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RESOLUTION 89 (Geneva, 2022)

Promoting the use of information and communication technologies
to bridge the financial inclusion gap

(Hammamet, 2016; Geneva, 2022)

The World Telecommunication Standardization Assembly (Geneva, 2022),

recalling

*a)* that financial inclusion is a key enabler for reducing poverty and boosting prosperity: around 1.7 billion people globally do not have access to formal financial services and women accounted for 56% of the unbanked[[1]](#footnote-1);

*b)* that, according to the Global Findex Report of the World Bank, more than half of adults in the poorest 40 per cent of households in developing countries[[2]](#footnote-3) were still without accounts in 2014 & 2017 and, moreover, the gender gap in bank-account ownership is not significantly narrowing: in 2011, 47 per cent of women and 54 per cent of men had an account; in 2014, 58 per cent of women had an account, compared to 65 per cent of men; also in 2017, 65 per cent of women had an account compared to 72 per cent of men;

*c)* that one way to bridge this financial inclusion gap is through information communication technology (ICT), particularly mobile phone technologies;

*d)* Resolution 55 (Rev. Hammamet 2016) of this assembly, on promoting gender equality in ITU Telecommunication Standardization Sector (ITU‑T) activities;

*e)* that the purposes of the Union include to foster collaboration among the membership for the harmonious development of telecommunications, sharing of best practices and enabling services to be offered at lowest possible cost;

*f)* the persistence of the digital divide and financial inclusion gap between women and men;

*g)* Resolution 1353 (Geneva, 2012) of the ITU Council, which recognizes that telecommunications and ICTs are essential components for developed and developing countries in achieving sustainable development, and instructs the Secretary-General, in collaboration with the Directors of the Bureaux, to identify new activities to be undertaken by ITU to support developing countries in achieving sustainable development through telecommunications and ICTs,

recognizing

*a)* that ITU‑T Study Group 3 has been involved in the study of mobile financial services through its Rapporteur Group on mobile financial services in collaboration with relevant standards development organizations (SDOs);

*b)* the work done by the ITU‑T Focus Group on digital financial services (FG DFS) established by the Telecommunication Standardization Advisory Group (TSAG) at its meeting in Geneva, 17‑20 June 2014, whose mandate was focused on innovations in payments and delivery of financial services via mobile technologies occurring in both developed and developing countries;

*c)* the work undertaken under the Financial Inclusion Global Initiative (FIGI) which was established in 2017 as a joint program of the ITU, World Bank and Committee on Payment and Market Infrastructures (CPMI) of the Bank for International Settlements and supported by the Bill & Melinda Gates Foundation, to implement the recommendations from the ITU‑T Focus Group on digital financial services and the Payments Aspects for Financial Inclusion (PAFI) report of the World Bank and CPMI to contribute to the goals of Universal Financial Access;

*d)* the establishment of the DFS Security Lab in 2020 under FIGI to help promote adoption of security best practices in emerging economies and collaborate with regulators and regional telecommunication regulatory bodies to implement the security recommendations under FIGI in developing and low income countries;

*e)* the work done by the ITU-T Focus Group on Digital Currency including Digital Fiat Currency (FG DFC) in 2017 – 2019, whose mandate focused on investigating the ecosystem of digital currency and digital fiat currency to identify standardization gaps and the potential for financial inclusion;

*f)* the work under the Digital Currency Global Initiative, which was established in July 2020 as a joint collaboration between ITU and the Future of Digital Currency Initiative, Stanford University to conduct further research on technical architecture, security, the technical implications and challenges in deployment caused by regulatory and policy requirements for central bank digital currency and other digital currencies and analyse the feasibility options for using digital currencies for financial inclusion;

*g)* the work done by ITU‑T Study Group 3,11,12 and 17 on telecommunication finance during the last study period,

considering

*a)* that the issue of access to financial services is one of global concern and requires global collaboration;

*b)* United Nations General Assembly Resolution 70/1 of 25 September 2015, on transforming our world: the 2030 Agenda for Sustainable Development, recognizing that it builds on the Millennium Development Goals and seeks to complete their unfinished business, and stressing the importance of the implementation of this new ambitious agenda, which has poverty eradication at its core and aims at promoting the economic, social and environmental dimensions of sustainable development;

*c)* that this Agenda, *inter alia*, undertakes the adoption and implementation of policies to increase financial inclusion and therefore integrates financial inclusion into several targets associated with the Sustainable Development Goals and their means of implementation;

*d)* the need to harness emerging technologies and digital tools to create innovative services on green finance to tackle the challenges of meeting sustainable development goals through financial services;

*e)* the need for regulators from the telecommunication and financial services sectors to collaborate with one another and with, *inter alia,* their finance ministries and other stakeholders, and to share best practices, since digital financial services encompass areas which fall under the purview of all parties;

*f*) the role that ICTs played during the COVID-19 pandemic in implementing sustainable and inclusive financial inclusion policy reforms geared towards recovery and enabling the poor to have access to finance;

*g)* that according to the Global Findex Study of the World Bank, one in five unbanked women does not have an ID which prevents them from being able to open a bank account;

*h)* the need for emerging economies to adopt policies that will encourage more women to have access to ICTs and financial resources and be able to use digital finance in a safe and secure manner;

i) the growing importance of fintech and new instruments and platforms, including mobile banking and peer-to-peer digital lending platforms, which have enabled access to financial services for millions of people and provided channels for smaller companies to raise capital, as well as the potential of big data and artificial intelligence in this respect,

noting

*a)* the target of universal financial access set by the World Bank, and that this goal has not been achieved globally in 2020. However providing access to a transaction account or electronic instrument to store money and send and receive payments, as the basic building block for people to manage their financial lives;

*b)* that interoperability is, *inter alia*, an important element to enable electronic payments in a convenient, affordable, fast, seamless and secure way through a transaction account; indeed the need for interoperability was also one of the findings of the Committee on Payments and Market Infrastructures (CPMI) - World Bank group Task Force on payment aspects of financial inclusion (PAFI), which identified required improvements to existing payment systems and services in order to increase further financial inclusion, recognizing that implementation of existing standards and best practices should be a priority;

*c)* that, despite the increase in financial inclusion and scaling up of mobile-money services in emerging economies over the past five years, financial inclusion for women still remains a challenge in addition to the implementation of emerging technologies such as fintech, artificial intelligence and digitization of government payments, and efforts to roll out standards and systems to support digital financial services will thus need to be continued and accelerated;

*d)* the importance of affordability of digital financial services, especially for people in low-income households, for achieving financial inclusion;

*e)* the work of FG DFS and FG DFC that was delivered to TSAG in 2017 and 2019 respectively;

*f)* the increased interest in emerging economies in using mobile financial services and digitizing government to person payments due to COVID19 pandemic and applications of emerging technologies such as machine learning and fintech to advance financial inclusion to better target reaching those in need of aid finances,

resolves

1 to continue and further develop the ITU‑T work programme, including the ongoing work in relevant ITU-T Study Groups , in order to contribute to the wider global efforts to enhance financial inclusion, as part of the United Nations processes;

2 to conduct studies and develop standards and guidelines in the areas of interoperability, digitization of payments, consumer protection, quality of service, use of open APIs for digital finance, fintech opportunities for green finance, big data and security of DFS, and artificial intelligence applications used in digital finance, blockchain applications in financial inclusion, digital currencies where such studies, standards and guidelines do not duplicate efforts taking place in other institutions and relate to the mandate of the Union;

3 to encourage collaboration between telecommunication regulators and financial services authorities to develop and implement standards and guidelines;

4 to encourage the use of innovative digital tools and technologies, as appropriate, to advance financial inclusion,

instructs the Director of the Telecommunication Standardization Bureau, in collaboration with the Directors of the other Bureaux

1 to report on progress on the implementation of this resolution annually to the Council, and to the the world telecommunication standardization assembly;

2 to support the development of reports and best practices on digital financial inclusion, and green finance, taking into consideration relevant studies, where clearly within the mandate of the Union and not duplicative of work for which other SDOs and institutions are responsible;

3 to establish a collaboration platform to connect DFS stakeholders, for peer learning, dialogue and experience-sharing in digital financial services and green finance among countries and regions, regulators from telecommunication and financial services sectors, industry experts and international and regional organizations;

4 to organize physical/virtual workshops and seminars for the ITU membership in collaboration with other relevant SDOs, academia and institutions with primary responsibility for financial services standards development, implementation and capacity building, in order to raise awareness and identify regulators' particular needs and challenges in enhancing financial inclusion, applications of emerging technologies in digital finance and share lessons learned from different regions;

5 to support and provide guidance to developing countries to undertake an assessment of the security of their digital financial services infrastructure;

6 to develop technical standards and guidelines that will foster emerging economies to cope with the risks of emerging technologies such as big data and artificial intelligence used in digital lending platforms as well as harnessing emerging technologies and fintech opportunities for green finance ;

7 to contribute to global efforts designed to deal with enhancing the cyber security and resiliency of the digital finance ecosystem through adoption of international standards and industry best practices,

instructs the relevant study groups of the ITU Telecommunication Standardization Sector

1 to organize the necessary work and studies in order to expand and accelerate the work on digital financial services, starting with their first meeting in the next study period;

2 to coordinate and collaborate with other relevant SDOs and institutions with primary responsibility for financial services standards development, implementation and capacity‑building, and with other groups within ITU,

invites the Secretary-General

to continue to cooperate and collaborate with other entities within the United Nations and other relevant entities in formulating future international efforts for effectively addressing financial inclusion,

invites Member States, Sector Members and Associates

1 to continue to contribute actively to ITU‑T study groups on issues related to use of ICTs to enhance financial inclusion, within the mandate of the Union;

2 to promote the integration of ICT, financial services and consumer-protection policies in order to enhance usage of digital financial services with the objective of increasing financial inclusion,

invites Member States

1 to develop and implement national strategies to address financial inclusion as a matter of priority and to leverage ICTs to bring financial services to the unbanked;

2 to include policies for women financial inclusion and security for digital financial services in their national ICT and financial inclusion strategies and adopt the security best practices such as Financial Inclusion Global Initiative;

3 to undertake reforms that will leverage ICTs to achieve gender equality within the objectives of this resolution and enhance women financial inclusion;

4 to increase coordination, as appropriate, among national regulatory authorities, in order to remove obstacles preventing non-bank service providers from accessing payment system infrastructures and financial service providers from accessing communications channels, and to foster conditions for affordable and more secure transfer of remittances in both source and recipient countries, including by promoting competitive and transparent market conditions.

1. Global Findex report 2017, World Bank. [↑](#footnote-ref-1)
2. These include the least Developed countries, small island developing states, landlocked developing countries and countries with economies in transition. [↑](#footnote-ref-3)