

Digital Financial Services – ECLAC Opening Remarks

April 27 2017, Port of Spain, Trinidad and Tobago

On behalf of the United Nations Economic Commission for Latin America and the Caribbean, Subregional Headquarters for the Caribbean, welcome to the workshop on *Digital Financial Services*. I would like to thank our partners and organisers – the International Telecommunications Union, the Caribbean Telecommunications Union and the Telecommunications Authority of Trinidad and Tobago – for all the work that has gone into the planning and execution of this event.

The Economic Commission for Latin America and the Caribbean – ECLAC – is a think tank focused on public policy analysis to advance social development and economic growth in its member States and Associate Members.

At ECLAC, we have been studying the rapidly evolving landscape of Financial Technology – FinTech – for several years now. We are interested in the potential of new forms of payment systems to support e-commerce, of crowd funding technologies that can enable business development, and of regulatory tools that can detect and prevent financial crimes.

Our Director, Ms. Diane Quarless, sends her apologies as she is attending the First Meeting of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development in Mexico City. The Forum is a regional mechanism to follow up and review the implementation of the 2030 Agenda for Sustainable Development, including the Sustainable Development Goals (SDGs) and targets, its means of implementation, and the Addis Ababa Action Agenda of the Third International Conference on Financing for Development.

In relation to the SDGs, which are a set of 17 goals that were adopted by the United Nations in 2015, encompassing 169 targets to be met by the year 2030, there are at least six goals and over ten indicators either directly referencing or relying on improvements to financial services:

Objective 1. End poverty in all its forms and around the world

Indicator 1.4 refers to equal access to economic resources and basic services, new technologies and **financial services**, including microfinance

Objective 5. Achieving gender equality and empowering all women and girls

5.a Undertake reforms that grant women equal rights ... including access to ownership and control of **financial services**

Objective 8. Promote sustained economic growth

8.3 Promote policies that support entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro and small and medium-sized enterprises, including through access to **financial services**

8.10 Strengthening the capacity of national financial institutions to promote and expand access to banking, **financial services for all**

Objective 9. Build Resilient Infrastructures

9.1 Develop reliable, sustainable, regional and **cross-border infrastructures**, to support economic development with particular emphasis on **affordable and equitable access for all**

9.3. Increase access of small industries and other enterprises, particularly in developing countries, to **financial services**, including affordable credit, and their integration into value chains and markets

9.a To facilitate the development of sustainable and resilient infrastructures in developing countries through increased financial, technological and technical support to small island developing States

Objective 10. Reduce inequality in and between countries

10.5 Improve the **regulation and surveillance of global financial institutions** and markets and strengthen the implementation of such regulations

10.c By 2030, reduce the transaction costs of migrants' remittances to less than 3% and eliminate remittance brokers at a cost of more than 5%

As an entity of the United Nations Secretariat, ECLAC is particularly interested in how technologies developed for the financial sphere can be used to address social needs such as financial inclusion, organizational governance, and identity management.

Goal 16 – which speaks to **the promotion of Peace, Justice, and Strong institutions** – includes a target that says that, **by 2030, legal identity, including birth registration, should be provided to everyone in the world.**

We are particularly interested in the area of identity management because we feel that the establishment of effective systems that allow individuals to access and control their unique digital identity can be an important tool for human rights and the promotion of social and economic development.

The pursuit of this goal has been taken up by the ID2020 initiative (<http://id2020.org>), in which the UN is collaborating with partners in the private sector to explore how technology – including blockchain technology – can be used to provide legally recognized digital identity services. We at ECLAC believe this is important because strong identity standards can provide the foundation for a range of next-generation digital services that can drive growth and help reduce inequality in Caribbean countries as **Legal identity is seen as the first step to financial and social inclusion.**

Financial technology and identity management are just two fields that will see major new innovations that are made possible by the recent wave of development in the field of cryptographic technology. There are indeed many opportunities before us – and many risks. There are great possibilities, but there are also constraints. Our challenge for the next two days is to explore all of these aspects, and to move toward a common understanding of how these new technologies can be adapted to fill an appropriate role in society, and how they - and we - can help to build a more prosperous Caribbean.

Distinguished guests, ladies and gentlemen, I look forward to an engaging and fruitful two days of deliberation and discussion.

Thank you.

Peter Nicholls, Chief, Caribbean Knowledge Management Centre, ECLAC subregional headquarters for the Caribbean

<http://vrb.al/vintech2017>