

**Thursday 27<sup>th</sup> April 2017**  
**(Exploring innovation in Transactions and Financing in the Caribbean II)**

Speech by Cleveland Thomas

- The Honourable Minister of State in the office of the Prime Minister with responsibility for Finance, Investment, Telecommunications and Energy.
- Dr. Kim Mallalieu, Deputy Chairman, Board of Directors, Telecommunications Authority of Trinidad & Tobago (TATT); Senior Lecturer and Head, Department of Electrical and Computer Engineering Faculty of Engineering, ST. Augustine Campus, TRINIDAD.
- Ms. Bernadette Lewis, SG, Caribbean Telecommunications Union.
- Chief of the Caribbean Knowledge Management Centre, Mr. Peter Nicholas
- CEO, Pinaka Technologies – Mr Shiva Bissessar
- Permanent Secretaries, Regulators and policy makers
- Board members and executives of ECLAC and TATT
- Distinguished ladies and gentlemen
- Members of the Media  
Excellencies  
Distinguished Guests  
Ladies and Gentleman

Good morning

It is my great pleasure to welcome you here to Trinidad and Tobago once again to this 2 day workshop on Exploring innovation in Transactions and Financing in the Caribbean II.

On behalf of the International Telecommunication Union, I would like to also take this opportunity to express my sincere appreciation to the Government of Trinidad and Tobago, to our partners; The Caribbean Telecommunication Union, the Telecommunications Authority of Trinidad and Tobago and the Economic Commission for Latin America for their commitment and tremendous support to make this event a success.

Almost one year ago (1 – 3 June 2016) we met right here in Port of Spain to discuss this very topic. At that time, the emphasis was on awareness building and dialogue/collaboration facilitation in the areas of financial technology (FinTech) and Digital Financial Services (DFS).

The appetite for information on this topic was piqued and remained high among the audience at the time. It was noted that further intervention and dissemination of knowledge were required. And caution was expressed that the Caribbean could potentially be left out of experiencing advantages associated with such innovation due to more pressing areas of concern which limits funding into proper exploration of same

As next steps, a couple recommendations are worth mentioning once again:

- Firstly, The Caribbean should consider a regulatory approach which facilitates increased market competition and the development of an enabling ecosystem, that encourages the creation of value added services which could tap into new financial services and
- Secondly, the region should develop a regional M-Money Task Force and Plan of Action through CTU as a CARICOM Agency and in collaboration with ITU Focus Group Digital Financial Services and UN ECLAC.

While, there have been some progress over the year, we still have more than 2 billion people still remaining outside of the formal financial system. Over 80 per cent of all transactions are still conducted using cash.

In a number of quarters in the Caribbean, the challenges on DFS remain and are substantially the same, that is, lack of clear policies, security and fraud prevention, limited or no regulations, limited co-operation among financial and international institutions and law enforcement.

Using agents and digital channels for financial transactions can lower costs by as much as 90 per cent compared to similar transactions conducted in physical branches of financial service providers. As a result, DFS providers (both banks and nonbanks) can offer financial services profitably in areas where bank branches and automated teller machines (ATMs) are not viable to consumers who have historically been unprofitable to serve.

Today, internationally, Girls in ICT Day is celebrated around the globe and hundreds of events showcasing the technological skills of girls and young women are being organized. The day highlights the value of women in the field of information and communications technology (ICT), and seeks to encourage more girls to plan for a career in this expanding field. The day is organized annually by the International Telecommunication Union (ITU).

I want to extend a warm and Happy Girls in ICT Day

In Geneva, the girls demonstrated new digital skills they learned in activities leading up to Girls in ICT Day and had the opportunity to meet women mentors from the tech sector. In Vilnius, Lithuania the girls enjoyed a robotics workshop, practical demonstrations of virtual and augmented

reality, and witnessed a presentation of winning projects from Lithuania's biggest annual robotics and technology competition, ROBOTIADA.  
Ladies and gentlemen.

In the Caribbean, more than 90 young female coders will take part in a regional hackathon event supported by Cotton Tree Consulting and Change Makers Development Ltd. Throughout the day in various countries, young women will also be engaged in hands-on activities, guided by tech mentors, that used ICT to create, innovate and generate solutions to various challenges. The activities will include mobile app-building, animation, robotics, digital video production and digital artworks, and web development, to name just a few.

Meanwhile, financial technology (FinTech) firms are digitizing paper-based transaction data to identify potential demand for financial services such as credit, savings, and insurance. We have seen successful money transfer companies making more and more strides in the sector, such as M-Pesa, Azimo, Nerdwallet, Halo and the likes, and other such opportunities where financial services have become available at an affordable cost to people around the world.

These companies have enabled millions of people, including women in rural and remote areas in the poorest parts of the world to gain access to business opportunities and take control of their economic lives.

Ladies and Gentlemen,

ITU, as a multi-stakeholder body with representation from the governments of 193 countries around the world, is working towards developing a code of practice for regulators (especially in the developing world) with a view to creating a level playing field that will enable stakeholders to engage in mobile money services, thereby promoting financial inclusion. As a precursor to this, ITU has established a Task Force on Mobile Money for Emerging Economies, with stakeholders such as GSMA, the World Bank, the Gates Foundation. ITU plays an important role in facilitating the standardization of innovations in the area of m-money/digital financing in emerging economies, and this is done through the ITU-T Focus Group Digital Financial Services.

After two years of extensive consultation, the ITU Focus Group on Digital Financial Services (DFS) in March 2017 announced that it has concluded its work with the publication of 85 policy recommendations and 28 supporting thematic reports. The Focus Group brought together more than 60 organizations from over 30 countries to drive greater financial inclusion for the estimated 2 billion people around the world who remain unbanked.

The 85 policy recommendations offer guidance in areas such as digital liquidity, consumer protection to enhance DFS usage, data privacy, digital identity and e-KYC (Know Your Customer),

as well as interoperability and fair access to the communication channel. Some of its core suggestions include:

- Policymakers and regulators should support the growth of an open ecosystem for DFS that promotes innovation and ensures robust competition
- Regulators should standardize definitions of fraud types and require standardized, electronic and timely fraud reporting from providers
- Access criteria for interoperability schemes should be clear, objective, publicly disclosed and allow new participants, banks and authorized /regulated non-banks to join.

This is a practical toolkit that can be adapted to local needs.

As I close, I am very happy that today, we are continuing our dialogue that provides ICT and financial sectors with an opportunity to meet, share views and experiences, and identify good practices for collaborative regulation.

Together, we can therefore identify collaborative guiding measures to develop digital financial opportunities for all. Building on knowledge, increasing awareness, I say Digital financial opportunities for all. Over time we need to move from theory to implementation. I am hopeful that we, at the end of this 2 day event would be closer to realizing the benefits of implementation.

Thank you.