# **Report: Workshop on Enabling Retail Payment through Interoperability**

The workshop is organized by EthSwitch SC, a company with the main purpose of providing electronic retail payment switching and clearing, card issuance and management, and related infrastructure services for a wider implementation and use of electronic retail payment services in the financial sector and the country at large. The session is launched by Ato Getahun Nana as a key note speaker, who is also I believe an adviser for EthSwitch. After that a presentation about Ethswitch is presented including its purpose, objectives, and five year strategic plan. After that two representatives from The Bill and Melinda Gates Foundation presented the level one project.

The level one project is an initiative intended to enable country-level digital financial systems that bring the poor into the greater economy for the benefit of all. At the heart of the level one project is national digital financial services system, enabled by shared, open, standards-based components, including an interoperability service for transfers, and fraud and risk management services.

The system is governed by its direct participants: the providers of end-user digital financial services, who offer account opening services, consumer and agent management services, and merchant digital payment services.

System Features For the level one project include:

* **Open loop**: allowing all qualified participant to join
* **Immediate Fund transfer:** funds available to the payee in near real-time and immediate notification for the payer in order to replace cash transaction
* **Same day Settlement:** Settlement should be done at least once a day to make sure its participants have as close to zero exposure from a failing participant as is possible
* **Irrevocability:** the system should not manage reversal by the originating party nor it shouldn’t allow a liability for a transaction from one party to another.
* **Shared Fraud Services:** The system should address how participants may contribute transaction data to a commonly owned fraud management service.

So the general objective of the level one project initiative by the Bill and Melinda Gates foundation initiative is Financial Inclusion for all at low cost according to their presentation the digital financial providers (DFPs) banks or non-banks profits from adjacencies a term they used to mean Ways in which businesses, banks or other financial services providers realize revenue from services that are not directly associated with payments—for example, loans made to payments account holders.

After presenting what the level one project is the presenters went around the globe to discuss those countries who have implemented the RTRP (Real-Time Retail Payment), which are India, Mexico, and UK, and the challenges they faced along with the benefits they gained.

The final part of the session is a preliminary survey of what requirements the banks and non-banks organizations invited in the work shop require on the RTRP system should provide that will help EthSwitch prepare the RFP for the system. This is done by providing a worksheet with specific question and long with the choices to groups that are sit on a table. This enabled discussion before choosing an answer.

To conclude for me some of the ideas and concepts presented at the workshop are beyond my understanding level but the presenters made it so easy for me to grasp the points they made. From DBE perspectives the RTRP system is not that much critical as compared to other commercial banks but I believe that payment from loan collection and also disbursement to customers can be made easy if there exists an interoperable payment system is implemented as an alternative to cheque and cash.