

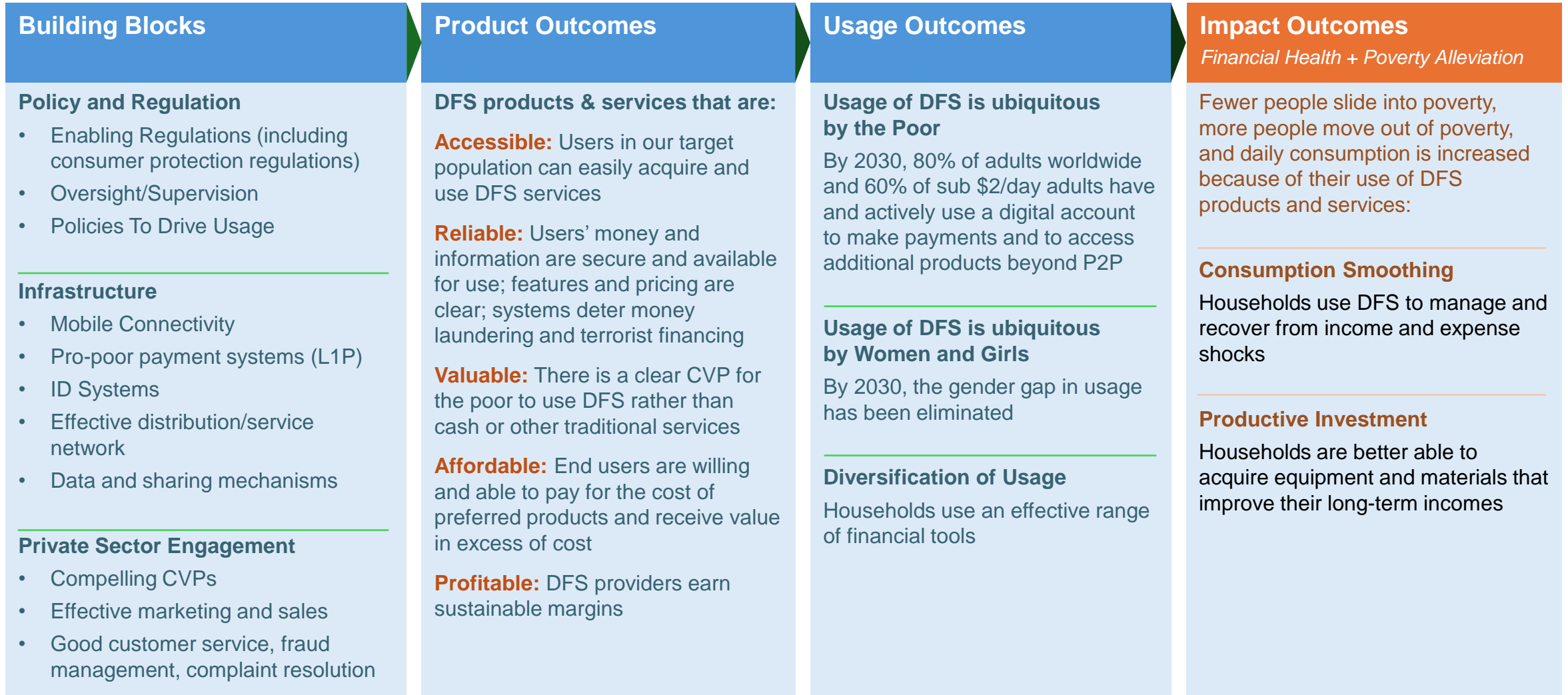
# India Strategy

## Inclusive Financial Systems

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October 2024

# IFS THEORY OF CHANGE



# IFS WILL FOCUS ON FIVE STRATEGIC OBJECTIVES

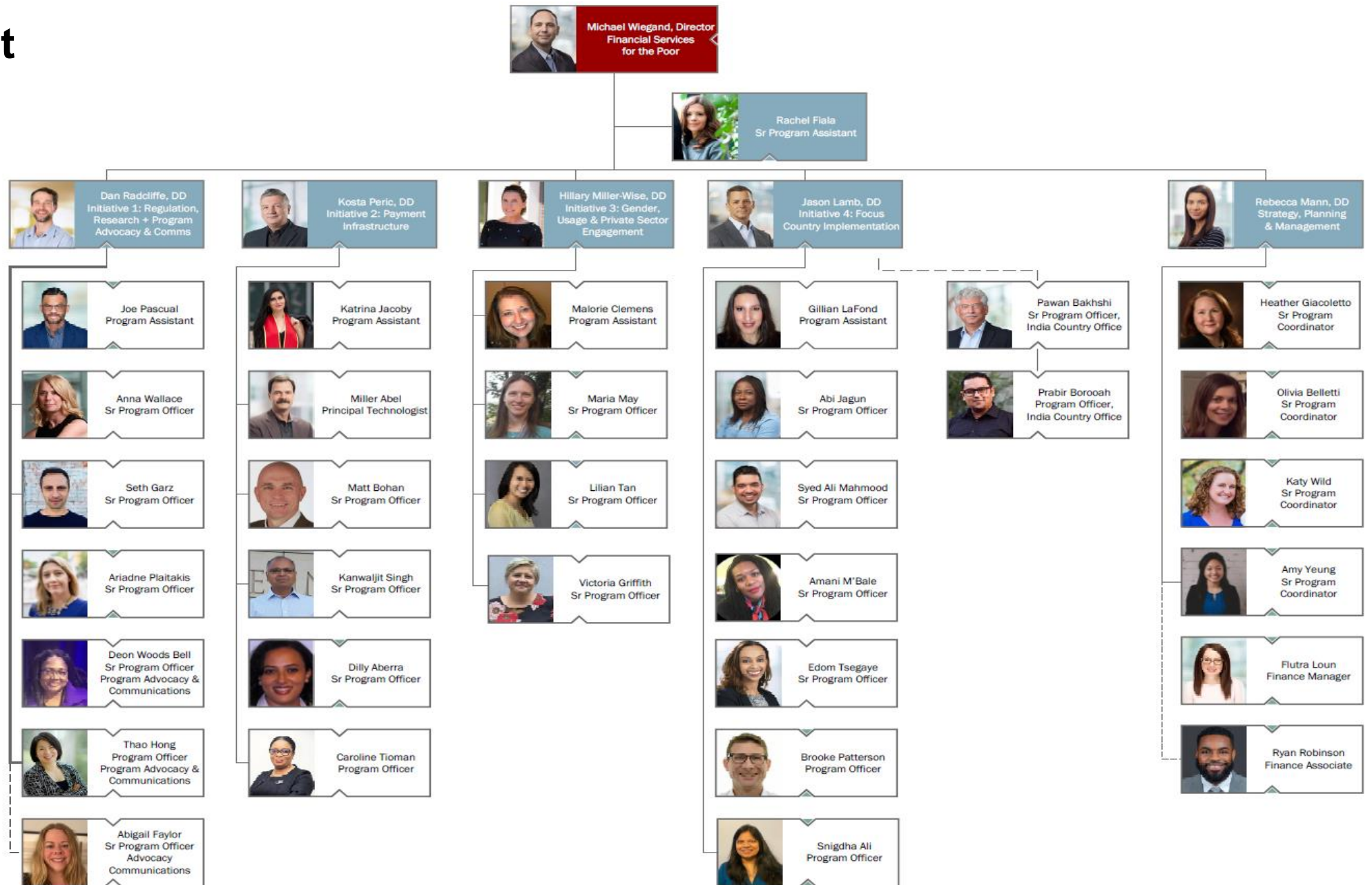
	1 Account Ownership & Usage	2 DFS Supervision and Consumer Protection	3 Payment Systems	4a Digital Merchant Payments (DMP)	4b Productive Credit
<b>What We Want to Achieve</b>	<ul style="list-style-type: none"> <li>• 80% active account ownership</li> <li>• Eliminate gender gap in usage</li> <li>• Low transaction fees</li> </ul>	<ul style="list-style-type: none"> <li>• Low levels of fraud and loss</li> <li>• Trust in the financial system</li> <li>• System efficiently supervised</li> </ul>	<ul style="list-style-type: none"> <li>• All countries in Africa have an inclusive IPS by 2030</li> <li>• 150 countries globally have an inclusive IPS (from 85 today)</li> </ul>	<ul style="list-style-type: none"> <li>• All merchants receive DMP</li> <li>• 60% of rural customers make DMP on a weekly basis</li> <li>• 50% of all payments are digital</li> </ul>	<ul style="list-style-type: none"> <li>• Larger, longer, cheaper loans tailored to microenterprise needs provided at scale</li> <li>• Better credit consumer protection</li> </ul>
<b>Why It Is Important</b>	<ul style="list-style-type: none"> <li>• Even basic account usage drives welfare benefits</li> <li>• It's a prerequisite to scaling broader financial products</li> </ul>	<ul style="list-style-type: none"> <li>• Protection from harm</li> <li>• Perceived risk and poor customer services can erode trust and stop DFS usage</li> </ul>	<ul style="list-style-type: none"> <li>• An important enabler of financial inclusion, innovation, DMP, lower remittance costs</li> <li>• Macroeconomic benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Increasing payment volumes and reducing costly CICO makes DFS more sustainable</li> <li>• Holding less cash and creating data streams benefits all</li> </ul>	<ul style="list-style-type: none"> <li>• Products tailored to the cash flow of microenterprises have clear welfare benefits</li> <li>• Without better data, efforts to scale better productive credit for the poor will fail</li> </ul>

# IFS Org Chart

IFS is divided into four programmatic initiative areas:

1. Regulation, Consumer Protection, Research and Advocacy
2. Payment Infrastructure
3. Gender, Usage and Pvt Sector Engagement
4. Country Programs

Our Strategy, Planning and Management team manages our finances and operations



# IFS's strategy in India is to increase Access and Usage of Digital Financial Services.

We have approached this by working across institutions, markets, and players

IFS focused on creating an enabling environment, de-risking large public programs, and engaging the private sector

Enabling environment & infrastructure



We support the creation of a pro-poor enabling environment for new players, channels, business models, and infrastructure providers with a focus on customer protection including grievance redressal and data privacy to be able to serve the poor sustainably

Strengthen Distribution



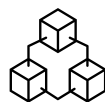
We work with large government/public sector programs like IPPB, SHGs, Aspirational Blocks program, to address distribution issues to accelerate digital financial inclusion – so that both providers and consumers see benefits and market players and other stakeholders stay open to experimentation

Pro-poor Innovation Through private sector



We help Financial Service Providers build compelling value propositions and sustainable business models to serve the poor, rural communities and women with compelling data driven use cases – to achieve the next phase of financial inclusion

Making DPI work for the poor



We support AA, ONDC and UIDAI be more pro-poor and help the vulnerable segments benefit from the digital ecosystem

India for the rest of the world



Demonstrate India's innovations in digital financial inclusion (DPIs, govt. programs, regulation, policy etc.) globally

Intentionality about women & girls



We strive to make Digital financial services **gender intentional** to reduce the gender gap in usage and ensure more women benefit from welfare enhancing formal financial tools

# OUR MAJOR PROGRAMS ENCAPSULATE A WIDE-RANGING SPECTRUM OF FI ISSUES AND ARE FOCUSED ON DRIVING USAGE OF DFS

<p><b>Enabling environment &amp; infrastructure</b></p>	<p>Identifying and Testing pro-poor customer protection measures for DFS</p>	<p>Financial Inclusion Network for Training and Action (FINACT)</p>	<p>Future of Finance Initiative (Data Protection)</p>	<p>Scoping excluded geographies and segments</p>
<p><b>Strengthen Distribution</b></p>	<p>Supporting India Post Payment Bank to provide financial services to poor  Pathways to Enhancing Financial Inclusion in India (PEFI) 2</p>	<p>Digital Financial Inclusion in India (DFII) Phase 3  Promoting Financial Inclusion using Community Platform*</p>	<p>Supporting DFS for SHG platform  Savings led women's financial inclusion</p>	<p>Supporting Aspirational Blocks to serve most vulnerable populations</p>
<p><b>Catalyze Pro-poor Private Sector Innovation</b></p>	<p>Leveraging the India Stack to accelerate pro-poor digital financial services  Voice-enabled UPI payments in Indian languages</p>	<p>Accelerate Financial Inclusion in India through private sector  Women's financial inclusion initiative (WFII)</p>	<p>Supporting CGTMSE to unlock credit for woman owned microenterprises  Assist RBI Innovation hub to serve the poor &amp; women effectively</p>	
<p><b>Making DPIs work for the poor</b></p>	<p>Support UIDAI deepen use cases for vulnerable populations</p>	<p>Making Account Aggregators work for the Poor</p>	<p>Support ONDC to onboard Women-led enterprises</p>	
<p><b>India for Rest of the World</b></p>	<p>Digital Financial Inclusion in India (DFII) Phase 3</p>			

Thank You

Q & A