



## Global Symposium for Regulators 2016 (GSR) Thematic Pre-Conference

### Global Dialogue on Digital Financial Inclusion

Sharm el-Sheikh, Egypt, 11 May 2016

#### Background

More than 2 billion adults mostly in developing countries are considered “financially excluded” as they operate almost entirely in cash and rarely have easy access to formal financial services such as basic bank accounts at a regulated financial institution. Lack or limited access to financial services presents a barrier to socio-economic development in particular for developing countries. **ICTs plays a key role in empowering people** by helping them make better-informed decisions, by providing access to education resources and health information, and by delivering services such as digital payments, mobile banking, e-government and social media networks, among others. With more than 7 billion mobile cellular subscriptions worldwide, today, access to, and use of ICTs and emerging innovative technologies provide a promising way to increase access to financial services to the “un- and underbanked”, particularly in poor and rural areas, and to allow them to participate in the global digital economy. In this context, digital financial inclusion has become the cornerstone of national Financial Inclusion strategies in many countries around the world. Ensuring safe, secure and simple access to ICT-enabled digital financial services is increasingly becoming a priority for governments, regulators, industry and communities alike. The complexity of different digital and mobile banking models that are broadening the digital financial services value chain creates an increased need for dialogue between the financial sector and telecommunications/ICT sectors.

#### The Initiative

The Telecommunication Development Bureau of the International Telecommunication Union (ITU) has launched a new initiative to organize Global Symposium for Regulators (GSR) thematic pre-conferences to foster and strengthen collaborative regulation between ICT regulators and regulators from other sectors. Recognizing the imperative importance of promoting the dialogue on digital financial inclusion, the Global Dialogue on Digital Financial Inclusion (GDDFI), to be held on 11 May 2016 back-to-back with ITU’s GSR, will be the first of a series of global events organized by ITU in collaboration with its partners the Bill & Melinda Gates Foundation and the Alliance for Financial Inclusion (AFI).

The aim of this unique high level Global Dialogue is to bring together the telecom/ICT and financial regulators from around the world, establish a constructive dialogue and provide all parties with the opportunity to meet, explore synergies, identify possible regulatory overlap(s), share views and experiences, to learn from all stakeholders’ concerns and successes, identify good practices, strengthen coordination and cooperation and identify means of developing collaborative approaches to policy and regulation. The event will conclude with the identification of collaborative guiding measures needed to turn today’s digital financial challenges into tomorrow’s digital financial opportunities for all, and such results will be widely disseminated to stakeholders. The event will be organized around high level interactive panel sessions composed of financial regulators, telecom/ICT regulators, market players, development banks, and other stakeholders.





## GSR-16 Thematic Pre-Conference

### Global Dialogue on Digital Financial Inclusion

#### Provisional Programme

Monday 11 May 2016

08.00 – 09.30 Delegates registration

09.00 – 09.30 **OPENING CEREMONY**

09.30 – 11.00 **Session 1: Digital Financial services: The state of play**

Ensuring full digital financial inclusion is of utmost importance in a digital world where more people have a mobile phone than a bank account. Reducing not only the digital divide but also the financial/banking divide will contribute to alleviating poverty by empowering the population at the base of the pyramid and ultimately foster social and economic growth.

Different digital and mobile banking models have been developed, following different regulatory and policy approaches leading to various experiences and degrees of successes. Learning from these experiences, the regulatory frameworks in place, the co-existence and interconnection of the banking and ICT ecosystems, the various roles of financial and ICT regulators and the views of the market players will help shape the discussions on means to achieve digital financial inclusion.

Panellists will share their views, experiences and success stories on topics such as:

- Definition of digital financial inclusion. How can digital financial services contribute to poverty alleviation? Where do we stand today?
- What are the pathways to digital financial services? What kinds of digital financial services are available for end users, SMEs? Adoption/usage of electronic payments, micro-credits and loans, savings, insurance, digital remittances, etc.
- Overview of the existing digital transactions models and payment platforms, mobile money strategies, emerging business models and innovative technologies in use
- What regulation is needed to support effectively the bank-led and non-bank-led (operator and third party) models and interaction? What is the interplay between both regulatory frameworks? Does existing regulation cover new digital finance service providers?
- Who is in charge of regulating? What role do key stakeholders play, in particular financial and ICT regulators?

11:00 – 11:15 *Coffee Break*



**11.15 – 12.45      Session 2: prospects and Challenges: setting it right**

Panellists will share their experiences and views on the major challenges and risks currently preventing the digital financial ecosystem from developing into a competitive and innovative way to effectively reach the poor. In an environment where banking and telecom/ICT regulations co-exist and intersect, how to ensure consistency, coordination, avoid overlaps and mitigate risks?

- Technical gaps: reliability and security of networks, interoperability of platforms, enabled devices, standards setting to ensure security of transactions, authentication of users, etc
- Business and commercial gaps: sustainability, return on investment, online payment platforms, taxation, advances in digital payments risk mitigation (fraud), interplay of existing and new actors in a broaden digital financial services value chain
- Regulatory gaps: ensuring a level playing field, how to prevent de facto monopoly position of dominant service providers, number and data portability, interoperability, quality of service, universal access (gender inclusive), consumer protection (privacy and data protection, prevent misuse, recourse mechanisms) regional and international harmonization of regulation, etc

*12:45 - 14:00      Lunch*

**14.00 – 15.15      Session 3: Shaping Collaborative Approaches to promote Digital Financial Services**

This interactive panel will examine the respective roles and responsibilities of the financial and ICT regulators and market players involved, discuss how to build synergies and identify collaborative approaches to address existing challenges, promote and enable digital financial inclusion to turn today's challenges into tomorrow's digital financial opportunities for all.

*15:15 – 15:30      Coffee Break*

**15.30 – 16.00      Session 4: The way forward – closing**

This final session will bring it all together by identifying potential options as well as concrete actions needed from all stakeholders to move forward the digital financial inclusion agenda. Collaborative guiding measures will be presented for adoption by participants.

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