

## Request for research proposals under the FIT IN Initiative

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Toulouse School of Economics (TSE) is calling for proposals under the Financial Inclusion Through Interoperability (FIT IN) Initiative developed with the support of the Bill & Melinda Gates Foundation. This initiative seeks to investigate the impact on competition, innovation, governance and consumer welfare of the interoperability of digital payment systems in low- and middle-income countries (LMICs). Selected research projects will receive financial support of \$10k. Extra funding up to \$10k may be provided to cover additional research expenses. Researchers will be invited to present their research at TSE and will have access to the various research events held under the initiative (workshops, seminars conferences, roundtables).

**Eligibility:** TSE invites proposals from researchers of any affiliation, including post-doctoral researchers and PhD candidates. Particular attention will be paid to researchers affiliated with institutions in developing countries.

**Research themes:** the initiative supports research on issues of competition, governance, and welfare in the context of digital financial services in developing countries, with special focus on interoperability of digital payment systems. The main objective is to better understand the implications of alternative competition and regulatory policies and to ultimately inform policy to expand the reach, improve the quality, and reduce the cost of digital financial services for low-income consumers in developing countries.

Research questions include (but are not limited to)

1. **Incentives: how to strike a balance between competition and cooperation?** What is the impact of digital payment interoperability on competition between digital payment providers, on investment in digital and physical infrastructures (e.g., bank branches and agents' network), on the quality and security of payment services and on innovation?
2. **Governance: how key assets should be managed?** What is the role of public entities, regulators and organizations to build interoperable platforms for payments, to regulate the pricing and design of digital payment services, to manage access to data and its protection, to ensure the security of payment networks and to control operational and financial risk?
3. **Welfare: what is the impact on market participants?** What is the impact of digital payment interoperability on the access to digital payments for different types of consumers and businesses in LMICs, on the access to other financial services (e.g., credit, insurance), and ultimately on consumer welfare and on economic and gender inequalities?

The call is open to projects with a theoretical and/or empirical approach and to projects with a focus on any developing country around the world.

**Funding and deliverables:** TSE is offering grants of \$10k. The grant can be paid as an honorarium to the research team or to a research institution. Additional research funding up to \$10k can be provided based on an estimate of costs and expenses (see application package below). The final deliverable is a research paper that will be included in the initiative's working paper series. Note that authors retain control over the eventual submission of their work to a scientific journal and we encourage them to aim at top academic outlets. Awardees are also expected to present the sponsored research in workshop organized by the initiative, and to prepare a 1-page non-technical summary of their research that will serve as the basis for the communication of the project to a general audience.

The \$10k grant will be paid in two installments. The first payment is released at the start of the project. The research team will present a progress report at the end of the first year to the initiative's scientific committee. The second installment will be paid upon completion of the working paper and subject to the committee's review. The timeframe for the completion of the paper is a maximum of two years from the start of the project.

**Application and selection process:**

The application package should include

1. A 2-page description of the research proposal including the general background, the contribution to the existing literature and to the objectives of the initiative, the data collection (if relevant) and the methodological approach, the expected outcomes.
2. A 1-page description of the research team and of the contribution of each member to the project.
3. The CVs of all the team members.
4. A timeline for the completion of a research paper.
5. If the team is applying for additional research funding, an estimate of the costs and expenses necessary to complete the project.

A scientific committee comprised of TSE researchers Emmanuelle Auriol, Milo Bianchi, Matthieu Bouvard, Catherine Casamatta and Renato Gomez will review the proposals with the assistance of members and affiliates of TSE involved in the initiative. The committee will also follow the progress of the funded projects.

**Timeline:**

- **Deadline for submission:** April 15, 2021
- **Decisions:** May 15, 2021
- **Start of the project (release of the funds):** June 1, 2021

**Online application form:**

<https://www.tse-fr.eu/research-proposal-application-form-fit-initiative>

**For any question related to this request for research proposals (RFP) please contact:**

[rfp-fitinitiative@tse-fr.eu](mailto:rfp-fitinitiative@tse-fr.eu)

**More details on the FIT IN Initiative:** <https://www.tse-fr.eu/groups/FIT-IN-Initiative?tabs=0>