1. Overall, great report, extremely timely and useful. Fantastic work! Rest of comments will be more specific, refer to page #/para # (if available)
2. 2- why only "some" small sized businesses…all can benefit from moving out of cash…
3. 2 – "at little or no cost" has explanation later, but is potentially dangerously ambiguous here…at little or no cost to whom? To the target population, yes…but this may entail more than "little or no cost" to governments, large companies, or a combination thereof, and still be a very good investment for all.
4. 3 – you don't mention how the "digitization" of transactions itself opens up new technological possibilities for literacy/education services, such as those from many fintechs we've been working with…and because of the intelligence, flexibility, individual customization and, most important, immediacy of these new possibilities, we may actually get services that work through these new channels (unlike much of previous financial education/literacy investment through classrooms, on-line courses, etc)
5. 8/21 – would make it clearer that high fees disproportionately impact small payments and SMEs dealing mostly in small payments (more than large firms and governments)
6. 9/30 – a bit worried about putting too much into "comfort with technology" --- in may respects developing country poor people are more adept at use of technologies like mobile phones for transactions than their richer country, richer segment counterparts…technology is not inherently wealth biased…
7. 13/47 – a bit odd that the text says the box is just to present examples of different products, but then the box also dives into how certain authorities regulate rights to offer products – which is a system example, not just a product example, and left me wondering where the good practice principles were on system access…
8. 21/77 – yes, central banks often don't have power over payments systems…but in most cases another government agency does? If so, don't we need to cover the public sector role more broadly here, and not just central bank role?
9. 30ff – financial integrity is made even more difficult by people staying in cash, as evidenced by the problems caused by hawala systems throughout the world used for illegitimate as well as legitimate payments…yet don't see any treatment in this piece on to what extent fiscal measures by governments to incentivize movement into electronic channels and out of cash might be advisable, and what good practice examples exist. In other words, in addition to the RUT and Aadhar investments (p. 34), should governments also think about investing public funds to underwrite costs of actual payments infrastructure establishment, in order to reduce costs of cash to the economy?
10. 36/123 – would be interesting to talk about what are the risks in SEPA, what areas still need to be worked out (though we know it's still early days of implementation)…
11. 38ff/to 141 – this seems a section where one also could have talked about other ways to incentivize consumer behavior (loyalty schemes, government market intervention, etc), their potential roles/pitfalls, etc. for example, box 13 later seems to be the highest cost, least likely to succeed way of dealing with ATM queues…what about how Vietnam could help card and phone-based payments to replace cash payments, so people wouldn't need as many ATMs? What are the comparative costs?
12. 45/150 – on the other hand, sometimes monopolies have temporary use, making companies able to demonstrate potential and build markets more quickly (M-Pesa, Alipay, etc)…in the long run these inhibit growth and inclusion, but it's a complicated dynamic,…
13. Box 17 – btw, in Hong Kong and Singapore there have been programs in place for a long time, by government and NGOs, to educate migrants in remittance options and other aspects of payments management. Would be worth tapping this history for Project Greenback.
14. Box 19 – you miss out other important aspects of Octopus Card, given my point in (11) above…when you pay for transport, goods in 7/11, etc with Octopus, consumer gets a lower

price…it's the opposite of VISA/MC, where both vendor and customer have to pay to switch over. Worth examining why HKMA and Transport Authority, etc decided to use public monies to underwrite this…I bet they have a calculation about net gain to the public budget from this investment somewhere.

15. 55/188 – what about whether or not financial commitment from public budget is necessary?
16. 56-7 – again, to what extent should public funds/blended financing be used to make electronic payment channels more desirable and speed conversion?

matt

Matthew Gamser
CEO,SME Finance Forum
International Finance Corporation
2121 Pennsylvania Ave., NW
Washington, DC 20433