UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

UNCTAD

Expert Meeting on

THE IMPACT OF ACCESS TO FINANCIAL SERVICES, INCLUDING BY HIGHLIGHTING THE IMPACT ON REMITTANCES ON DEVELOPMENT: ECONOMIC EMPOWERMENT OF WOMEN AND YOUTH

12-14 November 2014

SESSION 5:
NEW TECHNOLOGIES TO IMPROVE ACCESS TO FINANCIAL SERVICES

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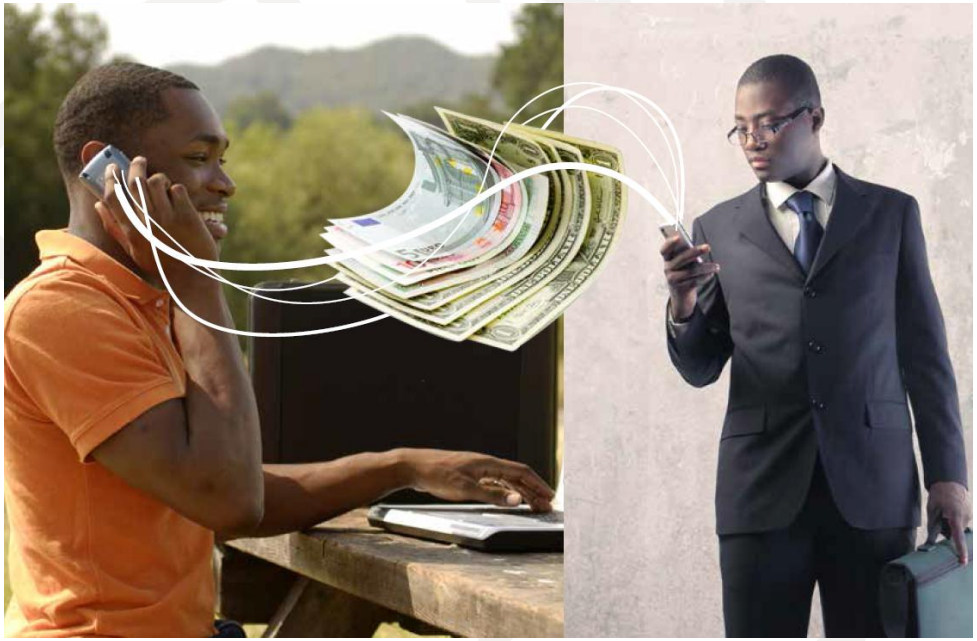
International Telecommunication Union

50 UNCTAD 1964
PROSPERITY FOR ALL

Committed to connecting the world

ITU and Digital Financial Services



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ITU: International Telecommunication Union

- Founded in **1865**; Responsible for issues that concern Information and Communication Technologies.
- **193** Member States, **545** Sector Members, **161** Associates, and **33** Academia.
- HQs in Switzerland, Geneva; and 4 Regional Offices & 7 Area Office.

ITU-R

ITU's Radio-communication Sector that globally manages radio-frequency spectrum and satellite orbits that ensure safety of life on land, at sea and in the skies.

ITU-T

ITU's Telecommunication Standardization Sector that enable global communications by ensuring that countries' ICT networks and devices are speaking the same language.

ITU-D

ITU's Development Sector that fosters international cooperation and solidarity in the delivery of technical assistance and in the creation, development and improvement of telecommunication/ICT equipment and networks in developing countries.

ITU: Reaching out to the World

ITU Headquarter: Geneva, Switzerland

Europe Regional Office
Geneva, Switzerland

CIS Area Office
Moscow, Russia

Americas

Regional Office
Brasilia, Brazil

Area Offices
Tegucigalpa, Honduras.
Santiago, Chile.
Bridgetown, Barbados

Asia-Pacific

Regional Office
Bangkok, Thailand

Africa

Regional Office
Addis Ababa, Ethiopia

Area Offices
Yaoundé, Cameroon
Harare, Zimbabwe
Dakar, Senegal

Arab

Regional Office
Cairo, Egypt

Work Areas
of the ITU


Emergency


Education


Health


Agriculture

Governance


Investment


Applications


Policy & Regulation


Capacity Building


Transport


Sensor Networks


Universal Broadband


Green ICT & E-Waste


Measurements


Electricity


Infrastructure Security


Privacy & Security


Water

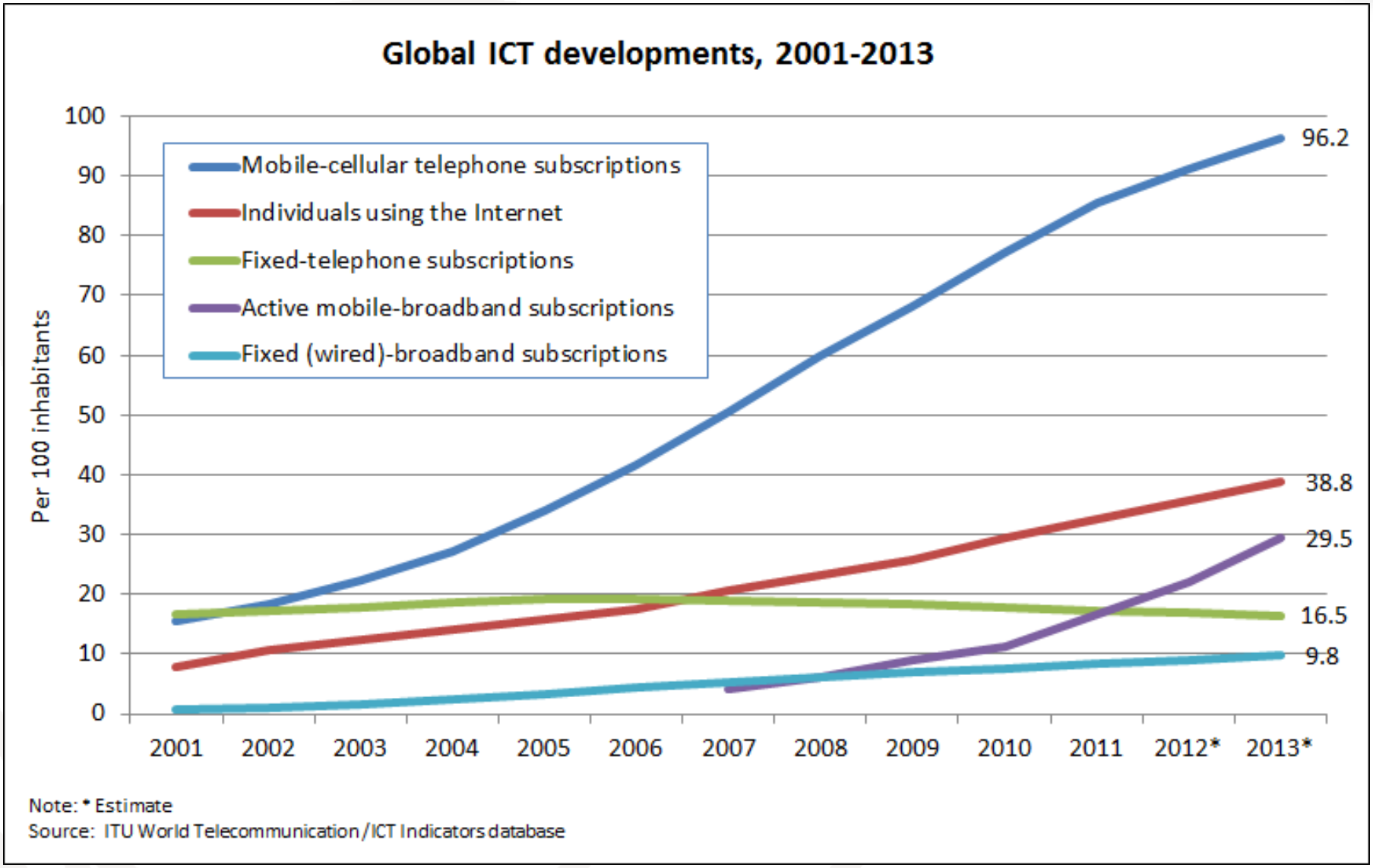

Digital Inclusion

SMART SUSTAINABLE CITIES


Spectrum Management


Standards, Conformity & Interoperability

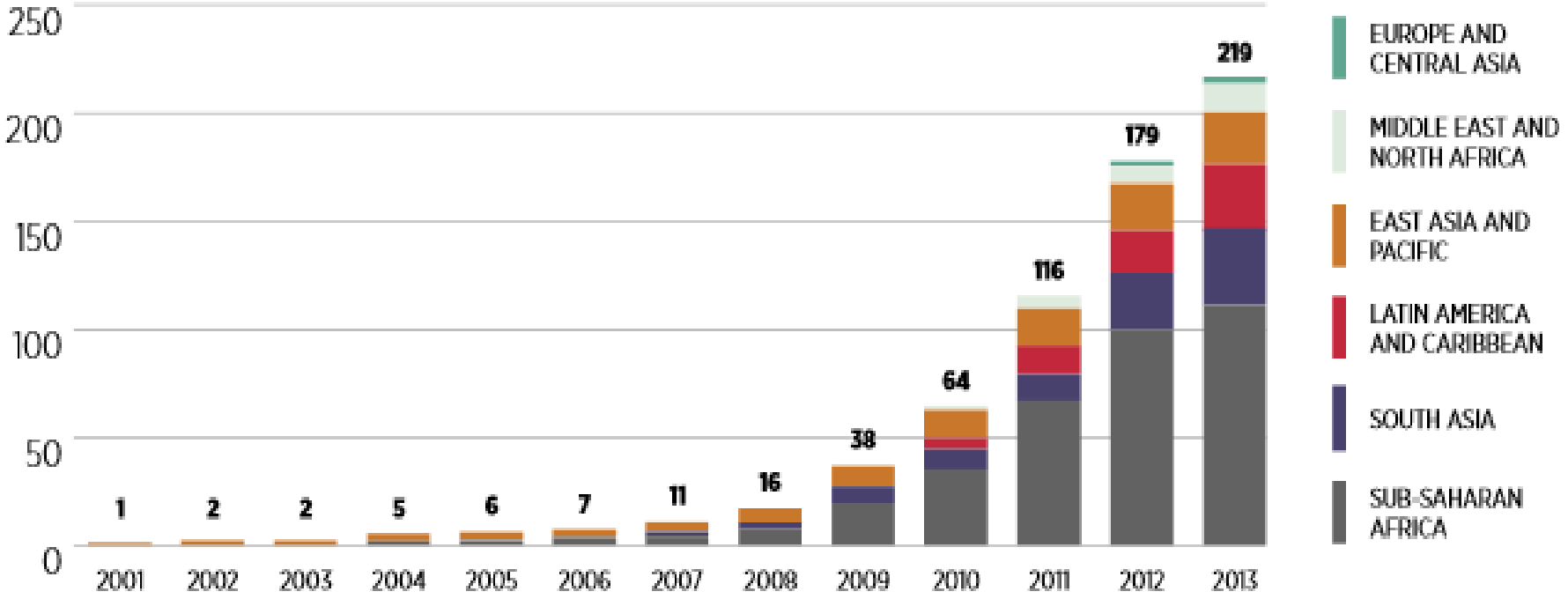

Finance & Payment


Global ICT developments, 2001-2013
Per 100 inhabitants
100
90
80
70
60
50
40
30
20
10
0
Mobile-cellular telephone subscriptions
Individuals using the Internet
Fixed-telephone subscriptions
Active mobile-broadband subscriptions
Fixed (wired)-broadband subscriptions
96.2
38.8
29.5
16.5
9.8
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012*
2013*
Note: * Estimate
Source: ITU World Telecommunication/ICT Indicators database

Mobile Money Growth

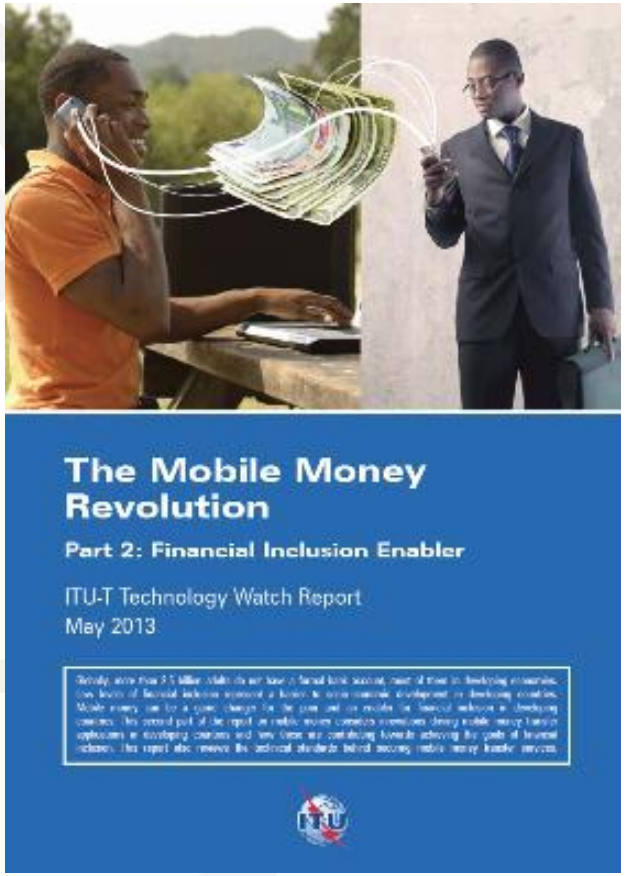
FIGURE 1

NUMBER OF LIVE MOBILE MONEY SERVICES FOR THE UNBANKED BY REGION (2001-2013; YEAR END)



Source: GSMA

Technology Watch (ITU-T)



ITU has produced two Technology Watch Reports on Mobile Money

Financial Inclusion

Financial Inclusion

- Low levels of financial inclusion represent a barrier to socio economic development in developing countries.
- Globally, more than 2.5 billion adults do not have a formal bank account, most of them in developing economies
- 59% of adults in the developing countries do not have a formal bank account
- But most of them have a mobile phone

Business Models

Banks have sole control on the accounts offered to individuals which can be managed through other channels such as mobile phones.

Examples: CAIXA (Brazil), Barclays, Xac Bank (Mongolia)

Banks offer accounts to individuals through non-bank (MNO) agents and/or technological platforms online.

Examples: EKO (for State Bank India (SBI)) and SMART (for 21 banks in the Philippines).

Banks issue e-money which is purchased from bank and redistributed by non banks to customers.

Examples: Orange Money in West Africa (e.g. Senegal, Côte D'Ivoire, Mali and Niger).

Non-bank issues e-money and keeps equivalent asset value in pooled accounts in regulated bank.

Examples: Safaricom and M-PESA, GCash.

Bank Centric Model

MNO Centric

Two main technologies emerging

Cloud-based payments

NFC-based payments
(Near Field Communications)

Digital Financial Services
--- Key Issues ---

- Network interoperability
- Access to business critical technology
- Coordination between different regulators
- Level playing field – Licensing

Analyze best practices to develop global standards

Focus Group on Digital Financial Services (FGDFS)

- Chaired by Sacha Polverini, Bill & Melinda Gates Foundation
- First Meeting: 5 December 2014, ITU, Geneva
- Workshop on Digital Financial Services and Financial Inclusion: 4 December 2014, ITU, Geneva
- Create a platform for dialogue between telecom regulator, financial services regulator and operators.
- ITU Contact : Vijay Mauree, Programme Coordinator, E-mail: vijay.mauree@itu.int
- Web: http://www.itu.int/en/ITU-T/focusgroups/dfs/
- Subscribe to FG mailing list on website
- Terms of Reference

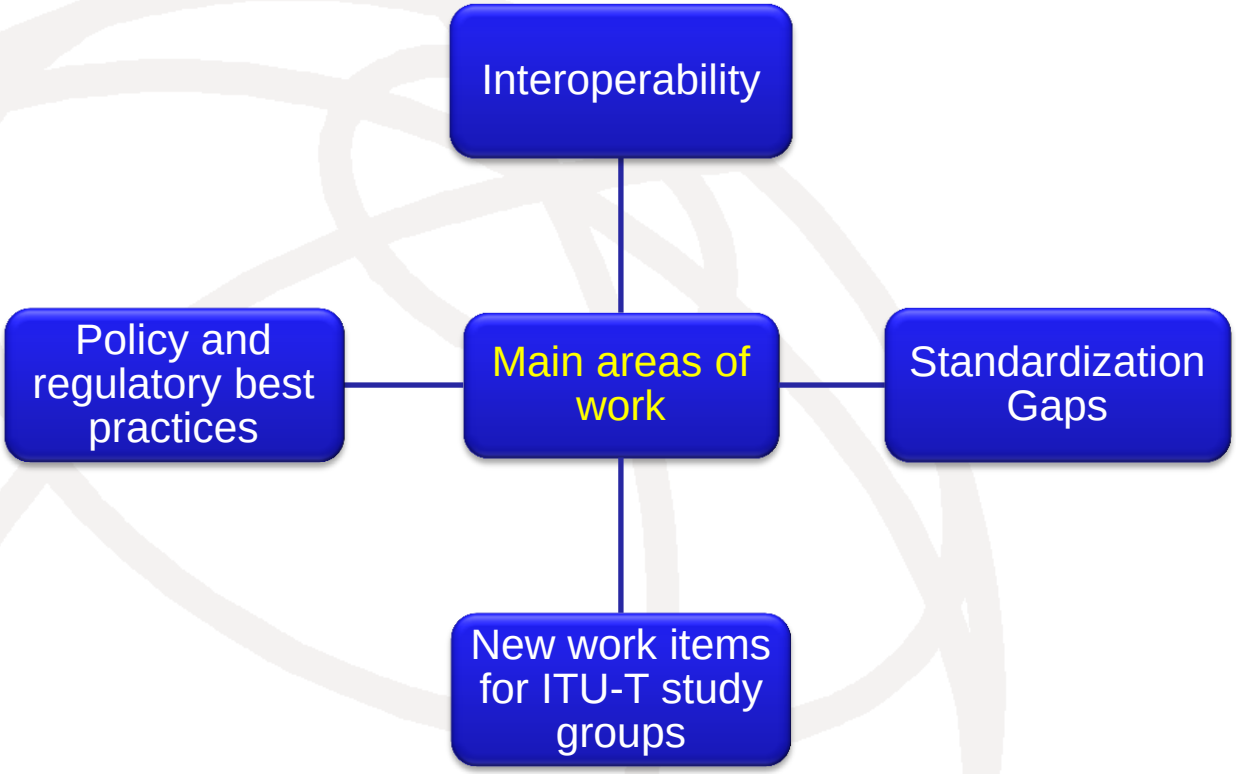
FG Digital Financial Services

GOAL: Develop a standardization roadmap for interoperable digital financial services for financial inclusion.

Objectives

- Identify the technology trends in digital financial services over the coming years and how the role of various stakeholders in this ecosystem will evolve.
- Establish liaisons and relationships with other organizations.
- Describe the ecosystem for digital financial services.
- Suggest future ITU-T study items and related actions for various ITU-T study groups
- Identify successful use cases for implementation of secure digital financial services including developing countries with a particular focus on the benefits for women.
- Study the best practices related to policies, regulatory frameworks, consumer and fraud protection, business models and ecosystems for digital financial services.
- Work towards the creation of an enabling framework for digital financial services.

FG Digital Financial Services



- Meetings will be held in different regions
- Thematic workshops will be held back to back with the meetings
- Create a platform for dialogue between telecom regulator, financial services regulator and operators.

Thank You