?



What Might be Disruptive?



- Virtual currency replaces the transaction account



- Social networks see payments as a by-product to commerce

“The future is already here – it’s just not very evenly distributed.”

William Gibson

“The march of technology is the incessant march of convenience.”

Ev Williams

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