

ITUEvents

Sustainable digital transformation week for Africa region

15-19 May 2023
Kampala, Uganda

http://itu.int/go/SDTW_AfricaRegion



Host:



Co-organizers:



A large, light blue watermark logo is centered in the background. It features a globe with latitude and longitude lines, overlaid with a stylized 'F' and 'T' representing 'Fintech'.

Enabling Sustainable Digital Transformation Through Digital Financial Services

How Digital Financial Services Can Contribute towards Net Zero

*Arnold Kibuuka
Project Officer - TSB*

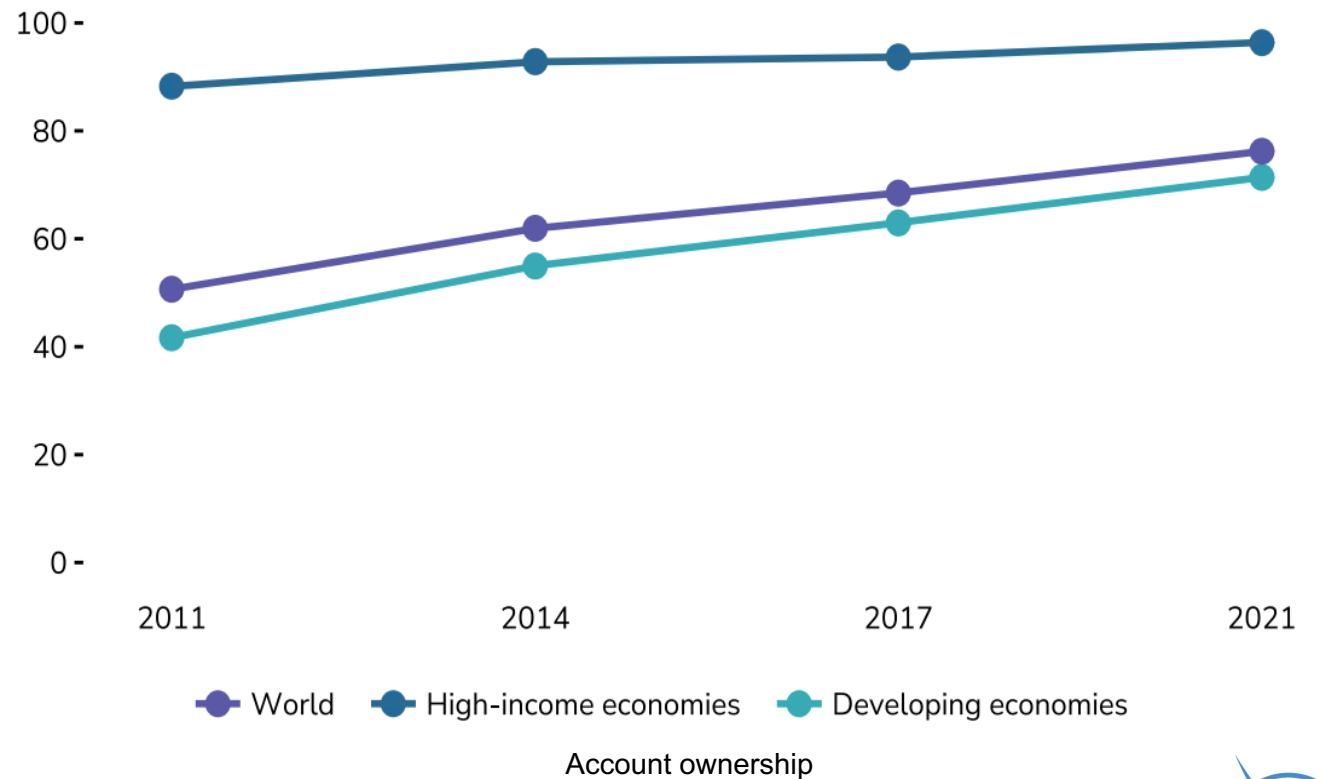
Introduction

- The financial sector is a major contributor to global greenhouse gas (GHG) emissions.
- In 2020, the financial sector was responsible for 7% of global GHG emissions.
- However, digital financial services can help to reduce these emissions and enable sustainable development.
- This presentation will explore how digital financial services can help achieve net zero emissions.

Financial Inclusion - *Account ownership trends*

- Global account ownership increased by 50% between 2011 to 2021
- Account ownership growth in developing countries was 70%
- 1.4 billion adults still remain unbanked in 2021 down from 1.7 billion in 2017 and 2.1 billion in 2014
- Two thirds of the unbanked have access to mobile phone
- Huge opportunity to reduce the financial inclusion gap
 - Mobile payments
 - Digitization of government payments

Adults with an account (%), 2011–21



Source: Global Findex Database 2021



Paper Money Sector's GHG Emissions

- In 2020, the paper money sector was responsible for 0.6% of global GHG emissions.
 - equivalent to the emissions of 100 million cars.
- The paper money sector's emissions come from a variety of sources, including:
 - The production of paper and ink
 - The transportation of cash
 - The destruction of cash



Source: Bank of Uganda

Role of Digital Financial Services as an Enabler

- Digital financial services can help to reduce the financial sector's impact on the environment in a number of ways.
- For example, digital financial services can help to:
 - Reduce the need for paper money
 - Increase financial inclusion*
 - Promote sustainable development

Digital Financial Services: Enabling Digital Transformation



Most Contaminated
notes in Uganda:

- Digital financial services can help to enable sustainable development by:
 - Improving access to education, healthcare, and other essential services
 - Reducing poverty and inequality
 - Promoting sustainable agriculture and food production
 - Increased security – no need to move with money.
 - *Cash and transmission of bacteria?*

ITU DFS Security lab – How the ITU is promoting trustable and secure financial services

- Provides technical assistance to emerging countries to set up a [DFS Security Lab](#) to test DFS apps.
- Published security recommendations for DFS providers and regulators DFS security and does [DFS security clinics](#) on the Recs.
 - [Recommendations for regulators to mitigate SS7 vulnerabilities](#)
 - [Security recommendations to protect against DFS SIM risks and SIM swap fraud](#)
 - [Mobile Application Security Best practices:](#)
 - [Template for a Model MOU between a Telecommunications Regulator and Central Bank on DFS Security](#)
 - [DFS consumer competency framework](#)
 - [DFS Security Assurance Framework](#)



Countries and Regions adopting the DFS recommendations

- Being adopted at a regional level by CRASA
- Being adopted at EACO regional level
- Country level adoption



Key Takeaways

- The financial sector has a major role to play in achieving net zero emissions.
- We need to invest in digital financial services to help us achieve a more sustainable future
- To nurture adoption- digital financial services need to be trustable and secure.

Call to Action:

- For more information on the ITU's work on digital financial services how to make them more trustable & secure: dfssecuritylab@itu.int



