



PAYMENT **A**SPECTS **OF** **F**INANCIAL **I**NCLUSION

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WORLD BANK GROUP
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PAFI Task Force Launched in Early 2014

Central Banks & International Financial Institutions

Co-chaired by CPMI and World Bank



PAYMENT ASPECTS OF FINANCIAL INCLUSION



Final report available at:

CPMI Website

<http://www.bis.org/cpmi/publ/d144.htm>

World Bank Group Website

<http://pubdocs.worldbank.org/pubdocs/publicdoc/2016/4/963011459859364335/payment-systems-PAFI-Report2016.pdf>

The PAFI “Vision”

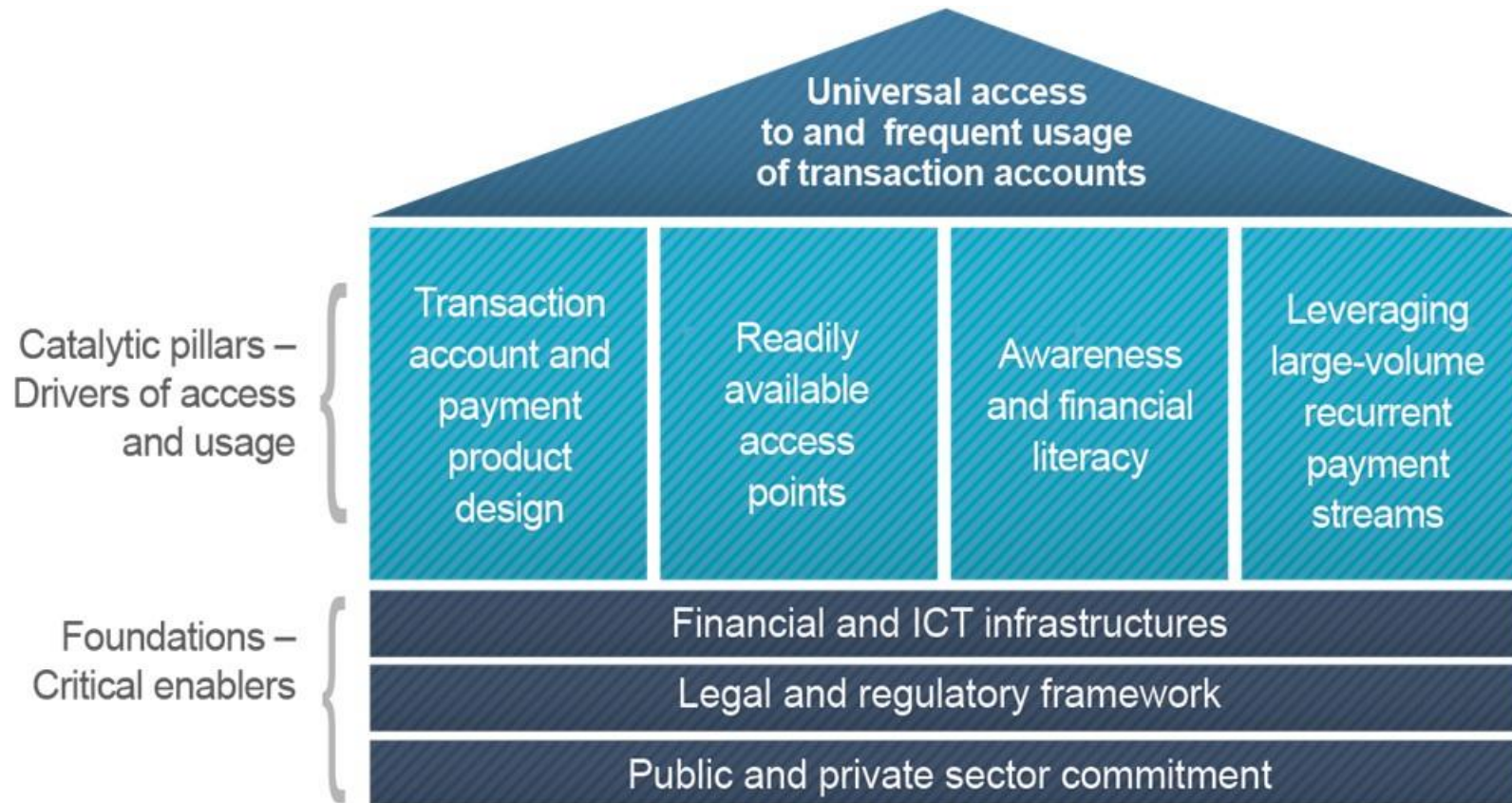
All have & use **at least one transaction account** offered by a **regulated payment service provider**

- perform most** payment needs
- safely store some value**
- serve as a gateway**

Key Assumptions

- Payments and payment services
 - ✓ Are important in their own right
 - ✓ Can facilitate access to other financial services, and
 - ✓ Often critical to the efficient provision of other financial services
- A transaction account
 - ✓ Cornerstone for providing electronic payment services
 - ✓ Held with banks or other authorized and/or regulated service providers (including non-banks)
 - ✓ Include “deposit transaction accounts” & “e-money accounts”

Interrelation of foundations, catalytic pillars and effective usage



PAFI Guidance Foundations – Critical Enablers



- **Guiding Principle 1: Public and Private Sector Commitment**
Commitment from public and private sector organizations to broaden financial inclusion is explicit, strong and sustained over time.
- **Guiding Principle 2: Legal and Regulatory Framework**
The legal and regulatory framework underpins financial inclusion by effectively addressing all relevant risks and by protecting consumers, while at the same time fostering innovation and competition.
- **Guiding Principle 3: Financial and ICT Infrastructures**
Robust, safe, efficient and widely reachable financial and ICT infrastructures are effective for the provision of transaction accounts services, and also support the provision of broader financial services.

PAFI Guidance: Catalytic Pillars – Drivers of Access & Usage



Guiding Principle 4: Transaction account and payment product design

The transaction account and payment product offerings effectively meet a broad range of transaction needs of the target population, at little or no cost.

Guiding Principle 5: Readily available access points

The usefulness of transaction accounts is augmented with a broad network of access points that also achieves wide geographical coverage, and by offering a variety of interoperable access channels.

PAFI Guidance: Catalytic Pillars – Drivers of Access & Usage



Guiding Principle 6 -- Awareness and financial literacy

Individuals gain knowledge, through awareness and financial literacy efforts, of the benefits of adopting transaction accounts, how to use those accounts effectively for payment and store-of-value purposes, and how to access other financial services.

PAFI Guidance: Catalytic Pillars – Drivers of Access & Usage



Guiding Principle 7-- Large-volume, recurrent payment streams

Large-volume and recurrent payment streams, including remittances, are leveraged to advance financial inclusion objectives, namely by increasing the number of transaction accounts and stimulating the frequent usage of these accounts.

Salary Payments ↔ Financial Inclusion

Financial Inclusion ↔ Remittance Services

Government Payments ↔ Financial Inclusion

Thank You!

