

# Towards Financial Inclusion: Shared Principles for an Inclusive Financial System

There are still 1.7 billion individuals without access to a bank or mobile money account. Despite progress, financial systems continue to exclude many. Digital technology has the potential to close the financial inclusion gap by reducing the cost, distance and speed of offering financial services. Now is the time to re-think our approach to financial inclusion, and we can step towards financial inclusion with the launch of the EDISON Alliance Shared Principles for an Inclusive Financial System.

The Covid-19 pandemic has accelerated the trend toward greater digitization. However, it also underscored the risk that a lack of broadband internet access, affordable tools and the know how to use them safely and securely creates a digital divide.

Bridging that divide is critical to ensuring a inclusive and sustainable digital economy which creates pathways to growth and opportunity for all. The Internet of Everything won't work without the Inclusion of Everyone.

Inclusion is a system-wide objective -- bringing together all participants as co-creators of a financial system for all -- and the seven Principles described below are intended to provide the basis for consensus and dialogue with established and emerging players from across the public and private sectors, seeking to build partnerships and collaboration. They offer a vision of how to ensure affordable, sustainable financial inclusion that creates a level playing field and ensures competition.

## The seven Principles are:

- 1. Inclusive by design:** embedding inclusion as a principle in the design of all policies, regulations, supervisory practices, products, services, security procedures, technologies and infrastructure.
- 2. Integrated system:** enabling integrated ecosystems that supply high quality, differentiated and interoperable products and services for all.
- 3. Digitally led:** promoting safe and efficient digital payments and finance ecosystems that democratize access to the formal financial system through enabling infrastructure, regulations, products and services.
- 4. Economically sustainable:** providing and maintaining quality payments and markets infrastructure, investing in innovation, keeping pace with consumer needs and demand, and ensuring the value created is appropriately shared between consumers, producers and intermediaries.
- 5. Informed by data:** using data from digital transactions in a safe and responsible manner to design financial inclusion policies, regulations, products and services.
- 6. Trusted:** cultivating trust by educating and protecting consumers; ensuring transparency of laws, regulations, products, services and data practices; providing reliable infrastructure; and implementing rigorous privacy and cybersecurity frameworks.
- 7. Effectively regulated:** adopting a non-discriminatory technology-neutral, principle-based and risk-based approach to regulation and supervision that is committed to the standard of proportionality and transparency.

*The 'Shared Principles for an Inclusive Financial System' white paper has been developed as an initiative of WEF's EDISON Alliance. It has been led by WEF and Mastercard, with contributions from other EDISON Champions including Barclays, GSMA, UNECA, Vista Equity Partners and Western Union.*