

Participatory governance in action: a WynePay case study



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Agenda



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- Why did we consider Participatory Governance to be critical?
- How we designed Participatory Governance?
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Introduction to WynePay



WynePay



ဝိုင်းပေး

Let's Pay Together (in Burmese)



Interoperable



Open Platform

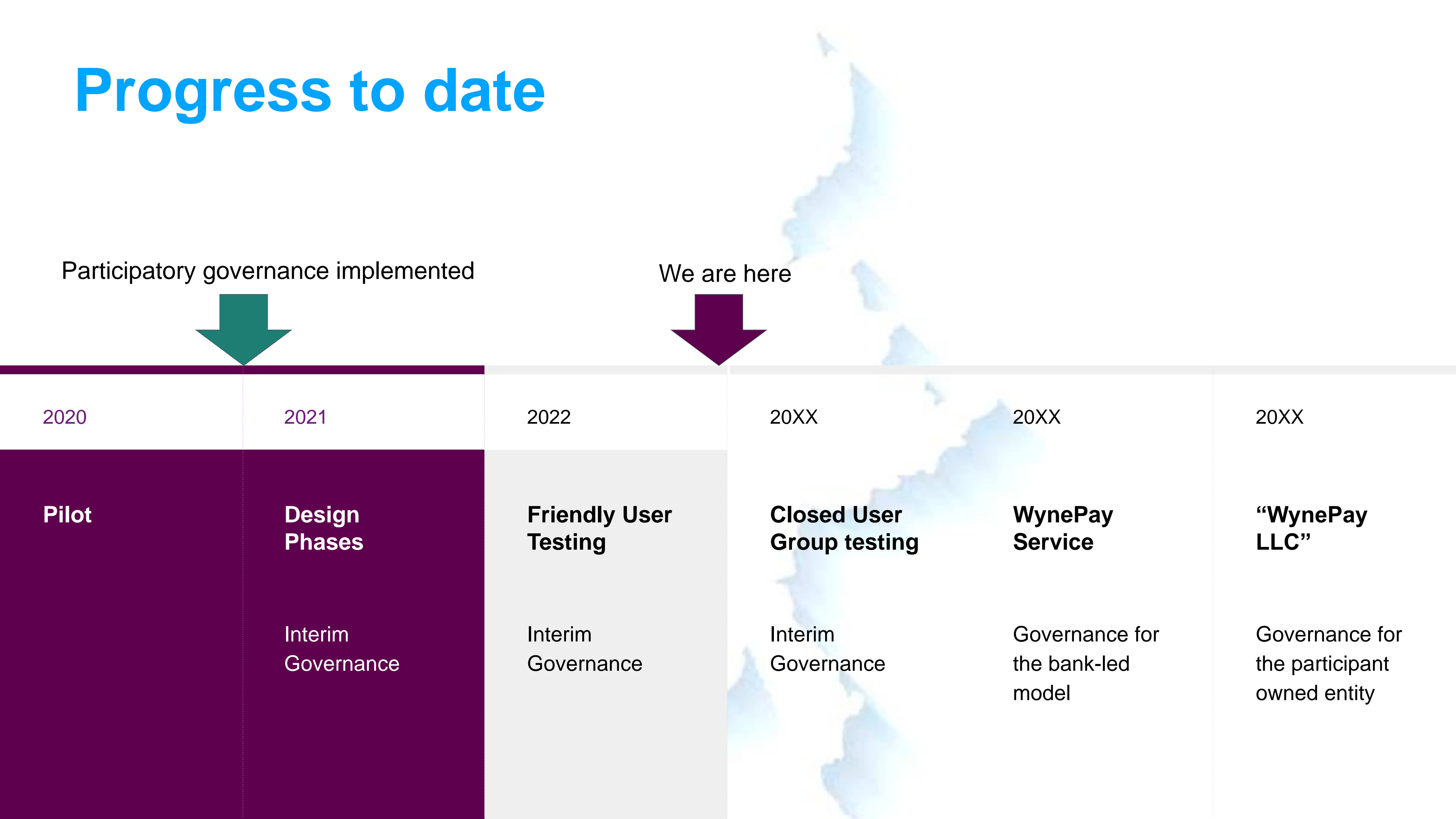


Real-time



Participant-owned
and governed

Progress to date





What is Participatory Governance?

Engaging providers in the governance mechanisms that achieve interoperability, by:

Encouraging industry-led solutions for interoperability that are safer bets for sustainable scale.

Engaging the public sector to encourage and foster these efforts, while supporting intervention when industry-led solutions increase barriers to access.

Bringing providers, industry associations and other stakeholders into the process of drafting business operation agreements (e.g., choice of technology, protocols for settlement and clearance, interoperability charges, risk).

Ensuring new players have a seat at the table to promote innovation and competition, thereby benefiting the users.

Why did we consider Participatory Governance to be critical?



- Country context
 - Limitations on withdrawals, FX, debt repayment and the liquidity challenges
 - Sub-optimal engagement with administrative elements
 - Humanitarian and economic challenges
 - In sum: an environment in flux
- Demanded an approach that's:
 - Acutely focused on client centricity as trust is fundamental
 - Strategically robust with tactical dynamism
 - Pragmatic, yet sound practices driven core design (that can be broadened, deepened and “plugged into various ownership models)
 - Proactive risk management (especially reputational)
 - Balancing competition and cooperation effectively in decision-making
 - Broad-based ecosystem engagement as “goodwill” is key

**Critical
Success
Factors**

How we designed Participatory Governance?

Overall structure



Interim Scheme Council (SC)

- The senior most decision-making body of WynePay
- SC Members vote and approve key elements of WynePay. They also represent the SC to the SA – to maintain the broader engagement as well as source expertise/ guidance
- Co-chaired by ThitsaWorks, UNCDF and ModusBox
- Sub-committees: Rules (TBC), Use Cases (e.g. ECT TWG already running), Risk & Regulatory and Audit

Interim Scheme Advisory (SA)

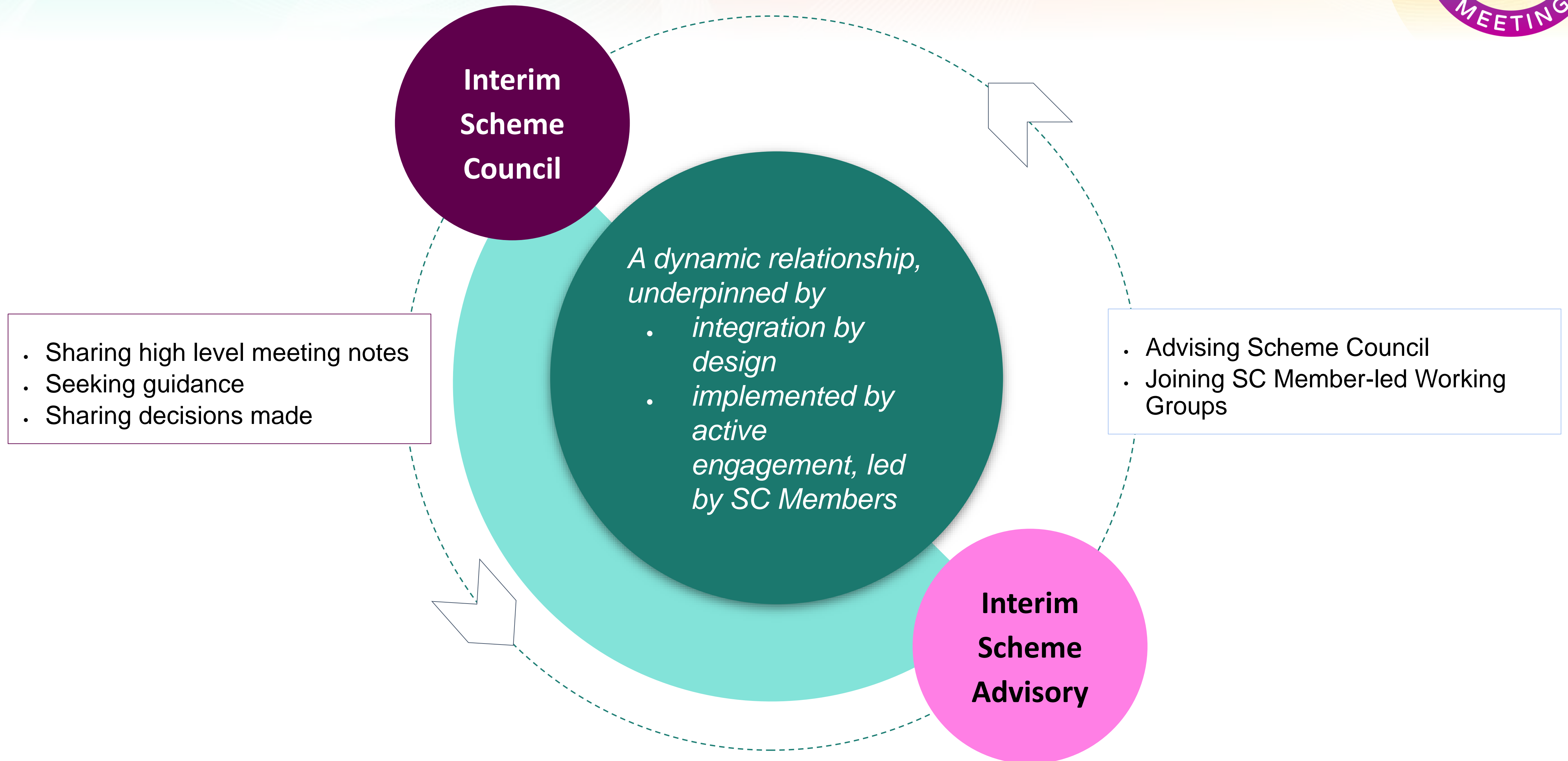
- A broader group from the ecosystem (members, donors, experts and other stakeholders)

Technical Working Group -
Electronic Cash Transfer/ Bulk
Payments

Technical Working Group - P2B
(TBD)

Technical Working Group -
Merchants (TBD)

How we designed Participatory Governance? Scheme Council and Scheme Advisory dynamics



So what were the results?



- **Bi-weekly SCs and SAs since March 2021**
- SC composition: **6 MFI and 2 Banks**
- SA composition: **19 MFIs, 1 NBFi, 10 Wallets, 2 NGOs**
- Co-creation and decisioning: **29 Approvals**

(1) Goals and objectives	(8) Risk Management Framework	(15) Legal Review – pathways to approval	(22) ECT pricing considerations	(29) Hub Ops
(2) Interim Governance v1	(9) Data privacy	(16) Use Case Prioritization Framework	(23) FUT 1.0 results and next steps	(30) Mojaloop Foundation engagement
(3) SC decision making process	(10) Reversal workflow (CBS rejects payment, reverse in CC)	(17) ECT Introduction	(24) Rules update and guidance on Participation	(31) ECT Technical working group and ToR
(4) Settlement bank proposal (single-bank)	(11) Rounding Issue	(18) FUT 1.0 learnings	(25) Regulatory approach	(32) FUT 2.0 approval
(5) Scheme branding	(12) Ownership 1 - High-level TOM	(19) CUG design	(26) CUG master agreement	(33) "Regulatory Sandbox" and CUG
(6) Payment flows for first three use cases	(13) Interim Governance v2	(20) CUG Agreement	(27) Ownership 3: Scope and setting up participant owned TOM	(34) IP protection rules
(7) Scheme Hub fees and charges	(14) Ownership 2 - Building Blocks	(21) Separating core settlement platform	(28) New member for SC	(35) ...

Behavioral:

- Cohesion among participants, partners and other stakeholders
 - e.g. transparency around any conflicts to make “clean” collective decisions
- Feeling accountable
 - e.g. SC Members leading Technical Working Groups and Ecosystem outreach
- Resilience as a group
 - e.g. problem solving together such as Regulatory Strategy
- Goodwill in the ecosystem
 - e.g. MFIs’ engagement via Trade Organizations to make the case for WynePay

Co-creation and decisioning

example 1: WynePay Goals and Objectives



Sound Building Blocks:

BIS-PAFI: Principles for Financial Market Infrastructures

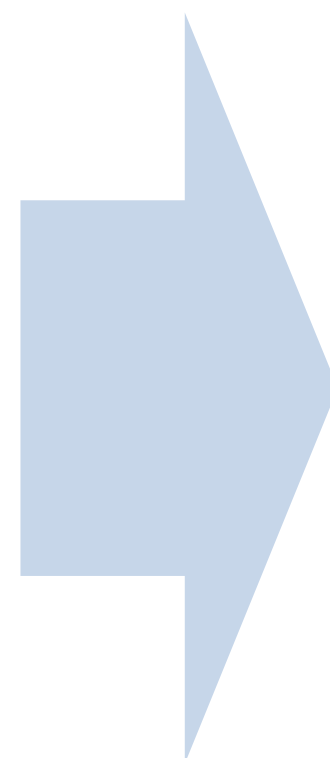
- Principle 1: Legal basis
- Principle 2: Governance
- Principle 3: Risk Management

Critical Success Factors and Tests of Client Centricity:

UN Principles of Responsible Digital Payments – Interoperability

- Participatory Governance
- Open Technology
- Ecosystem Mindset

DFSPs' Goals, Objectives, Strategy and Plans



WynePay Goals & Objectives

1. Support financial inclusion for all in Myanmar with an aim to increasing access to digital payments and financial services for all with an emphasis on reaching underserved populations.
2. Enable fast, ubiquitous, user-friendly, trustworthy, reliable, and secure digital payments
3. Implement a cost effective, flexible, sustainable and inclusive payment system for Myanmar MFIs and participating DFSPs that can drive high volumes of transactions, now and into the foreseeable future
4. Contribute to Myanmar's digital ecosystem and goals for a digital economy

Co-creation and decisioning

example 2: Use Case Prioritization



WynePay Goals & Objectives	Key evaluation criteria(s)	Loan Repayment Use Case	Loan Disbursement Use Case
1. Support financial inclusion for all in Myanmar with an aim to increasing access to digital payments and financial services for all with an emphasis on reaching underserved populations.	<ul style="list-style-type: none"> <i>Inclusion</i> 	✓	✓
2. Enable fast, ubiquitous, user-friendly, trustworthy, reliable, and secure digital payments	<ul style="list-style-type: none"> <i>Demand</i> 	✓	✓
	<ul style="list-style-type: none"> <i>“Ease” of implementation</i> 	✓	✓
3. Implement a cost effective, flexible, sustainable and inclusive payment system for Myanmar MFIs and participating DFSPs that can drive high volumes of transactions, now and into the foreseeable future	<ul style="list-style-type: none"> <i>Volume</i> 	✓	✓
	<ul style="list-style-type: none"> <i>Revenue</i> 	✓	✓
4. Contribute to Myanmar’s digital ecosystem and goals for a digital economy	<ul style="list-style-type: none"> <i>Inclusion</i> 	✓	✓

Co-creation and decisioning

example 3: New Scheme Council Member

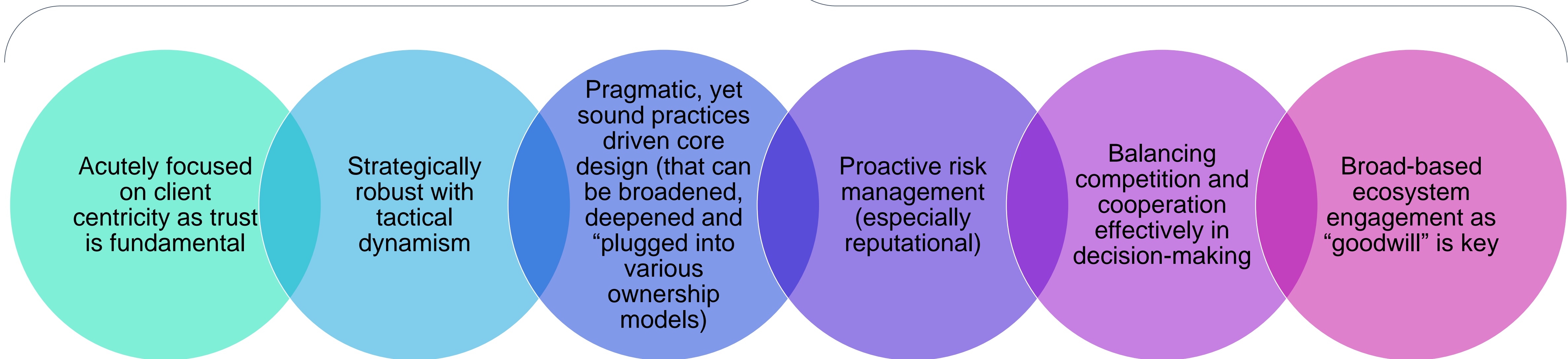


WynePay Goals & Objectives	How the proposed new SC member “fits”
1. Support financial inclusion for all in Myanmar with an aim to increasing access to digital payments and financial services for all with an emphasis on reaching underserved populations.	<i>ABCD’s strategy of “providing access to credit to more people, especially to poor and unbanked people living in rural areas, and has been contributing to the development of the economy of Myanmar through financial inclusion” is aligned to WynePay objectives.</i>
2. Enable fast, ubiquitous, user-friendly, trustworthy, reliable, and secure digital payments	<i>Inclusion of ABCD to Scheme Council would allow WynePay to learn, test, update approaches more proactively by sourcing expertise from one of the leading MFIs in Myanmar.</i>
3. Implement a cost effective, flexible, sustainable and inclusive payment system for Myanmar MFIs and participating DFSPs that can drive high volumes of transactions, now and into the foreseeable future	<i>ABCD can contribute to the discussions and decisions in Scheme Council in implementing WynePay as a cost effective, flexible, sustainable and inclusive payment system for Myanmar MFIs.</i>
4. Contribute to Myanmar’s digital ecosystem and goals for a digital economy	<i>Participation of ABCD in WynePay will enable its clients to embrace digital payments and drive high volumes of transactions for the benefit of Myanmar’s digital ecosystem.</i>

Key learnings discussion: revisiting Critical Success Factors



what we needed to “get right”





Thank You

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