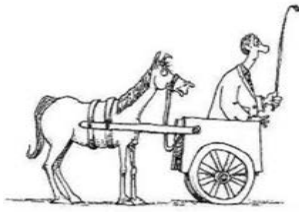UNCTAD Multi-year Expert Meeting on
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## Aiming for a "Weatherproof" Environment for Purposeful Development

by

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> "The **essential components of digital financial inclusion** are as follows:
>
> - **Digital transactional platforms** enable customers to make or receive payments and transfers and to store value electronically through the use of devices that transmit and receive transaction data and connect to a bank or non-bank permitted to store electronic value
> - **Devices** used by the customers can either be digital devices (mobile phones, etc) that transmit information or instruments (payment cards, etc) that connect to a digital device such as a point-of-sale (POS) terminal.
> - **Retail agents** that have a digital device connected to communications infrastructure to transmit and receive transaction details enable customers to convert cash into electronically stored value ("cash-in") and to transform stored value back into cash ("cash-out").
> - **Additional financial services via the digital transactional platform** may be offered by banks and non-banks to the financially excluded and underserved — credit, savings, insurance, and even securities — often relying on digital data to target customers and manage risk."

*World Bank….."Digital Financial Inclusion"*

…………………

This statement from the World Bank highlights and is representative of the way leading stakeholders see the relevance of the environment in which decisions, agreements and facilitating infrastructure are deployed into or implemented within.

It is sometimes taken for granted that a reliable and world class solution or infrastructure guarantees success in any environment it is placed in therefore stakeholders sometime innocently run the risk of deploying a copy and paste mentality to national development policies.

It is therefore becoming more in focus that perhaps what should gain priority in our thinking process is more on the situation in the host environment side of things rather than, what we want to put into that environment. The deliberate policy making in an environment not only highlights the needs, it dictates the requirements and is targeted at success, therefore making solutions and infrastructure deployment and implementation more relevant to community they are deployed in.

For now thought the idea seems that as stakeholders we are putting the cart before the horse when it comes to development, especially in the emerging markets of the world. The solutions that are internationally decided are indeed praise worthy, however they start to make tangible sense through tangible values. These ideas however require an environment that tailored to make them successful through policies, regulations and laws, else we deploy into a vacuum
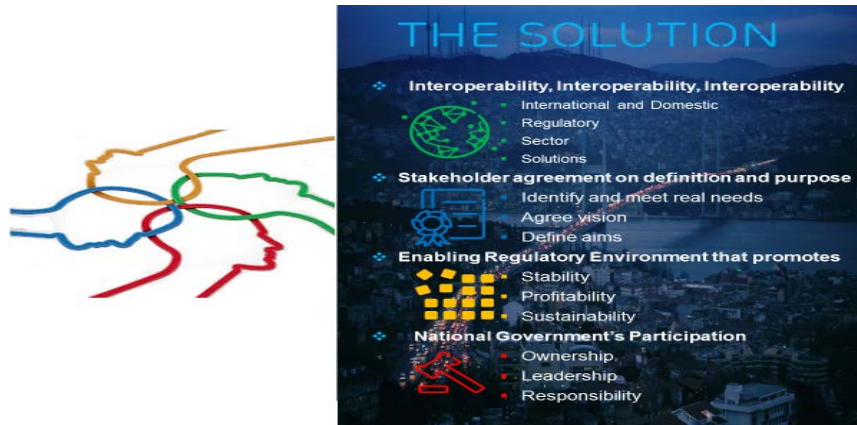
Having said this, the idea of forging a conducive environment is not novel since most international funding or aids disbursements require and stipulate conditions for success prior to making grants.

Perhaps we could also say that the success of the WHO in the polio eradication is due, in a key part, to the way the problem was dealt with and the realisation of the part domestic environments have to play…..we could say that national governments were put at the centre of the thinking process with promise of support, funding and investment in the realisation that for initial success and ongoing sustainability the environment must be enabling and fit for purpose i.e.

*"The Global Polio Eradication Initiative is a public-private partnership led by national governments with five core partners - the World Health Organization (WHO), Rotary International, the US Centers for Disease Control and Prevention (CDC), the United Nations Children's Fund (UNICEF) and the Bill & Melinda Gates Foundation. Its goal is to eradicate polio worldwide."*

World Health Organization

The uniqueness of this process is the emphasis and place of the environment within which the solution and success are anticipated. This embeds the duty and leadership of the national stakeholders, with uncompromising support from regional, international and NGO participants making success more realistic and tangible

> *"Our large-sample analysis found a systematic pattern when it comes to regulation [environment]: services located in countries which, as of 2015, had enabling mobile money regulations, were substantially more effective in "converting" unique mobile subscribers to mobile money services, and enjoyed significantly greater transaction volumes"…..*

*GSMA, Success factors for mobile money services, A quantitative assessment of success factors NOVEMBER 2016*

Ensuring we have an <u>environment led discussion</u> shall play a key part in ensuring the following

- Tackle and solve the question and challenges of <u>regulations</u>, <u>policies</u> and <u>laws</u> to ensure that we have a fit for purpose environment hinged on dynamic regulatory frameworks that are designed to guide and enable the success of development initiatives

- National <u>governments</u> are placed at the center of the push for development, take responsibility and ownership

- From the similarities of regulations flowing from agreement of aims and goals we begin to evolve and work on international <u>standards</u> that take national peculiarities and realities into consideration

- Private sector providers and <u>investors</u> derive confidence from certainty, motivated to innovate, invest and forge more international and national partnerships

- An agreement that sustainability = profitability. The idea that gifts and aids are the fuel for development is false. <u>Private sector</u> providers must have the means to make profit within an environment that guarantees fairness, certainty and transparency.

- The <u>individual</u> derives real benefits enshrined through regulations and guarded in the environment.

- State drafted, owned and implemented regulations demands duties, imposes responsibilities and requires oversight for success from the relevant national governments, hence the need for buy in and leadership from the State



- The definition and implementation of what we mean by sustainability. Any environment that we deploy in with a view to ensuring societal, infrastructure and people development must promote the long term sustainability of solutions, projects and investments. This means we ensure, through deliberate policies driven and led by the national governments with alignment and support from international stakeholders, that national environments are profit ready and profit friendly.

- An ideal environment for development must have as its goal the self sufficiency of its citizens. Recent migration and risky journeys into Europe from emerging markets partly shows that the flow is coming mainly from markets that are recipients of grants and aids, housing most of the leading IT infrastructures in the world. However, it is also a fact that these are nations that require policies and regulations that provide an environment which facilitates the realisation of agreed goals through the reliance on a structured policies and regulatory framework, where individuals can realise their life visons. Presently, most international involvements are in the form of aid, which, in the long run, defeats the purpose of sustainability and empowerment and has the impact of maintaining the status quo

- As we put national governments at the center of policies and regulations, they must in turn put citizens, their worth, empowerment and personal development as the primary focus of the enabling environment for development.