

I n t e r n a t i o n a l T e l e c o m m u n i c a t i o n U n i o n

ITU-T

TELECOMMUNICATION
STANDARDIZATION SECTOR
OF ITU

WORLD TELECOMMUNICATION STANDARDIZATION
ASSEMBLY

Hammamet, 25 October – 3 November 2016

**Resolution 89 – Promoting the use of
information and communication technologies
to bridge the financial inclusion gap**

ITU-T



FOREWORD

The International Telecommunication Union (ITU) is the United Nations specialized agency in the field of telecommunications, information and communication technologies (ICTs). The ITU Telecommunication Standardization Sector (ITU-T) is a permanent organ of ITU. ITU-T is responsible for studying technical, operating and tariff questions and issuing Recommendations on them with a view to standardizing telecommunications on a worldwide basis.

The World Telecommunication Standardization Assembly (WTSA), which meets every four years, establishes the topics for study by the ITU-T study groups which, in turn, produce Recommendations on these topics.

The approval of ITU-T Recommendations is covered by the procedure laid down in WTSA Resolution 1.

In some areas of information technology which fall within ITU-T's purview, the necessary standards are prepared on a collaborative basis with ISO and IEC.

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RESOLUTION 89 (Hammamet, 2016)

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

(Hammamet, 2016)

The World Telecommunication Standardization Assembly (Hammamet, 2016),

recalling

- a)* that financial inclusion is a key enabler for reducing poverty and boosting prosperity: around two billion people globally do not have access to formal financial services and more than 50 per cent of adults in the poorest households are unbanked;
- b)* that, according to the Global Findex Study of the World Bank, more than half of adults in the poorest 40 per cent of households in developing countries¹ were still without accounts in 2014 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, while at the regional level the gender gap is largest in South Asia, where 37 per cent of women have an account compared to 55 per cent of men;
- c)* that one way to bridge this financial inclusion gap is through information communication technology (ICT), particularly mobile phone technologies: currently, Sub-Saharan Africa is the only region where on average more than 10 per cent of adults report having a mobile money account;
- 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)* 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 establishment of the ITU-T Focus Group on digital financial services (FG DFS) by the Telecommunication Standardization Advisory Group (TSAG) at its meeting in Geneva, 17-20 June 2014, whose mandate focuses on innovations in payments and delivery of financial services via mobile technologies occurring in both developed and developing countries;
- c)* the work done by ITU-T Study Group 2 on telecommunication finance during the last study period,

¹ These include the least developed countries, small island developing states, landlocked developing countries and countries with economies in transition.

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 new 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 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,

noting

- a) the target of universal financial access by 2020 set by the World Bank, and that this goal will be achieved globally by 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 the World Bank group has committed to enabling one billion people to gain access to a transaction account through targeted interventions;
- c) 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;
- d) that, despite the huge success of mobile-money services in countries such as Kenya, Tanzania, Paraguay and Uganda, digital financial services have not had the same success and scale of usage in many other emerging economies, and efforts to roll out standards and systems to support digital financial services will thus need to be continued and accelerated;
- e) the importance of affordability of digital financial services, especially for people in low-income households, for achieving financial inclusion;
- f) the work of FG DFS to be delivered to TSAG in 2017;
- g) the increased interest in using mobile financial services in developing countries,

resolves

- 1 to continue and further develop the ITU-T work programme, including the ongoing work in Study Groups 2 and 3, 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, big data and security of digital financial services transactions, 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 2020 world telecommunication standardization assembly;

2 to support the development of reports and best practices on digital financial inclusion, 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 platform or, where possible, connect to those already existing, for peer learning, dialogue and experience-sharing in digital financial services among countries and regions, regulators from telecommunication and financial services sectors, industry experts and international and regional organizations;

4 to organize workshops and seminars for the ITU membership in collaboration with other relevant SDOs 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,

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 undertake reforms that will leverage ICTs to achieve gender equality within the objectives of this resolution;

3 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.