



FINTECH WEBINAR SERIES FOR INVESTORS

IFC Webinar I: Guidelines for Responsible DFS Investment

April 12th, 2018

Overview

As part of its ongoing [series](#) for investors on responsible FinTech, SPTF hosted a webinar with IFC's Lory Camba Opem to discuss the development of the [Guidelines for Investing in Responsible Digital Financial Inclusion](#). Thomas Koch of DEG and Kate Hallam of CDC Group, who have also been part of the Guidelines' development, provided additional commentary.

The Guidelines

While digital financial services (DFS) can provide several benefits to clients – such as easing access to financial services – there are also several potential risks to clients, including lack of pricing transparency or data privacy. To help capture the opportunities presented by DFS *and* address the risks to clients, the Responsible Finance Forum (RFF) – a public-private partnership founded by CGAP, GIZ, and IFC – is developing the Guidelines, which are meant **to accelerate investments that create value-added benefits for digital finance clients and providers, as well as the broader digital ecosystem**. The Guidelines, which are anchored in the G20 High-Level Principles for Digital Financial Inclusion, are meant to be:

- *Collaborative*. For the RFF to carry out this mission, a critical mass of investors must share its vision and cooperate with each other to share their experiences in the field so that risks and solutions can be more easily identified. To that end, the Guidelines were developed by a diverse group of investors, including DFIs, private equity funds, venture capital funds, foundations, and banks. The Guidelines represent the issues that resonated most across the group, as well as a like-minded understanding of where the group would like the DFS sector to move.
- *Actionable*. The Guidelines are divided into two parts: The first part is composed of high-level, aspirational statements, while the second part defines action items for each of those statements. This second part represents practices that investors have been using in their day-to-day work to influence investees and advance responsible digital financial inclusion. Given that this is a burgeoning sector, most solutions have not yet been perfected, and many are contextual to certain industries or regions; however, the idea is to share what ideas have been tried and learn from them. This second part of the Guidelines is a living document that will be continually adapted and revised to reflect current best practices in responsible DFS.

Next Steps

The RFF will officially launch the Guidelines in Amsterdam in June. Between now and then, it wants to achieve a critical mass of investors who share its vision of the Guidelines and can share their experiences with DFS. With this onboarding initiative, RFF wants to make sure that investors are engaged in the responsible digital finance movement in the future. Investors interested in joining this work can [become signatories](#).

After the launch, next steps include developing an action framework to further help operationalize the Guidelines for investors to use during due diligence and monitoring, as well as eventually developing or adapting an existing reporting framework to track progress.