

Fineract in the Time of COVID-19

Fineract provides basic account functionality enabling a destination for relief payments, as well as functionality around lending programs. These are the building blocks for a low cost, highly scalable financial solution. As the world struggles to support people on lock-down and in the economic recovery, Fineract can be a key part of that strategy. Fineract provides the account of record appropriate for governments and banking institutions. Fineract alone isn't sufficient - and implementation should be done through one of the organizations best tooled for this, but this is a moment when an open source solution should be used to best advantage. The fast moving global nature of this disruption means that a globally oriented open source project can be very useful.

As Jill Shemin & I pointed out recently in a [NextBillion.net](https://nextbillion.net/informal-economy-complicating-covid19-response/) article, <https://nextbillion.net/informal-economy-complicating-covid19-response/>

"In countries where a huge proportion of small and micro-businesses are informal, direct government-to-person (G2P) transfers will make the biggest impact. During a pandemic when delivery systems are stressed, investing in or fast-tracking digital G2P payment systems can be vital. Governments in these countries are focusing on scaling up payment and account systems that can be provided rapidly at very low cost – including to the informal economy."

In some ways this merely accelerates a conversation that has been happening for some time. CGAP, which is a part of the World Bank aimed at financial inclusion, released an analysis of G2P (government to people) Payment systems in September 2019. In part they note:

"Advanced G2P payments would make payments more reliable, convenient, and accessible at points of service much closer to where customers live and work. Customers empowered with greater choice can be less dependent on a single bank or local service point, and therefore, they are able to command better customer service."

It seems to me that systems that lower the cost of operations, that turn the account into a commodity are all building blocks for a much more responsive government to citizenry financial support system.

Building on this theme. One of the Community of users of Fineract, Art;Code, has posted their story of deployment in the cloud. <https://medium.com/articode/announcing-fineract-as-a-service-an-on-demand-financial-core-3f38a0bf0a3a>. This details how someone can provision a solution and begin to learn how the solution works. Such an innovation is useful for demonstrating functionality at a minimum and also points to the concept that banking as a service is, as we have said for some time now, a very doable value proposition.

The Mifos Initiative posted a rapid deployment in the cloud concept in March 2019 <https://mifos.org/blog/tag/corent/>.

So, this is where we are at: Fineract can help to provide an account of record for financial institutions and governments. This can be done at scale, with high performance and with help from strategic partners, to connect to payment systems rapidly. But, we will need all of the institutions and organizations who need this to also contribute back. Our model of coming together to build solutions should be very well adapted to these times.

More discussion May 6, 2020, at the Digital Development Forum.

<https://digitaldevforum.course.tc/digital-development-forum-2020/discussion/threads/mifos.org-mifos-has-a-rapid-deployment-approach-for-accounts-payments.-nfKXeWHKW3dFkyp16ZUJDG?channel=mifos>

Be well.

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