

LEVEL ONE PROJECT

The Level One Project is an initiative of the
Bill & Melinda Gates Foundation



A Focus On the Poor: User Requirements

Secure

Money and data is safely held

Affordable

Cost is acceptable in comparison to available alternatives

Convenient

Easy to access and use

Open

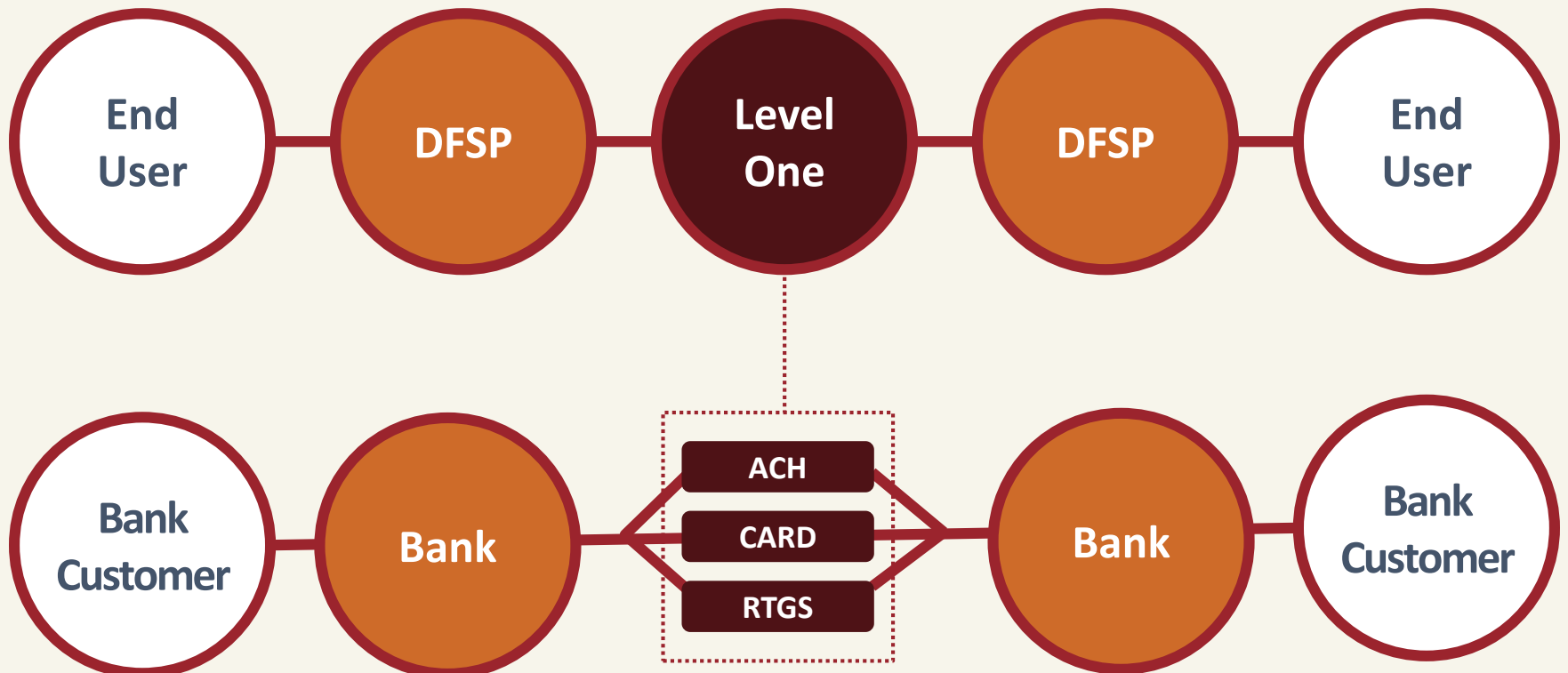
Anyone can enroll and transact with anyone else

Robust

There when you need it

Level One: a New Digital Platform

Exists along with other payments systems in the country



Design Principles



An *open-loop system*, available to any licensed DFSP in the country. This includes banks and licensed non-banks.

Payments that are *real-time* and “*push*” only. This removes many of the risks and costs inherent in batch processed and “pull” payments systems. Payments that are *irrevocable*.



A system that is *governed* by the DFSPs that use it and regulated by a government financial authority. A system that allows *same-day settlement* among participants.

A system that operates on a “not-for-loss” basis. This does not preclude DFSPs—or other service providers in the ecosystem—from earning profits through use of the platform.



A *shared investment in fraud detection* and management services. The compliance burden remains with the DFSP, but they share in a less costly, more efficient fraud service.

Key Concepts: A Competitive Ecosystem

Multiple Payments Services Providers

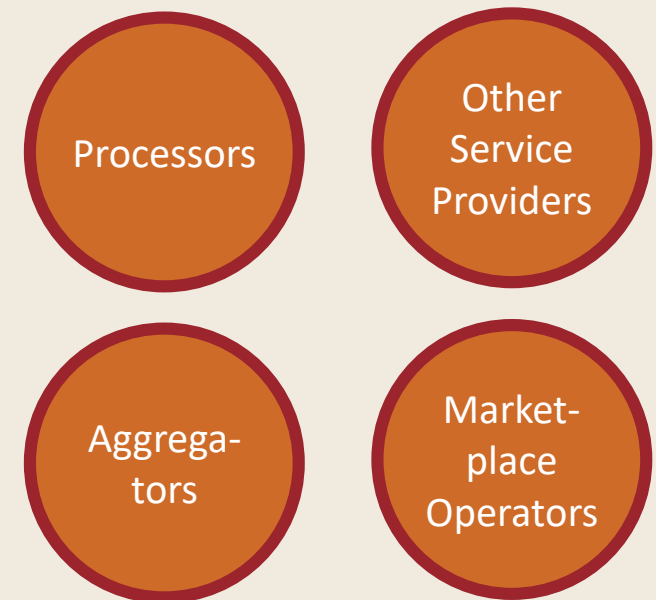
Digital Financial Services Providers

Hold transaction accounts



Other Financial Services Providers

Direct connects; DFSP sponsor

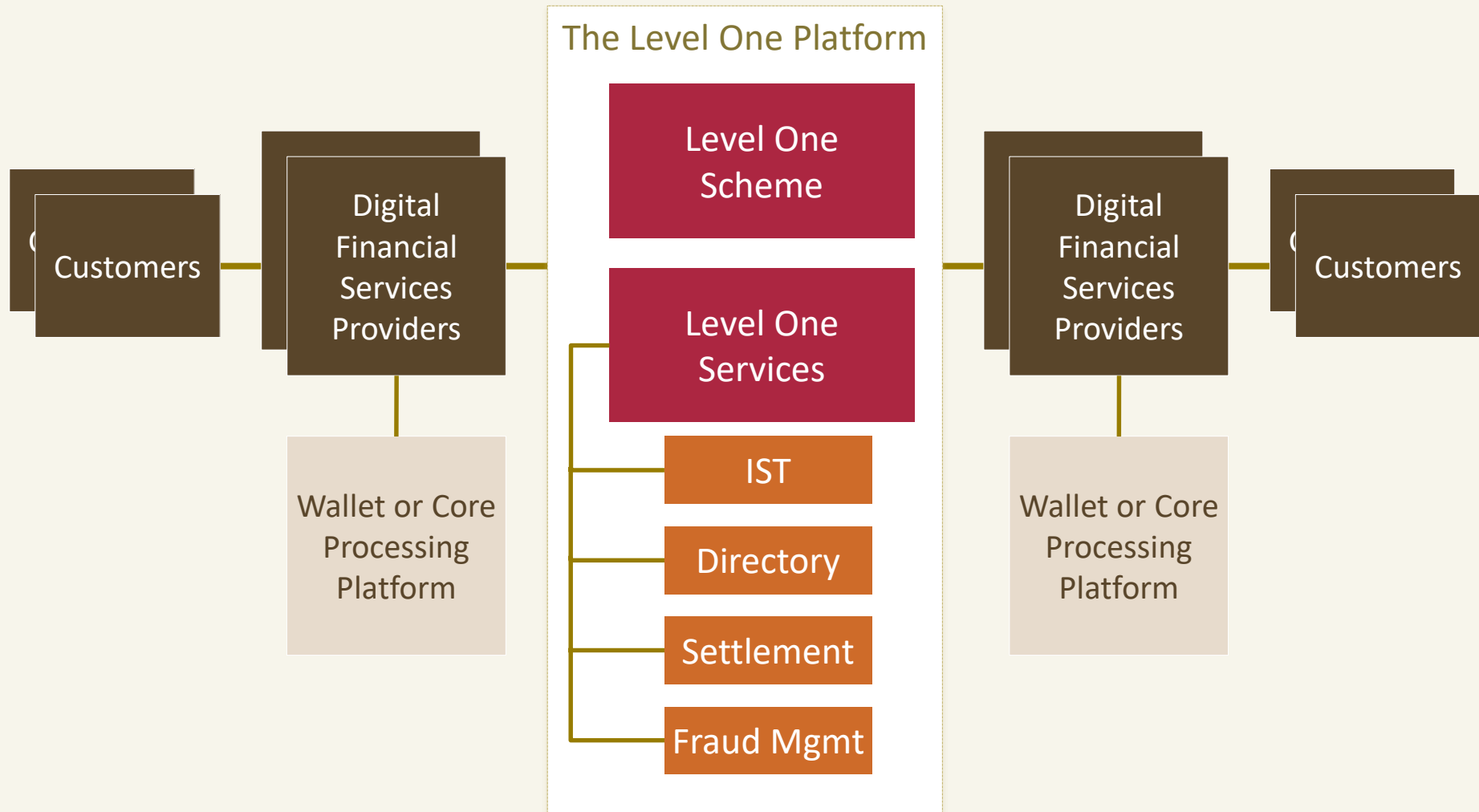


Key Concepts: A Competitive Ecosystem

The Low Cost Imperative

- All DFSPs share a common need: a low-cost value-transfer platform
- The Level One Platform itself is a low-cost service to the DFSPs, operated on a “not-for-loss” basis
- Achieving a low-cost platform requires volume: multiple DFSPs, lots of consumers, multiple use cases
- Most (but not all) DFSPs will have for-profit businesses that use the platform
 - The platform transaction cost—which is borne by the DFSPs—is not the same as the end-user pricing. End-user pricing will be determined by DFSPs (and at times constrained by regulation). A low-cost platform is critical to enable low (or zero) end-user pricing

Level One: Core Components



Level One: Foundational Use Case

Use of a Level One system requires end users to have a *transaction account*

Requirements

- An issuer's platform – to support creation of an account and interface with the Level One platform
- An ability to open accounts quickly and easily – with minimal documentation
- A user-friendly user interface

Create and
activate an
account

Safely keep
balances in
the account



Level One: Foundational Use Case

Deposit Cash (“Cash-In”)

Unique Requirements

- An agent network
- Agent interoperability
- Cash management: agent deposit support
- Agent training and supervision



Level One: Foundational Use Case

Withdraw Cash (“Cash Out”)



Unique Requirements

Same agent issues as CICO, plus

- Agent liquidity
- Customer authentication support

Lessons Learned: Use Cases

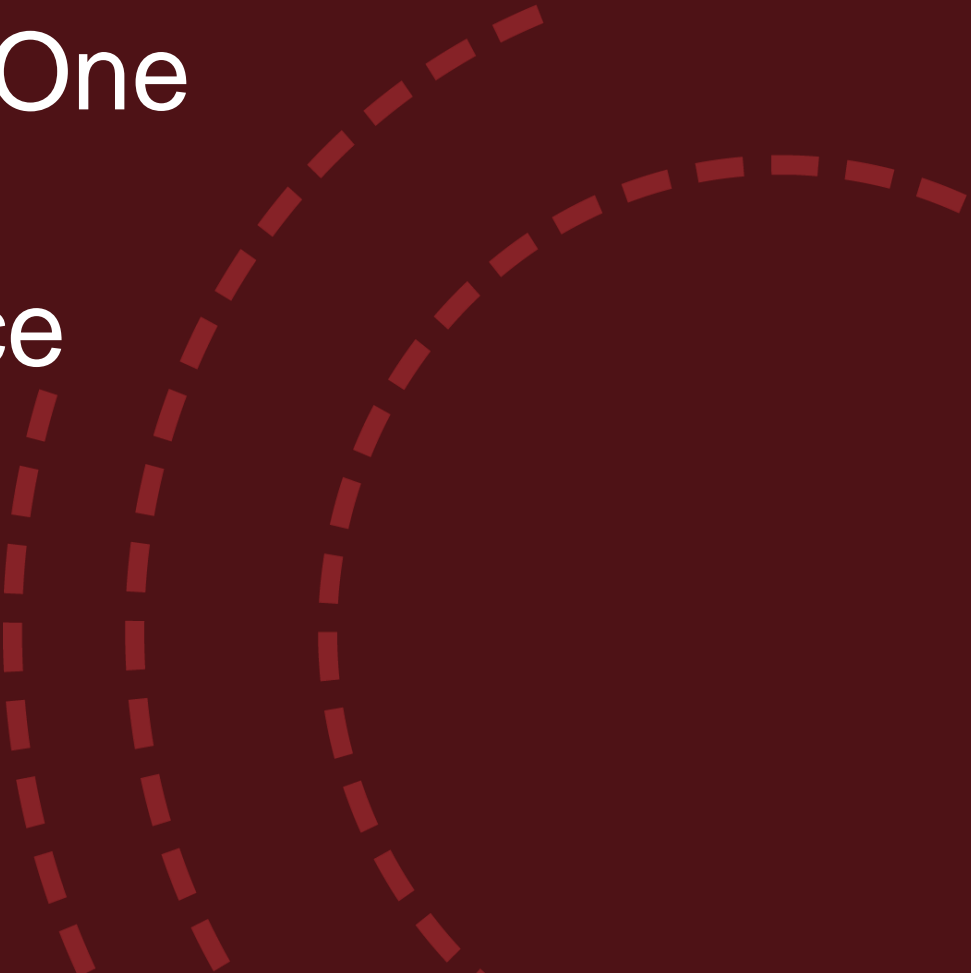
From Level One Research

- The same core payments platform can be used for multiple use cases, thus providing system volume

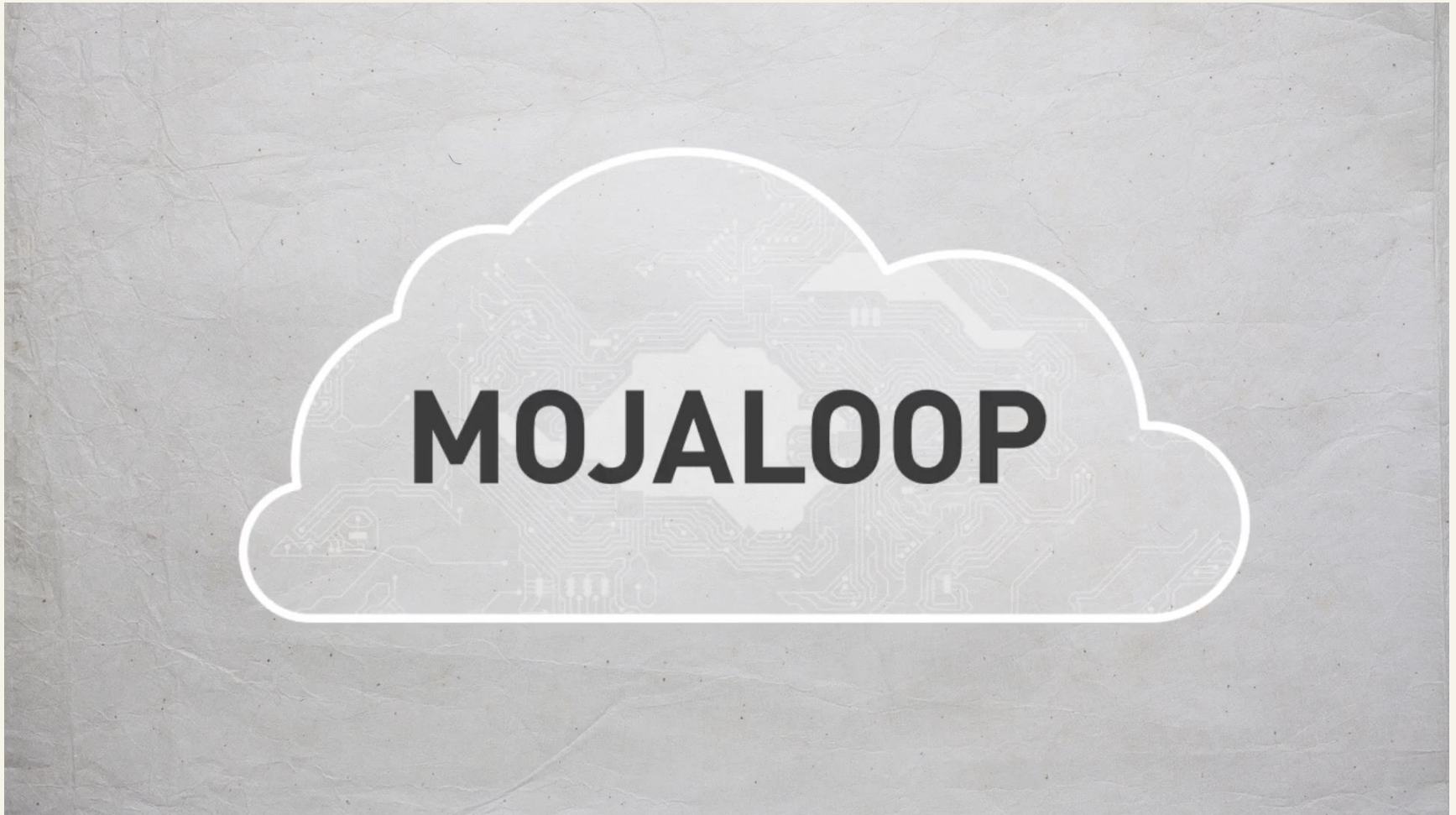
Person to Person (P2P)	Point of Sale (C2B)	Remote Commerce (C2B)
Bill Payment (C2B, C2G)	Business to Business (B2B, B2G)	Income (G2P, B2P)

- The needs of people and businesses span multiple use cases

Mojaloop: A Level One Project Resource



Mojaloop Overview



Resources Available for Level One Implementations

Business Focus

- Glossary
- L1P Reference Rules
- Fee Scenarios and Descriptions
- Research Reports:
- Settlement
- QR Codes
- Risk Management
- L1P Boot Camp

Technical Focus

- Mojaloop: the Reference Implementation
- The Prototype
- API Documents
- User Requirements

<http://mojaloop.io/>

Level One Contacts

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Websites

The Level One Project

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Mojaloop

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