Questioning IPS Design Inclusivity: Unlocking Fintech and Non-Bank Participation in Domestic Instant Payment Systems

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Authored by

Alliance of Digital Finance and Fintech Associations

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In partnership with

Interledger FOUNDATION

Authors and Citation

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Organisations

This assessment was undertaken through a partnership between AllianceDFA and Contigo Global, integrating sector convening leadership and technical expertise in digital payments to shape the design and implementation of the work. The research was made possible through the generous support of the Interledger Foundation, whose commitment to advancing inclusive digital payment systems aligned closely with the objectives of this assessment. We are grateful for their trust and partnership in enabling this work.

About the Alliance of Digital Finance and Fintech Associations (AllianceDFA)

AllianceDFA is a global network of digital finance and fintech associations, working collectively to lead inclusive and responsible digital finance ecosystems. Through their deep local knowledge and trusted industry networks, member associations act as country focal points, convening stakeholders and contributing market insights.

AllianceDFA amplifies their collective impact by fostering cross-border collaboration, sharing knowledge, shaping industry standards, and supporting enabling policy that fuels responsible innovation and financial inclusion.

AllianceDFA, representing 42+ national and regional industry associations, brings together a unique global network of locally embedded expertise. Through this network, AllianceDFA is well positioned to help translate emerging insights into practical action. By fostering cross-market collaboration, sharing technical resources, and engaging with key stakeholders, including central banks and IPS operators, AllianceDFA can support efforts to clarify and de-risk integration pathways, promote more consistent approaches, and reduce the time between policy intent and operational participation - contributing to more inclusive participation in IPS ecosystems.

For investors and development partners committed to inclusive digital financial infrastructure, partnering with Alliance DFA offers a powerful multiplier: one co-ordinated platform, engagement with multiple markets, and locally embedded implementation capacity. By working through a global network of national associations, scalable resources, such as participation frameworks, technical toolkits, regulatory guidance notes, and peer learning exchanges, can be developed to lower barriers and costs and accelerate IPS participation for fintech and non-banks worldwide. Learn more: https://www.alliancedfa.org

About Contigo Global LLC

Contigo Global LLC is a firm focused on instant payment systems, digital public infrastructure, and inclusive finance policy. It advises public, private and donor stakeholders on the design, governance, and scaling of real-time payment ecosystems.

Its work focuses on building commercially sustainable, pro-competition instant payment systems that expand access to digital payments and financial services for marginalised communities, particularly women. Nandini Harihareswara is Founder and Director of Contigo Global LLC. Learn more: https://www.linkedin.com/in/nandini/

CONTRIBUTING AUTHORS, PARTNERS AND ACKNOWLEDGEMENTS

About Interledger Foundation

The Interledger Foundation is a mission-driven nonprofit ensuring that no one is left behind in the digital economy. They support inclusive innovation and financial infrastructure that connects people, communities, and entire economies globally. Learn more: https://interledger.org

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We would like to thank the 129 individuals who contributed to the focus groups and generously shared their time, perspectives and expertise. A list of contributors appears in Appendix A.

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CONTENTS

A. FOREWORD BY THE INTERLEDGER FOUNDATION

There is a moment in the development of any infrastructure when the choices made seem technical but are in fact questions of governance and norms. Roads get built through some neighborhoods and not others. Spectrum gets licensed to incumbents who then set the terms for everyone else. The window for a different outcome is open, and then it closes.

Instant payment systems are in that moment of openness.

Across Africa, Asia, and Latin America and the Caribbean, real-time payment rails are being laid at remarkable speed. The ambition behind them is genuine: faster, cheaper, more accessible financial services for people who have historically been underserved by formal systems. And the infrastructure, in many markets, is delivering on that promise at the technical layer. Money moves. Transactions clear.

But infrastructure is not neutral. The rules governing who can connect to a payment system, on what terms, with what capital requirements, through what licensing processes, and with what voice in how the system evolves, all determine whose business models are viable and whose are not. They determine whether the fintech serving rural women in one community or the microfinance institution extending credit in another can build on top of the rails, or whether they remain reliant on bank-led access models.

This report examines that layer. Drawing on the experiences of 129 practitioners across twenty markets, it surfaces what the people closest to these systems actually encounter when they try to participate in them. The findings describe specific mismatches between regulatory frameworks designed for a different era and the providers operating in this one. This assessment documents governance structures that optimise for stability while treating fintech and non-bank's inclusion as a secondary concern. They trace how integration barriers that look merely technical in a spreadsheet translate, in practice, into years of delay and competitive disadvantage for providers with limited engineering resources.

None of this is inevitable. The research finds markets where deliberate choices, to open access, to standardise integration requirements, to mandate diverse representation in governance, have produced meaningfully different outcomes. The variation is the point. These are decisions, not facts of nature, and decisions can be made differently.

The window is open. This research is intended to inform what happens before it closes.

Chris Lawrence
Chief Program Officer

Interledger FOUNDATION

Instant Payment Systems (IPS) are rapidly becoming a foundational component of modern financial infrastructure. Significant investment has been directed toward building real-time payment rails to support financial inclusion, innovation, and economic growth. By enabling real-time, free-to-consumer or nearly free-to-consumer payments between individuals, businesses, and institutions, IPS are widely viewed as a cornerstone of Digital Public Infrastructure (DPI) capable of accelerating innovation, expanding financial access, and supporting inclusive economic growth.

The promise of IPS extends beyond faster payments. Their broader impact is determined by the ecosystem they enable. Inclusion within IPS is not determined by access alone, but by who can participate in the system and under what conditions.

Fintech and non-banks are often closest to underserved populations and play a critical role in developing accessible, low-cost, and innovative financial services that reach women, rural communities, people with disabilities, and others historically excluded from formal financial systems. Realising the inclusion potential of IPS depends not only on enabling participation by fintech and non-banks, but on ensuring their meaningful participation, the ability to shape IPS evolution, and the capacity to build innovative products and services on top of IPS rails.

This assessment examines how IPS participation by fintech and non-banks, including fintechs, neobanks, and microfinance institutions, is enabled or constrained across more than twenty markets in Africa, Asia, and Latin America and the Caribbean. Drawing on insights from 129 senior industry practitioners, the research finds that while IPS are often designed to be inclusive, participation remains uneven, and in many cases structurally constrained.

The analysis examines how system design, governance, regulation, and market incentives shape whether IPS ecosystems become open platforms for innovation or remain concentrated among incumbent institutions.

Achieving an Inclusive IPS (IIPS) vision requires more than enabling participation; it also depends on how IPS is designed and adopted in practice by both financial service providers (FSPs) and consumers. IPS should not only be inclusive for end users, but also for the diverse range of FSPs that build and deliver services on top of them.

Key Findings

The assessment identifies five interrelated factors that consistently shape whether fintech and non-banks can participate meaningfully in IPS ecosystems.

Despite significant global investment in IPS, the degree to which these systems promote innovation and financial inclusion varies widely across markets. The research suggests that this variation is not primarily driven by technology, but by how IPS ecosystems are designed, governed, and regulated.

Where participation models, incentives, and infrastructure enable fintech and non-banks to meaningfully access and build on IPS, systems are more likely to evolve into open platforms that support innovation and competition. Where these conditions are absent, IPS risk reinforcing existing market concentration and limiting their impact on financial inclusion.

1. The Economics Need to Work

Across markets, contributors consistently emphasised that IPS sustainability depends on viable commercial models for all participants.

Many systems operate under mandates that transactions be free-to-consumer, or nearly free-to-consumer. While these policies can encourage adoption, they can also create economic challenges for providers investing in IPS integration and product development.

Fintech and non-banks often face higher operational costs when accessing IPS indirectly through sponsor banks. Indirect participation can introduce additional fees, slower settlement timelines, and operational dependencies that constrain innovation. Banks acting as intermediaries may also control pricing or integration processes, creating further barriers.

By contrast, fintech and non-banks with direct access to IPS infrastructure report significantly greater operational efficiency and flexibility to develop new products.

The findings suggest that successful IPS ecosystems balance affordability for users with sustainable incentives for participants. Without viable revenue opportunities, whether through merchant services, value-added products, or cross-selling financial services, fintech and non-banks may struggle to maintain long-term investment.

2. Legacy Policy Issues Gatekeep Fintech and Non-Banks

A second major theme across markets is the gap between technological capability and regulatory frameworks.

Payments regulation in many jurisdictions was originally designed for traditional banking systems and has not fully adapted to fintech and non-bank models. As a result, fintech and non-banks often face regulatory barriers that limit their participation in IPS ecosystems.

Common challenges include lengthy licensing processes, capital requirements designed for banks, fragmented regulatory oversight, and limited clarity around eligibility for direct participation in payment systems.

These dynamics can slow innovation and create uncertainty for fintech and non-banks. However, the research also highlights positive examples where regulators have deliberately opened IPS access to licensed fintech and non-banks, creating pathways that support innovation while maintaining system integrity.

3. IPS Governance Focuses More on 'Stability, not Inclusion'

Governance arrangements within IPS ecosystems play a central role in shaping how these systems evolve. Governance is a determinant of accessibility, not merely an administrative function.

In many markets, governance bodies overseeing IPS are dominated by large incumbent banks. While this structure can support operational stability, it can also shape system rules and priorities in ways that favor existing market players.

Where fintech and non-banks lack representation in governance structures, key decisions, such as pricing policies, technical standards, and participation requirements, may not fully reflect their operational needs or innovation potential.

More inclusive governance frameworks that reflect the diversity of ecosystem participants can help ensure that IPS evolve as open platforms supporting competition and innovation.

4. Consumer-Facing IPS Literacy Requires Support

The assessment finds that consumer adoption of IPS is influenced not only by the availability of infrastructure, but by how clearly and consistently services are presented to users. In many markets, fragmented user interfaces, unclear branding, and inconsistent onboarding processes create confusion and limit uptake. In some cases, IPS options may even be difficult to locate within FSP applications, reducing their visibility despite policy intentions to promote low-cost payments.

Evidence from markets, such as Brazil and India, suggests that strong scheme-level branding tandards, consistent user experience design, and embedded transaction feedback mechanisms can significantly improve consumer understanding and trust.

When literacy is supported through clear interfaces, recognisable branding, and intuitive transaction flows, users are more likely to adopt and rely on IPS for their everyday financial activity.

5. IPS Technology Needs to be Reliable, Documented and Streamlined

Finally, the technical environment surrounding IPS integration plays a critical role in enabling participation by fintech and non-banks.

Collaborators frequently cited barriers such as incomplete documentation, inconsistent integration requirements across banks, limited testing environments, and lack of standardised implementation frameworks.

These challenges can disproportionately affect fintech and non-banks with limited engineering resources. Markets that provide clear standards, accessible documentation, and robust testing environments tend to enable faster integration and greater ecosystem innovation.

Executive Summary Conclusion

The inclusion potential of IPS depends not only on who can use them, but on who can build on top of them, and under what conditions.

Across all stages of IPS market development, Absent (Phase Zero), Emerging (Phase One), Expanding (Phase Two), and Ubiquitous (Phase Three), five interrelated factors consistently shape whether IPS ecosystems evolve into open platforms for innovation or remain concentrated among incumbent players.
Those five factors are:

- Sustainable economic models
- Enabling regulatory frameworks
- Inclusive governance structures
- Strong consumer adoption strategies
- Accessible technical infrastructure

When these elements align, IPS can unlock innovation, expand financial access, and support more inclusive economic participation. When they do not, IPS risk reinforcing existing structural imbalances within financial systems.

The window to influence these outcomes remains open, but is narrowing. Ensuring that IPS ecosystems are deliberately designed to support meaningful participation by a diverse range of providers will be critical to realising their full potential as engines of innovation, economic opportunity, and financial inclusion.

An Inclusive IPS places end users at the center of its design. However, for an IPS to be truly inclusive, it must also enable participation by a diverse range of FSPs, both large and small. Only then can it fully deliver on the promise of an Inclusive Instant Payment System (IIPS).

This assessment examines IPS from a private sector perspective. It focuses on what AllianceDFA and Contigo Global refer to as '**fintech and non-banks**', which include fintechs, neobanks, microfinance institutions (MFIs), and other non-bank providers. These actors are often (although not exclusively) closest to underserved populations, yet their ability to both participate and influence the design and operation of IPS varies significantly across markets. The assessment focuses on understanding what the enablers and barriers are for fintech and non-banks to integrate into IPS, globally (Refer to methodology section D1 for definition).

While fintech and non-banks are often closely positioned to serve underserved populations, their participation alone does not automatically translate into inclusive outcomes. As noted by the World Bank,(1) the extent to which IPS contributes to financial inclusion depends on a range of factors, including design, adoption, use cases, pricing, consumer protection, and the broader ecosystem in which services are delivered. Participation by a diverse set of providers is therefore a necessary, but not sufficient, condition for inclusive impact.

While definitions of instant or fast payment systems differ, they consistently refer to systems that enable the near-real-time transfer of funds between accounts, available on a continuous or near-continuous basis.

The Bank for International Settlements and the World Bank share the following definition:

***"Fast Payments are defined as payments in which the transmission of the payment message and the availability of final funds to the payee occur in real time or near-real time and on as* near to a 24-hour and 7-day (24/7) basis as possible."** (2)

AfricaNenda Foundation in their *The State of Inclusive Instant Payment Systems in Africa, 2025 Report*, offer a closely aligned definition:

"***Instant payment systems (IPS) are open-loop retail payment systems that enable irrevocable, low-value digital credit push transactions in near real-time for use 24 hours a day, 365 days a year. IPS and fast payment systems (FPS) are synonymous***." (3)

Why This Assessment is Important

The promise of Digital Public Infrastructure (DPI) is being seen in countries such as India and Brazil, strengthening the case for sustained investment in shared digital foundations that lower the cost of service delivery. Within this architecture, IPS are a central pillar of DPI. They provide the real-time payment rails that enable financial services, and broader ecosystem participation, particularly in lower- and middle-income countries. Significant public and donor investment has flowed into IPS with the expectation that these systems will accelerate financial inclusion. However, the extent to which IPS deliver on this potential varies across markets.

Against this backdrop, insights emerging from AllianceDFA's 42 member associations point to a recurring concern: despite the intention of being designed as inclusive infrastructure, IPS participation often remains uneven across different types of FSPs.

This variation in participation aligns with broader policy perspectives on IPS development, which highlight that building payment infrastructure alone is insufficient to deliver inclusive outcomes. Research including the World Bank's *Scaling Instant Payments in Africa: Policy Choices for Central Banks*,[4] points to persistent barriers that shape how IPS ecosystems evolve and function. The paper identified six categories of highly inter-related barriers: lack of actual or perceived business case; lack of consumer trust and demand; legal, policy and regulatory barriers within the control of the central bank; legal, policy and regulatory barriers not under the control of the central bank; lack of vision, leadership and resources for IPS; and lack of enabling physical and digital infrastructure. These barriers, and the corresponding recommendations to address them, are actively being considered by regulators in policy and system design decisions.

IPS platforms are frequently designed and governed by dominant participants within the payments ecosystem, with early priorities centred on technical deployment and scale.

While inclusion is often referenced as a goal, governance structures tend to crystallise after launch, reducing the ability of actors serving underserved communities to shape core design and operational decisions.

Given the critical role that fintech and non-banks have in serving last-mile populations in middle- and low-income markets, the barriers they face constrain broader financial inclusion objectives. A fundamental tension underlying these challenges is uncertainty within the payments ecosystem regarding the commercial viability of serving marginalised segments.

This assessment analyses the structural challenges and enabling factors influencing fintech and non-bank's participation in IPS. It considers how design choices, governance models, and regulatory approaches can enhance inclusivity and improve the system's reach to underserved populations.

D1. Scope and Definitions

This analysis is intentionally scoped to domestic IPS ecosystems and centres on the perspectives and experiences of a segment of private sector players, including fintechs, neobanks, microfinance institutions, and non-bank financial service providers. Key characteristics that define and differentiate these players from other market actors such as banks, are listed below.

This assessment examines a defined segment of private sector players, focusing on the barriers and enablers influencing their participation in domestic IPS. Drawing on insights from focus groups and survey responses, it analyses IPS design, governance, access, and operation, with particular attention to institutional roles and broader ecosystem dynamics.

This assessment does not extend to cross-border use cases or interoperability across markets. It considers ecosystem-level dynamics and does not directly examine end-user adoption, usage patterns, or differential impacts across specific customer segments.

To support interpretation of how these findings may relate to end-consumers, particularly those more likely to be underserved, each section includes an 'Impact on Marginalised Communities' component, which refers to communities such as women, rural populations, and people with disabilities. These sections are informed by existing research, and where relevant, insights from contributors, and are intended to illustrate plausible implications of the identified barriers and enablers, rather than present primary findings from this assessment.

Definition of 'Fintech and Non-Bank' Players

This assessment examines IPS from a particular private sector perspective. It focuses on what AllianceDFA and Contigo Global refer to throughout this assessment as '**fintechs and non-banks**.'This includes fintechs, neobanks, microfinance institutions (MFIs), non-bank payment service providers, and other non-bank providers.

These actors are often (although not exclusively) closest to underserved populations, yet their ability to both participate and influence the design and operation of IPS varies significantly across markets. Neobanks are included in this definition regardless of whether they are regulated as a bank or as a non-bank. Both can be the case depending on the market. Neobanks are often digitally native and align closer to fintechs and other non-bank business models.

Grouping these players under a single label proved challenging. We considered several terms, such as Tier 2 or Tier 3 providers and challenger providers. However, given the lack of consistent classifications across jurisdictions, and the diversity of organisations involved, this assessment adopts a functional definition based on entities' participation in and influence within IPS ecosystems. The table on the next page outlines the key characteristics of those captured under the 'fintech and non-bank' category.

Characteristics and Examples of 'Fintechs and Non-Banks'

	Mid-Sized	Emerging
Characteristics	• Regulated institutions that are licensed and supervised • Established but not market dominant • Digitally native	• May be operating under tiered or simplified regulatory regimes or not yet licensed • Smaller customer base or early-stage operations • Digitally native
Business Model	• Less balance sheet-intensive; greater reliance on fee-based services • Partially unbundled models (e.g. payments, e-money) rather than full-service banking	• Non-deposit-taking, transaction or platform-based models • Revenue primarily from fees, commissions, or embedded finance
Customers	• May serve niche or underserved segments • Broader retail and SME customer base	• Often serve underserved or niche segments (e.g. rural populations, informal sector, micro-enterprises) • Smaller, more localised customer base
Examples	• Established fintechs with licences (e.g. payment institutions, e-money issuers) • Larger microfinance banks • Challenger and smaller-sized commercial banks, neobanks or mobile money operators	• Early-stage fintechs or payment startups • Smaller microfinance institutions • Savings and credit cooperatives (SACCOs)
Also referred to as	• Tier 2 FSPs	• Tier 3 FSPs
IPS Participation	• May be eligible for direct IPS participation • May participate indirectly due to technical, regulatory, governance, or barriers • Limited influence over IPS governance and rules	• Typically indirect IPS participants via a sponsor • Rarely eligible for direct participation • Minimal or no influence over IPS governance and rules

D2. Methodology, Participation and Country Selection

Methodology

This research used a mixed-methods, cross-market design to examine the enablers and barriers affecting private-sector engagement with IPS across more than 20 markets in Africa, Asia, and Latin America and the Caribbean. The approach combined a structured anonymous survey with facilitated focus group discussions conducted through a single 90-minute session in each market. Sessions were co-convened with AllianceDFA member associations to maximise participation, trust, and contextual relevance. Focus groups were held between November 2025 and March 2026.

Note: The findings presented in this report draw on primary qualitative and quantitative data collected through focus groups and surveys with industry professionals across multiple markets. Where feasible, the authors have undertaken additional verification of selected statements; however, the analysis primarily reflects contributor perspectives and experiences.

Findings were derived through an iterative synthesis process combining qualitative and quantitative inputs. Facilitators documented key themes emerging from each focus group discussion, which were then reviewed across markets to identify patterns of convergence and divergence.

Qualitative insights were triangulated with survey responses, where contributors individually ranked and prioritised key barriers and enablers. The five key findings reflect areas where both qualitative discussion and survey inputs demonstrated consistent alignment across multiple markets.

Contributors

97 Fintechs and Non-Banks

24 Association Representatives

8 Others

The term ***contributor*** is used to refer collectively to individuals who participated in the focus groups and online survey. We are deliberately not using the term ‘participant’ as this could be confused with the terminology with regards to IPS participants.

Focus group sizes ranged from 2 to 15 contributors. Contributors represented a diverse cross-section of the digital finance ecosystem, including FSPs and industry associations. Roles varied across senior technical specialists, product heads, compliance professionals, and senior management, ensuring a range of operational and strategic perspectives.

These providers represented a wide variety of targeted end users, including but not limited to urban, rural, agricultural, women and others in the last mile.

Based on visual observation of the researchers, at least 32% of contributors were female for the majority of the focus group sessions. Three markets had exclusively male participation. In a different three markets, the majority of contributors were female (55–75%). Among survey contributors, 75% of contributors were male and 25% female.

Country Selection

The assessment delivered 17 focus groups covering 20+ markets across three continents: Africa, Asia, and Latin America and the Caribbean. The selection was designed to ensure geographic breadth and ecosystem diversity, enabling meaningful cross-market comparison.

Markets were intentionally selected to reflect variation across:

- Market development phases of IPS implementation (absent, recently launched; 1–3 years operational; 4+ years operational)
- Presence of regional IPS arrangements (including Central Africa's GIMACPAY)
- Market size and economic scale (including large economies such as Nigeria and South Africa, as well as small and island economies such as Madagascar and Haiti)
- Strength and maturity of domestic fintech ecosystems, including both well-established to less mature markets

This variation captures a broad spectrum of private-sector experience across differing levels of IPS maturity and ecosystem development, while avoiding concentration on markets that frequently dominate global research.

It also enabled testing of whether similar barriers and enablers emerge across diverse contexts, strengthening the assessment's ability to distinguish structural patterns from isolated challenges. In turn, this supports the identification of scalable tools and interventions to advance fintech and non-bank's participation in formal IPS environments.

The markets, listed alphabetically, are:

Bahamas	Mauritius
Cameroon	Nepal
Caribbean*	Nigeria
Chile	Pakistan
Ghana	Philippines
India	Peru
Indonesia	South Africa
Kenya	Tanzania
Madagascar	

*including representatives from: Trinidad and Tobago, Dominica, Haiti and Bermuda and regional entities.

Definitions used throughout this assessment

To protect participant confidentiality while preserving the integrity of the analysis, the following attribution conventions are used throughout this assessment.

- Country names are referenced where positive practices or publicly observable developments are identified
- For general observations, findings may be presented without specific country attribution
- Where insights reflect critical perspectives or sensitive observations, markets are anonymised.

D3. Five Design Principles for Inclusive Private Sector Engagement

The methodology was structured around Five Design Principles for Inclusive Private Sector Engagement, ensuring that the process was credible, non-extractive, analytically rigorous, and appropriate for diverse contexts. See Appendix B for a more detailed overview.

1. Co-Design with Associations as Strategic Partners

Sessions were co-designed and delivered with AllianceDFA member associations to ensure contextual fit, relevance, and sustained engagement. Associations were strategic partners, advising on format, scheduling, recruitment strategy, and framing. This strengthened methodological fit, improved participation rates, and ensured that engagement reflected market dynamics.

2. Embed Reciprocity and Non-Extractive Engagement

The engagement was structured to generate shared value and avoid extractive research dynamics, and strengthen longer-term institutional relationships. Focus groups were designed as a single 90-minute session per market, integrating facilitated discussion and a structured survey to minimise burden while maintaining analytical depth. The engagement was positioned as mutually beneficial, with value returned to both associations and contributors (see Appendix B for a list of benefits).

3. Signal Credibility, Transparency and Trust

Recruitment and preparatory materials were designed to establish clarity of purpose, demonstrate methodological integrity, and safeguard participant contributions. This helped mitigate perceived risks of participation and supported open and candid engagement. Participation protocols, including confidentiality, Chatham House Rule, and optional attribution, were clearly communicated.

4. Facilitate Structured, Open and Honest Dialogue

Facilitation was designed to ensure balanced participation, maintain analytical focus, and allow space for contributor-led insights. Standardised framing was used to ensure conceptual consistency of IPS across markets (see Section E), while discussion prompts guided analysis without constraining emerging insights. Facilitators actively explored areas of convergence and divergence, and ensured inclusive participation.

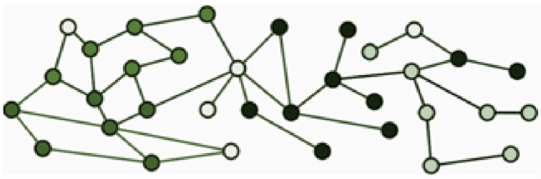
5. Enable Multi-Level and Context-Sensitive Contribution

The methodology combined facilitated group discussion with structured individual inputs, capturing both qualitative depth and prioritised perspectives. This approach enabled contributors to articulate shared experiences while also recording individual views, strengthening the robustness and comparability of findings across diverse markets.

Engagement with contributors revealed the need to clearly differentiate between 'Instant Payments' and 'Instant Payment Systems'. In several instances, what was described as an IPS was more accurately interoperability enabled through bilateral partnerships or technical integrations.

To address this ambiguity, Slide 1 (see below) was incorporated into the deck to clarify focus and definitions used in the assessment.

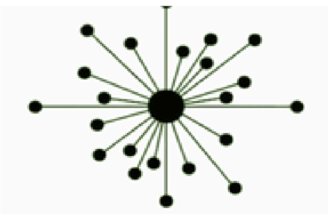
Slide 1 - What is an IPS



Informal
Patchwork of connectivity and interoperability

Made possible by partnership agreements between institutions and by private sector investment in technology

Experience for the consumer is interoperability



Organised
Defined system with infrastructure, rules and governance

Features: Multilateral - Process retail payments in real time - Available 24/7/365

Examples: TIPS, GhIPPS, UPI, PIX

Five key categories of factors were identified as potential enablers or barriers to the effective participation of fintech and non-banks in IPS. These categories were used to frame and guide the focus group discussions, while allowing participants opportunity to introduce additional issues or categories they considered relevant. The categories are listed Slide 2 (see below) and a more detailed explanation of each category can be found in Appendix C.

The five categories were used to structure discussion and were introduced as prompts rather than fixed hypotheses. Contributors were explicitly invited to validate, challenge, or expand beyond these categories, and in several cases introduced additional themes and nuances. The categories provided a common analytical lens across markets, enabling comparability, but did not limit the emergence of insights.

Slide 2 - Potential Barriers / Enablers

IPS Vision, Ownership and Governance
- Ownership and operation
- Rules of participation and engagement
- Demonstrated Experience of Participation
- Branding and Marketing to consumers

Policy & Regulatory
- Champions (or lack of) to catalyse IPS development
- Policy and Regulatory Enablers/Obstacles - both specific to IPS and general

Business Case, Partnerships and Financial Model
- Partnerships support/hinder the business case for Non-Dominant players
- Financially viable business model for payments or opportunities to pivot/expand

Technical
- Affordability and ease of use/integration to the IPS for both direct and indirect participants
- Efficiency/Affordability of APIs, Standards, and Security

Customer Trust and Usage.
- Extent of consumer demand and confidence
- Diversity level of use cases (P2P, G2P, P2G, Merchant Payments, etc).

The assessment findings are organised around five interconnected areas that consistently emerged across markets as shaping the participation of fintech and non-banks in IPS ecosystems. These areas indicate patterns that were observed in a majority of focus groups and reinforced through survey prioritisation. While the relative intensity and manifestation of these themes varied by market context, their recurrence across diverse environments suggests they represent structural features of IPS participation rather than isolated cases.

Finding #1: The Economics Need to Work

Finding #1: The Economics Need to Work - Barriers

Relevant for Direct and Indirect Participants

Across the 20+ markets assessed, spanning all phases of market development from absent to ubiquitous, (see appendix D for further explanation), and multiple regions including Asia, Africa, Caribbean and Latin America, one theme emerged consistently: IPS will only scale sustainably if the economics work for both direct and indirect participants.*

At a foundational level, all FSPs, whether market dominant or non-dominant, large or small, require a credible pathway to profitability.

*IPS Schemes traditionally allow FSPs to either directly participate or indirectly participate in a system. This means a provider can connect to and settle within the scheme using its own infrastructure and central bank account (direct participation), or access the system through a sponsoring institution that provides technical connectivity and/or settlement services on its behalf (indirect participation).

In practice, direct participants typically meet higher technical, operational, capital, and compliance requirements and assume full scheme obligations. Indirect participants rely on a direct participant for connectivity and often for liquidity management and settlement, while still interfacing with end customers.

This tiered structure allows schemes to balance safety and resilience with broader access, enabling smaller or non-bank financial institutions to offer instant payments without bearing the full cost and operational burden of direct membership.

Many IPS operate under mandates for free-to-consumer or nearly free-to-consumer transactions to end users. In several markets, participation in the IPS is also compulsory for regulated FSPs. The coexistence of mandatory participation and constrained end-user pricing does not automatically undermine viability, but it can fundamentally shape how FSPs assess the opportunity.

Across all categories of markets assessed:

- Some IPS are mandated free-to-consumer or nearly free-to-consumer
- Others are mandated low-cost
- A third group allows market-based pricing

Early patterns suggest that pricing flexibility may influence buy-in and satisfaction among IPS participants.

Ghana, for example, where the scheme or central bank has not imposed a free-to-consumer or nearly free-to-consumer mandate, may benefit from stronger commercial alignment among IPS participants. In contrast, contributors shared in another African market while an IPS was intended to be low-cost to end users, some banks questioned whether volumes would be sufficient to offset reduced transaction revenue which has contributed to reduced buy-in and uptake of the IPS.

The economic lens also differs depending on the type of institution. In Tanzania, the distinction was articulated clearly: ***"For banks and MMOs, this is an issue of a compliance requirement. For fintechs, it is a business case issue".***

For banks, IPS participation may be a regulatory obligation. For fintech and non-banks, participation ideally stands on its own commercial merits.

In more mature markets, free-to-consumer payments are often viewed as a powerful acquisition strategy. Free transactions drive customer onboarding, merchant acceptance, and behavioral shift away from cash. However, acquisition is only the first phase. Once customers and merchants are onboarded, generation of ongoing revenue elsewhere in the ecosystem for providers will allow for financial sustainability for the provider and the system. Temporary government subsidies, such as those targeted at peri-urban and rural providers in markets such as India and Pakistan, may ease early-stage pressures but are typically not designed to continue in the long-term. As these incentives taper, underlying commercial realities resurface.

For Indirect Participants: A Complex Equation of Layered Costs and Constrained Agility
For fintech and non-banks that cannot directly connect to the IPS, the economics are even more challenging.

Most IPS require indirect participants to access the system through direct participants, typically banks. These arrangements introduce additional layers of cost and complexity, including:

- Settlement charges
- Technology integration costs into bank systems
- Compliance and due diligence requirements
- Revenue-sharing arrangements

Beyond financial cost, they often introduce opacity, inefficiency, and unpredictability.

In one market, fintech and non-banks described partnership environments where banks do not provide clear documentation requirements and may reject applications without feedback, effectively controlling access to IPS infrastructure. This dynamic can hinder innovation and discourage market entry by fintech and non-banks.

One contributor summarised the operational impact experienced, it is, ***"Difficult to be agile under this framework".***

Another contributor noted simply, ***"Every bank can set their own price".*** Feedback across all markets assessed, reflected highly consistent language and articulated challenges.

Settlement structures can further disadvantage indirect participants. One contributor shared, ***"Banks do not settle instantly, while the IPS does six cycles a day"***. This disconnect constrains indirect participants' ability to offer seamless customer experiences or innovate in real time.

Similar themes emerged in another market. ***"Banks were not ready on day one to integrate with non-banks [for IPS access] for Merchant Payments"***, and even where integration exists, ***"Different banks have different integration rules (e.g. you can only do two transactions a day)"***. Such fragmentation increases compliance and development costs and reduces scalability.

One contributor captured the broader structural concern: ***"Because middlemen are required [to access the IPS], use cases are never realised to its fullest potential"***.

The implication is that fintech and non-banks, often the primary drivers of new use cases beyond P2P, are constrained by mediated access. When third parties control connectivity, innovation can be slowed or selectively enabled.

Competition from Cash and Cards
IPS economics are best understood and evaluated within the context of the broader competitive landscape.

Cash remains dominant in many markets, particularly among consumers who are fee-sensitive or lack trust in digital systems. In markets such as South Africa and Mauritius, credit cards represent an additional competitor.

Some focus group contributors noted that customers benefit from incentives attached to card-based transactions from sponsoring banks, advantages that fintech and non-banks leveraging IPS rails struggle to match. In such contexts, free-to-consumer or nearly free-to-consumer IPS pricing alone may not be sufficient to shift behavior if alternative instruments offer tangible, competitive rewards.

Finding #1: The Economics Need to Work - Enablers

Lessons from Free-to-Consumer Markets

India provides important insight into the long-term implications of free-to-consumer models. Collaborators widely attributed no-cost payments to successful customer and merchant acquisition. However, they also emphasised the importance of ecosystem-wide revenue design to sustain the model.

Merchant fees or merchant discount rates (MDR); responsible use of customer data; and cross-selling opportunities were cited as potential revenue streams. Crucially, collaborators called for regulatory flexibility to test evolving pricing structures. As one contributor expressed, the market ***"Needs an experimentation framework...[where we can iterate different costing models for end-users without penalty from the regulator]"***.

In Pakistan, a contributor suggested that merchant payments should be cost-based rather than free. In South Africa, collaborators reflected on future revenue potential embedded in system data, observing that ***"As it [IPS] scales, the amount of rich data is significant. Initial design doesn't factor data monetisation in".***

These perspectives point to a broader insight: free-to-consumer transactions may serve as an acquisition lever, but long-term sustainability depends on diversified, responsibly structured revenue streams across the ecosystem.

This raises a strategic question observed across several markets: is there a natural transition point where a "free" model evolves into a low-cost or tiered structure? While some collaborators implicitly described IPS pricing as a freemium approach, few markets have articulated a clear pathway for such a transition. This remains an open policy and market design question.

Direct Participation: A "Night and Day" Difference

Perhaps the most consistent finding relates to the difference between indirect and direct participation.

Institutions that have transitioned from indirect to direct access describe a transformative shift. In Tanzania, the experience was characterised starkly: ***"Where organisations have been able to directly participate, it has been more efficient. Third parties reduce efficiency and also gatekeep innovation to work on top of the IPS"***.

This "**night to day**" distinction suggests that the total cost, operational flexibility, and innovation potential associated with direct participation differ materially from indirect models, even when direct participants pay scheme-level fees.

Precisely understanding these cost differentials will be essential for designing IPS access models that are both inclusive and economically viable.

Finding #1: The Economics Need to Work - Synthesis

Across diverse regulatory and market contexts, the core finding is clear: IPS sustainability depends not solely on transaction pricing, but on the broader economic architecture surrounding participation.

Free-to-consumer, or nearly free-to-consumer pricing can drive rapid adoption. However, without transparent revenue pathways, proportional access costs, and commercially viable participation models, particularly for fintech and non-banks, the economics become strained.

The findings suggest that the potential for IPS to achieve scale and inclusion is closely linked to whether the commercial model supports not only large incumbent banks, but also the wider range of institutions seeking to innovate on top of the rails.

Impact on Marginalised Communities

When the economics of IPS do not work for participants (particularly indirect participants), who serve last-mile or underserved segments, costs may be passed through to end consumers in ways that disproportionately affect marginalised groups. Indirect participants often face layered and at times opaque fees when accessing IPS through sponsor banks, which can be uneven and unpredictable.

Providers serving women, rural communities, or people with disabilities, segments that are often more costly to serve and generate lower margins, may have limited ability to absorb these costs, and may instead pass them on to consumers through higher fees or reduced service availability. This dynamic may be amplified by existing income disparities, as these groups are more likely to have lower and less stable incomes and to be more price sensitive. As a result, even modest increases in IPS-related costs may discourage usage and, in some contexts, risk reinforcing financial exclusion rather than inclusion.

Synthesis: Quotable Quotes

- ***"The IPS owner or operator can drive greater consumer understanding and usage by coupling education with clear monetary incentives. This includes cashbacks, fee waivers, discounts, or rewards for IPS transactions, supported by simple, consistent messaging across all participants so users clearly see the financial benefit of choosing the IPS over other payment methods"*** (as a counterweight to card-based incentives to consumers).
- ***"Define non-bank sponsorship rules (transparent, capped pricing by sponsor banks). Publish IPS technical documentation and sandbox access without requiring a bank intermediary."***

Finding #2: Legacy Policy Issues Gatekeep Fintech And Non-Banks

"Payments regulation in many jurisdictions was originally designed for traditional banking systems and has not fully adapted to fintech and non-bank models."

The assessment recognises that IPS operate as critical national infrastructure and must meet high standards of safety, resilience, and integrity. Requirements such as capital thresholds, licensing processes, certification, and participation rules are often designed to manage liquidity risk, ensure settlement finality, mitigate financial crime risks, and maintain operational stability.

The findings do not question the necessity of these controls. Rather, they examine how, in practice, the design and implementation of such requirements can affect different types of participants, and where they may become disproportionate to the risks posed by fintech and non-banks.

The distinction is not between regulation and inclusion, but between controls that are risk-based and enabling, and those that create unintended barriers to participation. In two of the markets assessed, policymakers are actively taking steps to ensure that legacy policy issues do not unduly restrict the participation of fintech and non-banks, although such approaches remain relatively limited across the sample.

Finding #2: Legacy Policy Issues Gatekeep Fintech And Non-Banks - Barriers

A consistent finding across all focus groups was how legacy policy and regulatory frameworks emerged as a decisive factor shaping fintech and non-banks' access to IPS. While technical infrastructure can be operationally ready, regulatory readiness frequently lags, creating structural barriers to entry.

At the core of this dynamic is the role of central bank championship, vision, and technical capacity. Where central banks actively champion both IPS and fintech and non-bank participation, market entry tends to be more predictable and aligned with innovation. Where leadership is cautious, fragmented, or under-resourced, legacy frameworks persist.

Collaborators captured this disconnect succinctly. One contributor noted, ***"Regulation needs to catch up to what is technically possible"***. Similarly, in another market, the sentiment was echoed: ***"Technically we are ready but regulatory-wise we are not"***. These statements reflect a recurring pattern: infrastructure can move faster than the policy frameworks governing it.

Licensing Timelines and Procedural Barriers

It is important for FSPs to be properly licensed, recognised and supervised by the relevant regulatory authority (normally the Central Bank). However, timeframes for licensing were frequently cited as a major bottleneck for fintech and non-banks seeking to participate in IPS ecosystems.

Across several countries, licensing processes were reported to range from six months to two or more years. In Nepal, for example, the process was described as taking approximately six months, relatively efficient compared to markets where approval timelines extend significantly longer.

Extended licensing timelines create several downstream effects:

- Delayed innovation cycles
- Increased capital tied up during approval processes
- Potential for complete capital depletion while waiting for license approval (i.e. running out of money for the business while waiting)
- Uncertainty for investors
- Reduced ability for fintech and non-banks to respond to market demand

When IPS participation is contingent upon full licensing, such delays can directly impede access to payment infrastructure.

Capitalisation Requirements and Level Playing Field Concerns

Capital requirements were also cited as a barrier in multiple markets, particularly where non-bank licensing regimes mirror traditional banking thresholds without proportional risk differentiation.

In some markets, collaborators described the absence of a level playing field between banks and non-banks. Differences in licensing standards, supervision intensity, and regulatory interpretation can create uneven access conditions. Where IPS rules require full regulatory status, but regulatory frameworks do not proportionally recognise the different risk profiles of non-bank providers, participation becomes structurally constrained.

Compounding this challenge is the presence of contradictory or fragmented regulatory guidance in certain markets. Lack of harmonisation, whether between payments, banking, and fintech departments within a central bank, or across regional regulators, can produce ambiguity that slows approvals and discourages new entrants.

Finding #2: Legacy Policy Issues Gatekeep Fintech And Non-Banks - Enablers

Where It Works: Enabling Environments
Not all markets exhibit these barriers. Several markets demonstrate how policy alignment can facilitate fintech and non-bank participation.

Enabling Policy

License passporting regimes provide one such example. In February 2025, the Bank of Ghana and the National Bank of Rwanda established Africa's first fintech license-passporting agreement, allowing authorised fintechs to operate in both countries without redundant regulatory approvals. March 2026 saw the launch of a similar partnership between the Central Bank of Kenya and the National Bank of Rwanda.

In the Caribbean, the eight members of the Eastern Caribbean Currency Union (ECCU) allow some form of license passporting. These examples of license passporting demonstrate the value to governments and fintech and non-banks: it reduces duplicative approval processes and enables providers to scale regionally with greater efficiency.

Central bank championship also plays a defining role. In Ghana, collaborators emphasised that leadership from the Bank of Ghana has materially supported IPS development and fintech growth. As one participant noted, ***"Champions have made it easy..."*** While challenges remain, particularly around interoperability and regulatory harmonisation, the presence of institutional leadership has lowered barriers to entry.

Tiered capital requirements also emerged as a promising approach. Where capital thresholds are proportionate to transaction risk, business model, and scale, fintech and non-banks are better positioned to participate in IPS ecosystems without assuming bank-level burdens.

Finding #2: Legacy Policy Issues Gatekeep Fintech And Non-Banks - Synthesis

The findings suggests that fintech and non-banks' access to IPS is rarely constrained by technology alone. More often, legacy regulatory frameworks, characterised by lengthy licensing processes, high capital thresholds, fragmented guidance, and limited harmonisation, function as gatekeepers.

Where central banks provide clear vision, proportional licensing, and institutional championship, participation expands. Where regulation lags behind infrastructure, market entry slows, even when systems are technically ready.

Addressing these legacy policy issues will be essential if IPS ecosystems are to support broad-based innovation and inclusive competition.

Impact on Marginalised Communities
Restrictive regulatory environments can limit the number and diversity of licensed fintech and non-banks in a market, reducing competition and narrowing the range of available financial services. This can constrains consumer choice, particularly for marginalised groups who are often better served by more tailored, accessible, or lower-cost solutions. By contrast, enabling regulatory environments support the entry and scaling of a wider range of providers, fostering competition, innovation, product and service diversity.

Where legacy policy constrains and restricts participation, it may also slow the development of financial products and services that better meet the needs of underserved women and other marginalised consumers.

Synthesis: Quotable Quotes

- **"Regulators and policymakers can support all FSPs' participation in IPS by providing clear and predictable participation pathways, applying proportionate and risk-based requirements, and improving transparency around costs and operational expectations."**

Finding #3: IPS Governance Focuses More on 'Stability, not Inclusion'

In this assessment, governance includes not only formal structures such as ownership and board representation, but also the rules, processes, and operational practices through which IPS are managed and evolve. This includes decision and rule-making mechanisms, participation frameworks, service-level expectations, dispute resolution processes, communication practices, and the prioritisation of system development. These dimensions are closely interconnected in practice and collectively shape how accessible and responsive IPS ecosystems are to different types of participants.

Finding #3: IPS Governance Focuses More on 'Stability, not Inclusion' - Barriers

Our findings indicate that governance arrangements are a significant determinant of whether fintech and non-banks can meaningfully participate in IPS. Governance is not merely administrative; it shapes market participation, competitive dynamics, consumer adoption, and innovation trajectories.

IPS frameworks are often presented as neutral public infrastructure; however, their institutional design, rulebooks, and oversight mechanisms frequently reflect bank-centric origins. As one contributor noted: "***Rules and Governance change the magnitude and type of products and services that can be built on the rails***".

Three key interrelated structural, operational and strategic governance barriers emerge:

- Bank-oriented system ownership, design and rule frameworks
- Structural imbalance in representation, decision-making and engagement
- Functional and use-case limitations

Barrier 1: Bank-oriented system ownership, design and rule frameworks

Ownership

We heard that ownership influences perceived neutrality and trust in the IPS. We heard views that central bank ownership can strengthen trust and oversight but may reduce attention to the commercial viability of the payments ecosystem. Conversely, privately owned schemes may be more commercially responsive, yet bank-only ownership risks reinforcing incumbent influence. This suggests there is no single optimal model; however, ownership structures that support ecosystem-wide inclusion and reinforce an IPS mandate of affordability, inclusivity, and reliability (to both FSPs and consumers) are likely to be perceived as being more conducive by fintech and non-banks.

Design and Rules

IPS rulebooks and operational conditions frequently reflect banking models. While not necessarily intended to exclude fintech and non-banks, these structures can create friction for fintech and non-banks with different operating models.

This manifests in:

- Participation and compliance requirements are more easily met by large institutions
- Liquidity, settlement, and operational conditions aligned with bank balance sheets
- Access models requiring fintech and non-banks to connect through sponsor banks

In addition, concerns were raised regarding inconsistent adherence to scheme rules. In some markets, there is an absence of formal Service-Level Agreements (SLAs), while in others, SLAs exist but are not uniformly enforced. A contributor indicated that **"funds do not always flow as instantly as the IPS design intends"**, yet delays may not consistently be investigated, and responsible parties are not clearly held to account.

Weak or uneven enforcement and accountability mechanisms risk undermining confidence in the system and may disproportionately disadvantage fintech and non-banks, who are more exposed to operational consequences of such delays.

Dispute resolution processes were also identified as an area where governance frameworks can shape participation outcomes. In some markets, contributors reported a lack of clear, standardised, or consistently applied processes for handling failed or disputed transactions. Where responsibilities across participants are not well defined, this can create uncertainty for fintech and non-banks and limit their ability to effectively resolve customer issues.

Ownership, design, and rule-based dynamics also influence how governance structures are composed, representation, and how decision-making authority is distributed across the ecosystem. Where ownership and operational frameworks are closely aligned with incumbent institutions, decision-making bodies often reflect the same institutional representation.

Barrier 2: Structural Imbalance in Representation, Decision-Making and Engagement

In many markets, contributors expressed how IPS infrastructure was conceived, designed, funded, and/or operationalised primarily with banks in mind. We also noted that governance bodies tend to be dominated by direct IPS participants, typically banks and in some cases Mobile Money Operators (MMOs). This reflects how IPS schemes are traditionally designed: formal governance mechanisms that allow feedback and input are centred on direct participants only.

During the focus groups, contributors indicated that they (fintech and non-banks) are excluded from formal IPS decision-making structures, such as boards or forums, particularly when they are indirect IPS participants.

While consultation processes exist, major decisions, particularly those affecting fee structures, access rules, and technical specifications, are shaped primarily by direct participants, who are often the incumbent banks or MMOs. One contributor identified that ***"It becomes an exclusionary cycle - incumbents can protect their own use cases and dominance through the IPS committee."*** Another contributor described this dynamic as ***"governance wearing a cloak of a technical problem",*** suggesting that decisions framed as technical constraints may in practice reflect underlying governance structures and power imbalances.

This can create a two-tier dynamic, where fintech and non-banks are perceived as users of the infrastructure but not as full stakeholders in its evolution.

Contributors often reported:

- Limited visibility into IPS roadmaps and future developments
- Strategic priorities are not always aligned with non-bank business models
- Increased uncertainty when making capital-intensive decisions, such as IPS integration, technology infrastructure, or launching new products and services

Contributors also highlighted a structural tension in IPS adoption dynamics. In several markets, dominant market players were described as needing regulatory mandates or policy direction to actively use the IPS, whereas fintech and non-banks expressed a stronger incentive to leverage the infrastructure for access, affordability, and operational efficiency. As one contributor observed, IPS is often ***"designed for banks, but adoption is led by fintechs".***

Collaborators emphasised that the effective functioning of an IPS depends on active use by FSPs. Where dominant market players may be more reluctant IPS participants, it may limit transaction volumes, reduce network effects, and constrain the overall utility of the system.

Engagement is a Critical Success Factor

The quality of engagement reported between IPS operators and IPS participants varies across markets. Contributors reported a spectrum where:

- At one end, IPS operators maintain limited dialogue beyond compliance and technical certification
- At the other, IPS operators adopt proactive stakeholder management approaches, including structured consultation, regular communications, and dedicated account management

Where engagement is weak, fintech and non-banks reported feeling peripheral to the ecosystem. Where engagement is strong, participation was framed as being collaborative rather than adversarial.

Barrier 3: Functional and Use-Case Limitations

Governance also influences the functional scope and evolution of IPS. In several markets, IPS remains optimised primarily for basic push payments, with slower development of advanced features such as Request-to-Pay, merchant functionality, or broader innovation layers.

Where feature prioritisation reflects more traditional banking use cases, fintech and non-banks' innovation may be deprioritised. Limited functional scope constrains fintech and non-banks' ability to build differentiated value propositions and launch innovative products and services, which reduces the commercial viability of participation and limits financial inclusion.

Contributors noted that innovation pathways are not always clearly structured and are slow to proceed. Without formal mechanisms to prioritise new use cases, exacerbated by exclusion from IPS Governance Boards/Forums, IPS evolution can become incremental and favour incumbents, rather than supporting competition and inclusion.

Finding #3: IPS Governance Focuses More on 'Stability, not Inclusion' - Enablers

Enablers of Inclusive IPS Governance

Communication, Engagement and Decision Making

Procedural transparency, accessible communication, and active engagement materially improve perceptions of fairness and partnership within the IPS ecosystem.

The research highlighted several practical enablers that improve fintech and non-bank participation:

- Structured and transparent communication, including regular updates on system. developments and open engagement channels.
- Dedicated relationship management, reducing onboarding and operational friction. For smaller entities with limited regulatory and/or technical capacity, this support materially lowers participation barriers.
- Responsiveness to all participant (direct and indirect) feedback, enabling iterative system improvement and alignment between IPS functionality and needs of all participants (direct and indirect).
- Transparency around system performance, including uptime and incident reporting.
- Clear, scheme-level dispute resolution frameworks, including defined roles, timelines, and escalation pathways.

Governance Enablers in Ghana

In Ghana, governance practices were cited as being constructive in fostering trust and ecosystem cohesion. Contributors (both direct and indirect participants) described regular, structured communication from the IPS operator, including clear updates on system changes and roadmap developments, as well as dedicated account managers to support participants, and a monthly newsletter.

Operational transparency is reinforced through practical mechanisms. IPS participants are included in a WhatsApp group used to communicate real-time updates on system updates, issues, or downtime. This channel provides direct access to the engineer on call, with clear logging of shift start and end times so IPS participants always know who is responsible at any given moment. This level of visibility enhances accountability and reduces uncertainty during incidents.

Contributors also appreciated that when the IPS operator encountered operational and structural challenges, they responded constructively by incorporating stakeholder feedback and developing a roadmap to strengthen IPS performance.

Finding #3: IPS Governance Focuses More on 'Stability, not Inclusion' - Synthesis

Governance is a determinant of accessibility. Where an IPS offers greater inclusion to fintech and non-banks through open communication, meaningful multi-stakeholder engagement, transparent operational practices, and inclusive development processes, participation becomes more accessible.

Improving accessibility for fintech and non-banks does not necessarily require a wholesale redesign of the IPS. It does, however, require deliberate attention to representation mechanisms, transparency in standards and operations, accountability for performance, and structured pathways for innovation.

When indirect participation is required, it is most effective when it is predictable, transparent, and commercially viable, without imposing structural disadvantage.

Governance Enablers in Indonesia

In Indonesia, the IPS is owned and operated by the central bank. Contributors reported they have adopted an inclusive and forward-looking governance approach. The central bank maintains open channels for feedback and actively engages with industry associations, payment service providers, and fintechs. Contributors noted there is a genuine effort to involve the broader ecosystem, including fintech and non-banks, in shaping the IPS strategic direction.

This engagement is reinforced by the publication of a five-year national payments roadmap, which articulates a clear long-term vision for the sector. The roadmap extends beyond core instant payments to address emerging areas, such as cryptocurrency, digital assets, and tokenisation, and includes guidance on anticipated policy developments. While adaptation will inevitably be required as the market evolves, contributors emphasised that the clarity of direction enhances predictability, supports investment planning, and strengthens confidence in the IPS.

This demonstrates how central bank ownership, when coupled with structured consultation and transparent strategic planning, can foster trust and inclusion across the payments ecosystem.

Impact on Marginalised Communities

Where IPS governance limits the participation and voice of fintech and non-banks, it may also constrain how well system design reflects the needs of women and other marginalised consumers.

These providers are often closer to underserved users and may be better positioned to develop solutions aligned with their realities, such as low and irregular incomes, accessibility challenges, or reliance on informal livelihoods. Digital financial services, particularly those delivered through non-bank and innovative models, have played an important role in expanding access and improving outcomes for women. While the strength of this relationship can vary by context, it points to the potential value of ensuring these actors have a meaningful role in shaping IPS evolution.

More inclusive governance, through representation, structured engagement, and feedback mechanisms, may help surface these consumer perspectives and translate them into system design, whereas more bank-centric governance structures may risk prioritising traditional use cases over those that are more responsive, affordable, and relevant for underserved groups.

Synthesis: Quotable Quotes

- *"Structured and ongoing dialogue with smaller market players ensures that policy development reflects real-world implementation."*
- *"Consistent rule enforcement and regular engagement with fintech and non-banks would further help create a level playing field."*

Finding #4: Consumer-Facing IPS Literacy Requires Support

Finding #4: Consumer-Facing IPS Literacy Requires Support - Barriers

Across middle- and low-income markets, a consistent but often under-examined theme emerged: IPS are typically designed as infrastructure projects, yet their success depends on a combination of:

(i) scheme-level branding and experience standards
(ii) user interface (UI) and user experience (UX) design by financial service providers (FSPs), and
(iii) broader consumer financial and digital literacy.

In practice, the interface is not merely a transactional layer - it is often the primary channel through which consumers learn to use digital financial services.

At the scheme level, design and branding choices shape the consistency and recognisability of the user experience. Without clear and enforceable standards from IPS operators, such as naming conventions, visual identity, or minimum UX requirements, the end-user experience can become fragmented across providers, weakening recognition and trust in the system as a whole. Friction in onboarding processes can further reflect these system-level gaps. In one market, customers often have to do KYC twice, once for their primary banking relationship, and again to activate IPS-related functionality. Redundant compliance processes not only frustrate and deter users, but signal a lack of system-level integration, reducing trust in the product experience.

At the FSP level, several contributors raised a foundational question: ***"Who owns the customer experience?"*** While central banks or scheme operators manage the rails, customer interactions are mediated through banks, mobile money operators, non-banks, and fintechs. This creates variability in how IPS is presented to end users. Some contributors reported that some banks purposefully ***"hide"*** the low-cost IPS option in their apps' UI and UX to highlight pricier products instead. While not always explicit, this dynamic raises concerns about harmful (also known as dark) patterns in interface design, where layout and navigation subtly steer customers toward higher-margin products. If IPS options are difficult to find, poorly labelled, or buried under alternative offerings, uptake will be constrained regardless of policy intent.

These challenges are distinct from, but closely linked to, broader issues of consumer awareness and capability. As one contributor asked: ***"Will there be uptake of our new products? Are the customers ready? Do we need to start improving financial education?"*** This reflects uncertainty about whether IPS adoption failures stem from lack of awareness, poor interface design, limited digital literacy, or deeper trust gaps.

The evidence suggests that each of these layers, scheme-level standards, FSP design choices, and consumer literacy, requires different but coordinated interventions. IPS interfaces can, and in some markets do, take on part of the educational role themselves, particularly where branding and UX standards are clearly defined at the scheme level. In such cases, adoption appears stronger and more coherent.

Finding #4: Consumer-Facing IPS Literacy Requires Support - Enablers

Branding as Infrastructure

In Nigeria, a collaborator noted ***"Branding and marketing is strong. The Central Bank of Nigeria has released a guideline".*** Central bank–issued branding and marketing standards provide a unifying framework, ensuring that IPS services are recognisable, consistently labelled, and easier to understand regardless of which FSP delivers them.

Brazil's Pix and India's UPI offer strong reference models in this regard. While Brazil was not part of this assessment, their branding guidelines stand out as a good practice. (5)

Both systems require participants to adhere to clear branding guidelines, ensuring that:

- The IPS logo and naming conventions are prominently displayed
- Transaction flows are visually consistent across apps
- Key functions (send, receive, scan, request) are easily identifiable
- Consumer trust signals are standardised

Such requirements reduce fragmentation and shift the burden of literacy away from individual institutions and onto the ecosystem as a whole.

Embedded Literacy Through Design

India's ecosystem provides a particularly compelling example of how interface and hardware design can reinforce literacy. The Soundbox, described by contributors as 'frugal innovation,' illustrates how user experience can extend beyond the smartphone screen. The device provides real-time audio confirmation of a successful merchant payment and has evolved to include solar-powered versions, pocket-sized formats, and AI-enabled multilingual capabilities.

This innovation should be understood within the broader challenge of enabling IPS usage in low-connectivity and device-constrained environments. Across markets including India, Madagascar, Kenya (particularly rural areas), and others, limited smartphone penetration, unreliable data connectivity, and cost barriers mean that inclusive design must extend beyond app-based solutions. In these contexts, USSD-based interfaces, feature phone access models, and other offline or low-bandwidth solutions play an equally critical role in expanding reach. UPI123Pay in India is an example of this, enabling consumers to access UPI without internet. (6)

These examples highlight that "embedded literacy through design" is not tied to any single technology, but rather to how well IPS ecosystems adapt interfaces, channels, and devices to the realities of end users, ensuring that trust, usability, and confirmation mechanisms are accessible regardless of connectivity, device type, or digital proficiency.

This evolution demonstrates how IPS design can:

- Reinforce transaction confirmation audibly and visually
- Reduce reliance on text-based literacy
- Build merchant trust in real time
- Support multilingual populations

Rather than requiring formal financial awareness and education campaigns alone, these tools embed learning directly into daily transaction flows.

Finding #4: Consumer-Facing IPS Literacy Requires Support - Synthesis

The findings suggest that IPS awareness and literacy are not a downstream communications challenge, but a core design principle. Without scheme-level guidance, institutions may optimise interfaces for profitability rather than clarity.

With strong standards, however, the UI and UX layer can perform essential educational functions by:

- Making low-cost options visible and intuitive
- Reducing redundant onboarding steps
- Using standardised terminology and iconography
- Embedding transaction confirmations that build confidence
- Designing flows that minimise cognitive load

Ultimately, consumer-facing IPS literacy requires coordinated support. Where branding, UX standards, and ecosystem messaging are aligned, as seen in India and Brazil, customers learn through use. Where ownership of the experience is fragmented, uptake slows and trust erodes.

Impact on Marginalised Communities

Where consumer-facing IPS literacy is not intentionally supported through design, it may disproportionately affect women and other marginalised consumers, who are more likely to face barriers related to digital literacy, device access, and confidence in using formal financial services.

Insights from the Level One Project emphasise that end-user co-design and inclusive interface attributes, such as intuitive navigation, clear labelling, use of local languages, and[7] non-text-based cues (e.g. icons, audio confirmations), are critical to ensuring usability across diverse populations. Without these features, IPS interfaces can increase cognitive load, create confusion, and reduce trust, particularly for first-time or low-literacy users.

Conversely, when IPS ecosystems embed literacy directly into the user experience, through consistent branding, simple transaction flows, and accessible design across smartphones, feature phones, and offline channels, they can lower barriers to adoption and enable more confident usage. In this way, inclusive design is not only a usability consideration but a pathway to ensuring that women and underserved consumers can effectively access and benefit from faster, lower-cost digital payments.

Synthesis: Quotable Quotes

- ***"Better marketing campaigns. Enforce banks to have greater synergy in providing the same customer journey and similar UI."***
- ***"IPS owners and operators can support greater consumer understanding and usage by strengthening consumer-facing communication and education around how instant payments work, including reliability, safety, and dispute handling."***

Finding #5: IPS Technology Needs to be Reliable, Documented and Streamlined

Finding #5: IPS Technology Needs to be Reliable, Documented and Streamlined - Barriers

Contributors consistently identified IPS reliability, integration requirements, standards, and API design as key technological determinants of fintech and non-bank's ability to participate effectively and confidently in IPS.

Barriers were reported to arise primarily in how institutions connect to IPS infrastructure and how that connection is maintained over time with updates and developments. High system reliability is essential to maintain trust; instability forces providers to maintain alternative payment channels, increasing operational cost.

Contributors also noted that the technological complexity and reliability directly affect cost structures and time-to-market, shaping the commercial viability of participation.

Integration Constraints: Direct, Indirect, and Ongoing

Integration challenges were reported across both direct and indirect participation models, extending beyond initial onboarding into ongoing participation. While rigorous testing, certification, and technical standards are essential to ensure system stability and interoperability, contributors indicated that implementing these processes can be time-consuming and resource-intensive, particularly for smaller participants.

Direct IPS Integration

There are common challenges that FSPs face when connecting with finance infrastructure, and it is not a surprise that these issues were raised by contributors in regards to connecting to the IPS.

Contributors described the process of integration as time-consuming and technically demanding, reporting:

- Lengthy testing and approval cycles
- Weak, fragmented and poorly documented APIs
- Absence or inconsistent implementation of payment messaging standards
- Limited technical guidance on integration pathways

In several markets, contributors perceived that IPS infrastructure had been designed primarily from a banking perspective. As one contributor noted, ***"Banks built the infrastructure to solve their problems, not fintechs"*. Some contributors felt that technical connectivity by fintech and non-banks was poorly developed or not prioritised in early IPS design.

Ongoing Direct Integration and Change Management

Beyond initial integration, contributors highlighted the continuous nature of the process. Ongoing barriers identified by contributors included:

- Outdated technical guides that were not updated following system changes
- Short notice periods for system, technical or rule updates
- Limited long-term visibility into IPS roadmaps

Indirect IPS Integration (via Sponsor Banks)

Fintech and non-banks connecting indirectly through sponsor banks also reported similar API, message standardisation and technical integration challenges, alongside additional coordination constraints.

Contributors also described:

- Time-consuming coordination with third-party sponsor banks
- Dependency on bank timelines (***"following the speed of banks, not the speed of technology"***)
- Technical issues at sponsor level without clear escalation contacts
- The need to build additional interfaces or workarounds

Several contributors noted that technical issues at the sponsor bank level could disrupt their service, leaving them with little direct control over resolution. Indirect participation was described as introducing dependency and coordination complexity, potentially slowing innovation and responsiveness.

Infrastructure Reliability and Accountability

Operational stability emerged as an important concern in the governance findings. Collaborators reported:

- Recurring system outages or instability; as one participant expressed: ***"even with 99% uptime, the 1% downtime is significant"***
- Performance degradation during peak usage periods or between different institutions (e.g. bank to MMO)
- Limited transparency regarding root causes or remediation timelines

IPS downtime has immediate customer-facing consequences. As one participant indicated: ***"Availability and reliability are the [key] coefficients for us to move our services to the IPS"*.** While all providers are affected by downtime, fintech and non-banks often bear disproportionate reputational and commercial risk, particularly where they lack alternative payment channels. Maintaining fallback infrastructure is typically more burdensome for smaller fintech and non-banks.

Accountability is also reflected in incident management practices. In stronger environments, operators provide structured updates, post-incident reporting, and transparent performance metrics. In weaker environments, communication may be delayed or opaque.

These challenges can be compounded where dispute resolution mechanisms are unclear or inconsistently applied. In such cases, providers may have limited ability to resolve customer issues effectively, particularly where the source of a failure lies elsewhere in the ecosystem.

Where transactions are immediate and irrevocable, the absence of clear, accessible, and timely dispute resolution processes can undermine consumer trust. This creates additional challenges for fintech and non-banks, who may bear reputational risk for transaction failures or disputes that originate elsewhere in the ecosystem but are experienced through their interface.

Cost and Time Implications

While system integrity, uptime and resilience were widely recognised as essential by contributors, they also consistently described IPS integration as being cost and resource-intensive, across both direct and indirect participation models. Limited standardisation, insufficient technical guidance, the need for workarounds, and maintaining alternative channels during outages, were reported as increasing both financial and human resources.

Integration timelines were described as commercially burdensome, particularly for smaller, fintech and non-banks. We also heard that IPS updates can trigger additional engineering investment and extend resource requirements.

Contributors indicated that these cumulative cost, resource, and time implications affect the broader economic viability of participating in the payments ecosystem.

Finding #5: IPS Technology Needs to be Reliable, Documented and Streamlined - Enablers

While integration challenges remain, contributors highlighted several enabling practices and ecosystem responses that are improving accessibility and operational confidence for fintech and non-banks.

Technical Integration Enablers

In Indonesia, the introduction of a national API standard developed through extensive industry consultation was cited as constructive. Although integration was initially demanding, contributors noted that standardisation ultimately simplified integration across the ecosystem.

In Ghana, contributors highlighted proactive technical support from the IPS operator, including on-site engagement to resolve application-layer challenges, strengthened operational confidence and trust.

In several markets, contributors identified two strategic adaptations to integration challenges. Some fintech and non-banks have developed independent API layers to reduce integration friction and, in some cases, offer connectivity services to others. Others have become direct IPS participants and operate as hubs or aggregators, facilitating access for fintech and non-banks and reducing dependency on traditional sponsor institutions.

Ongoing global efforts to standardise payment messaging, including ISO 20022 adoption in several markets, were noted as having the potential to reduce integration complexity over time, although implementation maturity varies across markets.

Finding #5: IPS Technology Needs to be Reliable, Documented and Streamlined - Synthesis

Practices that reduced integration friction and improved accessibility include:

- Common or standardised APIs across FSPs
- Clear and well-documented API frameworks
- Harmonised messaging standards (including alignment with ISO 20022)
- Transparent integration processes with defined timelines
- Dedicated technical onboarding and ongoing relationship support
- Clear SLAs and guidelines regarding uptime/downtime

Impact on Marginalised Communities

When IPS technology is not consistently reliable, well-documented, and easy to integrate, the impacts may extend beyond providers to the end consumers, particularly women and other marginalised groups. For users with limited financial buffers, irregular incomes, or fewer alternatives to digital payments, even short periods of downtime can carry significant consequences, such as failed transactions, delayed access to funds, or lost income opportunities.

In these contexts, reliability is not only a technical issue but a trust signal. Where systems are perceived as unpredictable or prone to failure, consumers, especially those who have the most to lose, may be more hesitant to adopt or rely on IPS, reverting instead to cash or informal mechanisms. Conversely, consistent uptime and dependable dispute resolution processes can build confidence over time, enabling more sustained use of digital payments among underserved populations.

Synthesis: Quotable Quotes

- ***“Provide a standard API layer for PSPs instead of bank-only integration patterns.”***
- ***“Regulatory and bank-level approvals, with clearly defined, fast-tracked timelines to go live. Establishing uniform technical checklists, pre-certified integration environments, and parallel approval workflows would significantly reduce delays and lower integration costs while preserving system security and stability.”***

IPS are rapidly becoming foundational infrastructure for modern financial ecosystems. Given the significant attention and investment directed towards their development, it is important to understand how IPS can more fully align with becoming Inclusive Instant Payment Systems (IIPS) as defined by AfricaNenda:

"***Inclusive Instant Payment Systems (IIPS) process payments digitally in near real time and are available 24 hours a day, 365 days a year, or as close to that as possible. They enable low-value, low-cost push transactions that are irrevocable and are based on open-loop multilateral interoperability arrangements. Licensed payment providers have fair access to the scheme, and system participants have equal input opportunities. The central bank has a role in scheme governance. End users have access to a full range of use cases and channels, as well as transparent and fit-for-purpose recourse mechanisms***." [3]

By this definition, IPS should not only be end-user inclusive, but also inclusive for intermediary financial institutions.

As IPS ecosystems continue to scale and mature, there is a narrowing window in which foundational design, governance, and access decisions can be shaped. Without deliberate intervention, participation structures may become increasingly entrenched, making it more difficult to expand inclusion retrospectively.

This assessment shows that while IPS are frequently designed with the intention of being inclusive, the experience of fintech and non-banks does not always reflect that ambition.

Fintech and non-banks are often among the institutions most committed to serving underserved and last-mile populations. Yet these same actors frequently face structural, technical, and commercial barriers when seeking to participate in IPS ecosystems.

At the same time, the research demonstrates that inclusion within IPS does not automatically emerge as systems mature. As IPS ecosystems evolve, from early-stage infrastructure to widely adopted national payment rails, patterns of participation can consolidate around dominant players unless deliberate design and governance choices are made.

To better understand this dynamic, the assessment introduces an IPS Development Model from a Private Sector Perspective, described in Appendix D. The model explores how market maturity, participation models, and competitive conditions interact to either enable or constrain meaningful inclusion of fintech and non-banks.

The model broadly complements AfricaNenda's Inclusivity Spectrum [3] (basic, progressed and mature). This framework is gaining traction among African regulators as a reference point for assessing IPS maturity and inclusivity.

The findings suggest that achieving inclusive IPS (IIPS) is closely linked to the conditions that shape how fintech and non-banks are able to participate.

Across participating markets, five interconnected areas consistently emerged where improvements could strengthen inclusion, innovation, and ecosystem sustainability. These five areas are not isolated constraints; they interact to shape whether IPS ecosystems evolve as open, competitive platforms or consolidate around a narrower set of participants and use cases.

1. Economics need to work across the ecosystem.

IPS adoption tends to be strongest when participation is commercially viable and attractive for both direct and indirect participants. Sustainable ecosystems are associated with transparent revenue pathways, proportional participation costs, strong consumer adoption, and broad market participation. Tools or mechanisms that allow stakeholders to test different pricing models may help address economic uncertainties.

2. Legacy Policy Issues Gatekeep Fintech and Non-Banks

Policy and regulatory frameworks play a critical role in enabling inclusion within IPS. A recurring theme across markets is not the presence of safeguards themselves, but the degree to which they are proportionate to the risk profile, scale, and business model of participating institutions. Efficient licensing processes, proportionate capital and compliance requirements, and clear, coordinated regulatory guidance are associated with broader IPS participation. Emerging approaches such as licence passporting illustrate how regulatory coordination can support expanded participation while maintaining oversight. Practical guidance that helps reduce the costs of participating in IPS could further support a more enabling environment.

3. IPS Governance Focuses More on ‘Stability, not Inclusion’

Governance arrangements determine how different ecosystem participants engage with and shape IPS development. This includes not only formal representation, but also the rules, processes, and operational practices, such as communication, decision-making, and dispute resolution, that shape participation in practice. Transparent communication, meaningful engagement processes, and accessible channels for both direct and indirect participants are frequently associated with stronger ecosystem collaboration.

Practical approaches that enhance transparency, clarify roles and responsibilities, and broaden participation in governance processes may help strengthen diversity of representation and accountability across the ecosystem.

4. Consumer-Facing IPS Literacy Requires Support

Adoption depends not only on infrastructure, but also on how clearly consumers understand and trust the system. The findings suggest that embedding consumer awareness and literacy into IPS design could strengthen adoption and trust. Strong branding, consistent user experiences, and embedded literacy tools can accelerate adoption. Shared approaches to IPS branding and communication may help strengthen consumer awareness and usability.

5. IPS Technology Needs to be Reliable, Documented and Streamlined

The technical design of IPS significantly influences participation and operational efficiency. Reliable infrastructure, harmonised standards, well-documented APIs, and predictable integration processes are linked to lowering integration friction and cost, and greater innovation across participants. Guidance on technical requirements, harmonised APIs, and open standards may help simplify participation and reduce costs.

Ultimately, the findings suggest that inclusion within IPS is not determined by technology alone, but by the broader ecosystem design surrounding it. Expanding participation by fintechs and non-banks is a critical enabler of more inclusive IPS ecosystems.

However, participation alone does not guarantee inclusive outcomes. Where participation is constrained to specific entities, mediated through dominant players, or limited in influence over system evolution, the potential for meaningful inclusion may remain unrealised.

The extent to which IPS contributes to financial inclusion depends on how IPS is designed and operated, the types of services developed on the rails, and whether they effectively meet the needs of underserved populations. Outcomes are shaped not only by access to infrastructure, but also by service design, delivery models, and user engagement. Alignment across policy, governance, economics, and technology can enable IPS to evolve into infrastructure that supports both innovation and meaningful financial inclusion at scale.

These considerations must be balanced against the core requirements of safety, resilience, and financial integrity that IPS are designed to uphold, underscoring the importance of proportionate and risk-based approaches rather than the removal of essential safeguards.

Across market categories, this research surfaced a consistent message: fintech and non-banks are not only seeking to overcome barriers to IPS participation, but are eager to collaborate in shaping more inclusive and effective systems. Enabling their participation more fully can strengthen competition, unlock innovation, and support more meaningful financial inclusion outcomes, particularly for underserved consumers.

Appendix A: Acknowledgement of Association Partners and Contributors

We recognise and thank the following associations for their strategic partnership:

- Fintech Association of The Bahamas (in formation)
- Association des Professionnels de la Finance Digitale en Cameroun (APFD Cameroon)
- Caribbean Digital Finance Alliance (CDFA) and Haiti Fintech Association
- FinteChile
- Digital Finance Practitioners Ghana
- Fintech Association for Consumer Empowerment (FACE)
- Indonesia Fintech Association (AFTECH)
- Digital Financial Practitioners of Kenya (DFPAK)
- Association Fintech Madagascar
- Mauritius Africa Fintech Hub
- Association of Digital Finance Practitioners Nigeria
- PSP Association Nepal
- Pakistan Fintech Network
- Fintech Peru
- Fintech Alliance Philippines
- Fintech Association of South Africa (FINASA)
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Appendix B: Five Design Principles for Inclusive Private Sector Engagement

The Five Design Principles for Inclusive Private Sector Engagement underpin the methodology used in this assessment. In addition to guiding this work, they offer a practical framework for engaging private sector stakeholders and capturing their perspectives in a way that prioritises credibility, partnership, and cross-market comparability.

Together, they establish a consistent approach to partnership, reciprocity, facilitation, and analytical integrity, ensuring contributions are responsibly gathered and capable of generating meaningful insight.

1. **Co-Design with Associations as Strategic Partners**	Co-design engagement processes with member associations wherever possible to ensure contextual relevance, institutional fit, and strong participation. Associations bring market intelligence, cultural awareness, and trusted networks that enhance methodological rigour. Early collaboration on format, framing, and recruitment supported the production of representative, market-level insight.
2. **Embed Reciprocity and Non-Extractive Engagement**	Design engagement to generate shared value rather than extract information. Clearly articulated mutual benefit strengthens trust, increases participation, and supports longer-term institutional relationships. Approaches should minimise burden while providing tangible value to associations and participants through insight-sharing, visibility, and access to consolidated findings. See table below for value generated in this assessment.
3. **Signal Credibility, Transparency and Trust**	Communicate purpose, scope, governance, and confidentiality clearly from the outset. Well-structured personalised invitations and preparatory materials reduce perceived risk, reinforce legitimacy, and enable informed participation. Explicit articulation of attribution and confidentiality builds trust and creates the conditions for open, candid contribution.
4. **Facilitate Structured, Open and Honest Dialogue**	Balance structure with openness through disciplined moderation that protects time, ensures balanced participation, and maintains analytical focus. Establish shared conceptual grounding to ensure discussions are aligned with the scope of the assessment (domestic IPS in this assessment), and use neutral framing to surface convergence and divergence without steering conclusions. This supports analytical rigour while preserving the authenticity of contribution. The following methods were used: • **Inclusive Participation**: Introductions established rapport, and structured turn-taking tools were used to manage flow and prevent individual voices from dominating. • **Conceptual Consistency**: A standardised introductory slide deck (see Section E) defined the scope of IPS for the purposes of the research, with collaborators identifying their domestic IPS to anchor discussion in a shared construct. • **Analytical Focus and Framing**: Discussion prompts introduced five observed categories of enablers and barriers using neutral language. These categories initiated and guided the discussions, whilst allowing focus group contributors space to introduce additional issues. Facilitators actively explored areas of convergence and divergence (see Section E).
5. **Enable Multi-Level and Context-Sensitive Contribution**	Capture both collective dialogue and individual perspectives to strengthen analytical validity. Combining facilitated discussion with structured input mechanisms, such as surveys, enables contextual depth while generating comparable insights across participants. This dual structure ensures that both market-level patterns and individual priorities are accurately reflected. In the assessment, group discussion occurred first, enabling collaborators to articulate context-specific experiences and explore areas of convergence and divergence. A structured survey then captured individual perspectives and prioritisation of key enablers and barriers.

Appendix B: Five Design Principles for Inclusive Private Sector Engagement

Shared Value Generated from this Assessment

The research offered associations:

- Access to comparative global, cross-market insights and experiences
- Evidence to inform local advocacy priorities and strategic positioning
- A structured engagement activity adding member value
- Visibility and recognition in a global publication

The research offered contributors:

- A structured, confidential forum to surface market-specific barriers and enablers with optional attribution
- Opportunity to input and influence global-level analysis
- Access to cross-market perspectives and findings to inform internal strategy and advocacy

Appendix C: Definitions of Enabler/Barrier Categories Used in Assessment

IPS Vision, Ownership and Governance

- Ownership and operation: The entity that owns and operates the IPS has a strong incentive to be more or less inclusive to fintech and non-banks. In addition, there are instances of the operator also serving as a competitor for some services, which can impact participation into the IPS.
- Rules of participation and engagement: There is a range of experiences, especially for indirect participants to IPS. The requirements, communication protocols, and frequency of discussion with the operators of the IPS can vary widely.
- Branding and marketing to consumers: It is consistently observed that investment in customer literacy, awareness and user experience is an important IPS success factor. How that is mandated and delivered can have a large impact.

Policy & Regulatory

- Champions (or lack of) to catalyse IPS development: In some markets, especially those in Stage 0 or Stage 1 of IPS development, it is observed that capacity and championship from the public or private sector for IPS development can enable or inhibit participation.
- Policy and regulatory enablers/obstacles: “Legacy” policy issues, including lengthy licensing times, prohibitive license and capital requirements, can serve as strong obstacles.

Business Case, Partnerships and Financial Restraints

- Partnerships support/hinder the business case for fintech and non-banks. In many IPS, indirect participants are required to partner with direct participants, such as a bank, to access the IPS. Banks can often have prohibitive compliance, financial and technical requirements.
- Financially viable business model for payments or opportunities to pivot/expand. In markets where IPS is mandating no or low-cost payments, it is difficult for payments-focused fintech and non-banks to be financially sustainable.

Technical

- Affordability and ease of use/integration to the IPS for both direct and indirect participants. Integration costs, simplicity/complexity of onboarding processes, or reliance on intermediaries can disproportionately include or exclude fintech and non-banks.
- Efficiency/Affordability of APIs, Standards, and Security. The design and implementation of APIs and standards can either enable interoperability or create friction through fragmentation or high compliance costs.

Customer Trust and Usage

- Extent of consumer demand and confidence. The level of awareness, trust in digital systems, and positive user experience can significantly impact usage of IPS.
- Diversity level of use cases (P2P, G2P, P2G, Merchant Payments, etc). The level of expansion of IPS use cases in a market demonstrates utility to consumers and impacts transaction volume, network effects and overall business case for FSPs.

Appendix D: IPS Development Model (Private Sector Perspective)

Draft IPS Market Evolution Framework for fintechs and fintech and non-banks

In order to take a private sector, fintech and non-bank stakeholder perspective, we have created a draft framework that fits what we observed in every one of our interviews. This is draft and for discussion and is intended to complement other frameworks that are in the public sphere, including AfricaNenda's Inclusivity Spectrum, as outlined in the State of the Inclusive Instant Payment Systems in Africa (SIIPS) report(3) (basic, progressed, and mature), which is increasingly used as a reference for understanding IPS maturity across African markets.

We observe an evolution as an IPS ecosystem matures from Phase 0 (Absent) to Phase 3 (Ubiquitous), across four categories.

The four categories are:

- Policy & Infrastructure: How enabling the underlying "Legacy" Policy issues like Licensing and Capital Requirements as prerequisites to IPS participation
- IPS Governance and Rules: How IPS Operator manages participation and governance, and how direct participants and indirect participants experience governance
- Market Participation: How many FSPs leverage the IPS infrastructure - the volume and frequency with which FSPs in the market utilise the IPS.
- Technology: How easy it is to technologically plug into the system through APIs, open standards, etc

IPS Development Model (Private Sector Perspective) - Overview

	Absent Phase 0	Emerging Phase 1	Expanding Phase 2	Ubiquitous Phase 3
Policy & Infrastructure	None	Yes, Limited	Yes	Yes, highly enabling
IPS Governance & Rules	N/A	Some, limited and favour market dominant players	Medium, facilitating greater diverse participation	Highly developed, encouraging diverse participation and collaboration
Market Participation	N/A	Limited FSPs participating in IPS and low user uptake	More FSPs connected to IPS and increased user uptake	Most FSPs are connected to the IPS and user uptake is high
Technology	N/A	Limited and inefficient ways to access/use IPS infrastructure - particularly for indirect participants	Medium, some ways for direct and indirect participants to access/use IPS infrastructure	High, many ways for direct and indirect participants to access/use IPS infrastructure

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Questioning IPS Design Inclusivity: Unlocking Fintech and Non-Bank Participation in Domestic Instant Payment Systems

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