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SWIFT Institute research highlights five enablers for implementation of successful regional payments projects

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Paper ranks the comparative success of various regional payments integration projects that are necessary to support economic growth

Brussels, 16 December 2014 – The SWIFT Institute publishes today a new working paper that looks at the wide range of regional payments projects and the factors behind successful integration. The report produced by Dr. Leo Lipis and Colin Adams for the SWIFT Institute, entitled “Cross-border low value payments and regional integration: enablers and disablers”, assesses enablers, disablers and success factors across the existing projects, areas which have received little research previously.

The paper explores nine different payments systems (ASEAN, COMESA, IPFA, NPA, SADC, SEPA, SML, WAEMU and WAMZ) looking at how each defines success. Using the findings from the study, each system was evaluated based on a rubric to rank the comparative success of each project across five enablers. Based on the evaluation the paper finds that WAEMU (West African Economic and Monetary Union) and SEPA (Single Euro Payments Area) are the most advanced projects in terms of integration. While the evaluation may tend to favour systems pursuing tighter integration that are farther along in the process of regional cooperation, it provides a useful overview of the most successful regional payments integration projects from around the world.

The paper highlights the following five major enablers of a successful regional payments project:

- Linkage of payments integration to a political goal
- Common currency or common settlement currency
- Centralized governance structure
- Existence of a common data standard
- Ensuring that the motivations of the different stakeholders are aligned

While the form of tight payments integration that defines a successful regional project remains rare, there are a number of regions that are in various stages of pursuing this goal and an increasing amount of countries are looking to begin integration projects.

Peter Ware, Director of the SWIFT Institute says: “The latest SWIFT Institute research provides a clear view of the enablers and disablers of regional payments integration. It helps to define and set benchmarks for success including the adoption of common standards and technical guidelines for payments projects. With this overview, countries can come together and integrate their payment systems in a variety of ways that can improve economic strength and cooperation for all participants.”

Please [click here](#) for an extract of the paper. To obtain a full copy of the research paper, please contact the [SWIFT Institute](#).

About SWIFT Institute

Launched in April 2012, the SWIFT Institute fosters independent research to extend the understanding of current practices and future needs across the financial industry. Managed by SWIFT, and working in close collaboration with academics from top international universities, the SWIFT Institute brings the financial industry and academia together to explore ideas and share knowledge on topics of global importance.

The research covers various aspects of transaction banking, including the following areas: Payments, Clearing / Settlement, Cash Management, Trade Finance, Trust and Securities.

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About SWIFT

SWIFT is a member-owned cooperative that provides the communications platform, products and services to connect more than 10,500 banking organisations, securities institutions and corporate customers in more than 200 countries and territories. SWIFT enables its users to exchange automated, standardised financial information securely and reliably, thereby lowering costs, reducing operational risk and eliminating operational inefficiencies. SWIFT also brings the financial community together to work collaboratively to shape market practice, define standards and debate issues of mutual interest.

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