

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

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 (Rev. 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 account for 56 per cent of the unbanked;
- 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 countries¹ were still without accounts in 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 with 65 per cent of men; and in 2017, 65 per cent of women had an account, compared with 72 per cent of men;
- c)* that one way to bridge this financial inclusion gap is through information communication technology (ICT), particularly mobile technologies;
- d)* that digital financial services have resulted in a dramatic increase in financial inclusion;
- e)* that digital financial services increase income and social participation in developing countries for women, girls and vulnerable groups, thereby reducing inequalities;
- f)* Resolution 55 (Rev. Geneva, 2022) of this assembly, on promoting gender equality in ITU Telecommunication Standardization Sector (ITU-T) activities;
- g)* 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;
- h)* the persistence of the digital divide and the financial inclusion gap;
- i)* Resolution 1353, adopted by the ITU Council at its 2012 session, 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;
- j)* Resolution 70 (Rev. Dubai, 2018) of the Plenipotentiary Conference, on mainstreaming a gender perspective in ITU and promotion of gender equality and the empowerment of women through telecommunications/ICTs;
- k)* Resolution 175 (Rev. Dubai, 2018) of the Plenipotentiary Conference, on telecommunication/ICT accessibility for persons with disabilities and persons with specific needs;

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

l) Resolution 184 (Guadalajara, 2010) of the Plenipotentiary Conference, on facilitating digital inclusion initiatives for indigenous peoples;

m) Resolution 204 (Dubai, 2018) of the Plenipotentiary Conference, on use of ICTs to bridge the financial inclusion gap,

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 undertaken by the ITU-T Focus Group on Digital Financial Services and the ITU-T Focus Group on Digital Currency including Digital Fiat Currency;

c) the work done by relevant ITU-T study groups on digital financial services 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) that stable digital financial services are important for expanding financial inclusion, and this requires cooperation, as relevant, from consumers, businesses, policy-makers and regulators;

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,

noting

a) the target of universal financial access set by the World Bank, and that this goal had not been achieved globally by 2020, yet providing access to a transaction account or electronic instrument to store money and send and receive payments is a 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 Task Force on payment aspects of financial inclusion (PAFI) convened by the Committee on Payments and Market Infrastructures (CPMI) and the World Bank Group, which identified required improvements to existing payment systems and services in order to further increase 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, digital financial inclusion still remains a challenge 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 developing countries and people in low-income households, for achieving financial inclusion;

e) the increased interest in using mobile financial services and digitizing government-to-person payments and applications of emerging technologies to advance financial inclusion to better target those in need,

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, big data, security of digital financial service transactions, and telecommunications/ICTs related to digital financial services 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, including consumer-protection guidance;

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 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 the 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, academia and institutions with primary responsibility for standards-development, implementation and capacity building in the area of financial services, in order to raise awareness and identify regulators' particular needs and challenges in enhancing financial inclusion and in respect of applications of emerging technologies in digital finance, and to share lessons learned from different regions,

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 standards development, implementation and capacity building in the area of financial services, and with other groups within ITU;
- 3 to develop technical standards and guidelines that will help developing countries take advantage of emerging technologies related to digital financial services;
- 4 to develop technical standards and guidance for developing countries to assess the security of their digital financial service infrastructure related to telecommunications,

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 ICTs, 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 and girls and vulnerable groups on financial inclusion and security for digital financial services in their national telecommunication/ICT and financial inclusion strategies;
- 3 to undertake reforms that will leverage ICTs to achieve gender equality within the objectives of this resolution and enhance financial inclusion for women and girls and vulnerable groups;
- 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;
- 5 to contribute to global efforts designed to deal with enhancing the cybersecurity and resilience of the digital finance ecosystem through adoption of international standards and industry best practices;

6 to share international experiences in the use of the telecommunication/ICT-related unique identifiers and improve national identification systems, noting that such systems can allow people who lack formal education and/or are undocumented to establish a unique digital identity that a financial institution can use;

7 to consider eliminating or reducing regulatory fees and levies in the cost of ownership of a mobile connection for the poorest households, thereby ensuring that hard-to-reach populations, such as women and girls and vulnerable groups, have affordable access to mobile connections for the use of financial services;

8 to encourage telecommunication/ICT-related measures to facilitate interoperability of digital financial services.