



**WORLD BANK GROUP**

## **E-Commerce Week**

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# Financial Sector is critical for Digital Economy

*Areas for joint work include: ID, payment mechanisms, digital financial services, blockchain in supply chains, APIs, use of data, digitizing government & business payments...*

*Digital entrepreneurship and ecommerce has needed new payment mechanisms (eg for online transactions)*



*eCommerce can open opportunities for rural -urban linkages and also opportunities for reaching overseas markets, facilitated by digital payments, data, credit.*

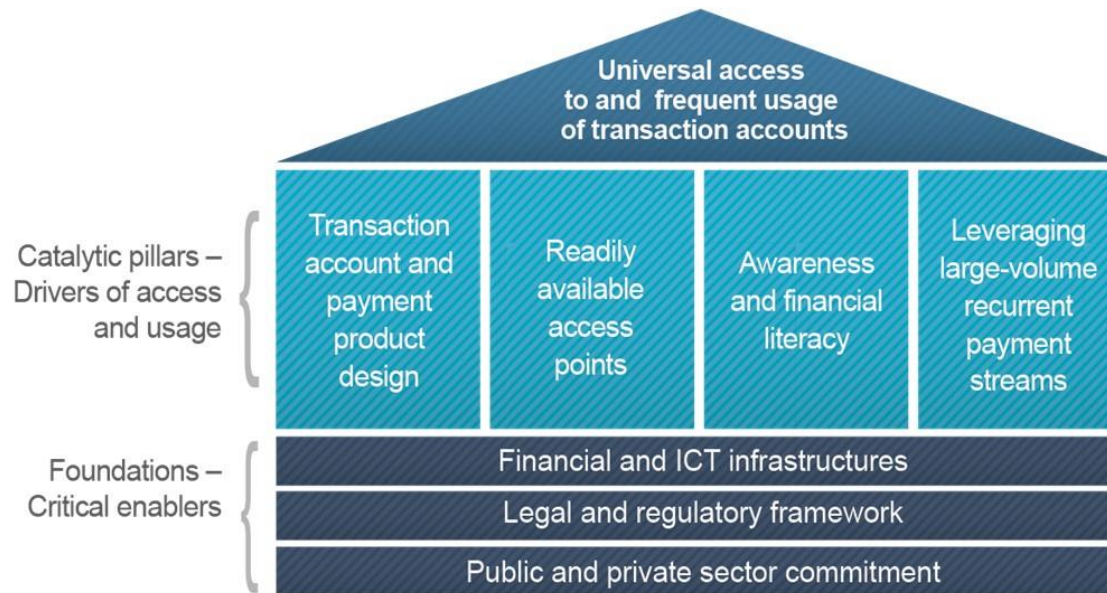
*Ecommerce companies in many countries incur high costs in cash handling due to lack of digital payments. Creating payment mechanisms that are universally available and support eCommerce is critical.*



*e-government initiatives rely on digital payments. Potential for digitizing Government databases and making them available via APIs. Examples include ID System and also land records, tax records etc.*

*Growth of e-commerce made more data available, leading to new ways of making credit decisions*

# ‘Payment Aspects of Financial Inclusion’ (PAFI) provides the guiding framework for achieving UFA 2020



- The Payment Aspects of Financial Inclusion taskforce, co-chaired by CPMI and WBG, built on the UFA2020 Framework and further developed and refined it
- The 7 PAFI guiding principles and underlying key actions will be an essential tool to achieve universal financial access
- Priority now is to apply PAFI Framework to update and strengthen the UFA toolkit, including for diagnostics, project design, and policy advice.
- New tools can be piloted and rolled-out, including for social protection payments, assessing costs of payment mechanisms, and leveraging digital ID platforms.

# G20 New High Level Principles on Digital Financial Inclusion (HLPs)

The new 2016 Principles are intended to catalyze cross-government actions to drive financial inclusion using digital technologies. They build on the PAFI Guiding Principles, as well as on other SSB and G20 guidance.



## **PRINCIPLE 1:**

**PROMOTE A DIGITAL APPROACH TO FINANCIAL INCLUSION**

## **PRINCIPLE 2:**

**BALANCE INNOVATION AND RISK TO ACHIEVE DIGITAL FINANCIAL INCLUSION**

## **PRINCIPLE 3:**

**PROVIDE AN ENABLING AND PROPORTIONATE LEGAL AND REGULATORY FRAMEWORK FOR DIGITAL FINANCIAL INCLUSION**

## **PRINCIPLE 4:**

**EXPAND THE DIGITAL FINANCIAL SERVICES INFRASTRUCTURE ECOSYSTEM**

## **PRINCIPLE 5:**

**ESTABLISH RESPONSIBLE DIGITAL FINANCIAL PRACTICES TO PROTECT CONSUMERS**

## **PRINCIPLE 6:**

**STRENGTHEN DIGITAL AND FINANCIAL LITERACY AND AWARENESS**

## **PRINCIPLE 7:**

**FACILITATE CUSTOMER IDENTIFICATION FOR DIGITAL FINANCIAL SERVICES**

## **PRINCIPLE 8:**

**TRACK DIGITAL FINANCIAL INCLUSION PROGRESS**

# Thank You!

