

New Resolution on Digital Financial Services a plus for Developing countries

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Digital Financial Services (DFS) was featured on the ITU WTSA-16 agenda and the passage of a new resolution on DFS came to the delight of many developing countries. Quoting from the text of the resolution “financial inclusion is a key enabler to reducing poverty and boosting prosperity.” Around 2 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. According to the Global Findex Study of the World Bank¹, more than half of adults in the poorest 40 per cent of households in developing countries were still without accounts in 2014. 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, and 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.”

Digital Financial Services first appeared on the ITU-T agenda in June 2014 with the establishment of the ITU-T Focus Group on DFS. This opened an opportunity for member states to discuss innovations in the payments and delivery of financial services via mobile technologies occurring in both developed and developing countries. The two years culminated into a draft resolution that was presented at WTSA-16.

During WTSA -16 intense discussions on the draft resolution were focused on various aspects including DFS on mobile technologies and other technologies such as blockchain. DFS offers many benefits and developing nations in particular will likely benefit more from this new resolution.

Here are some highlights of the DFS resolution:

- That regulators from the telecoms and financial services sectors need to collaborate and share best practices as DFS encompass areas which fall under the purview of both regulators,
- the work of the ITU-T Focus Group Digital Financial Services identifies challenges preventing the scaling up of digital financial services at the global level and development of guidelines and best practices aimed at providing tools to regulators from both sectors to participate in efforts to establish effective financial inclusion strategies.
- 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 do not duplicate efforts taking place in other institutions and relate to the mandate of the Union
- To encourage the use of innovative digital tools and technologies as appropriate to advance financial inclusion;
- To establish or where possible connect to those already existing platforms for peer learning, dialogue and experience-sharing in digital financial services among countries and regions, regulators from telecom and financial services sectors, industry experts and international and regional organizations

¹“Global Findex Database.” World Bank, 2014 Edition,