India’s transformational journey to scale responsible digital payments

March 2023

The United Nations-based Better Than Cash Alliance is a global partnership of governments, companies and international organizations that accelerates the transition from cash to responsible digital payments in to advance the Sustainable Development Goals.

The Alliance has more than 80 members worldwide and has launched over 40 initiatives in Asia, Africa, and Latin America, with the potential to enable around 750 million people to access responsible digital payments.

Over 75% of the Alliance’s advisory services focus on women

India’s partnership with the Alliance

The Government of India joined the Better Than Cash Alliance in 2015 to share lessons from the largest financial inclusion program in the world – the Prime Minister’s Jan Dhan Yojana (PMJDY). Since then, the Alliance has worked with the Government of India on several programs. The Alliance has dedicated international technical experts and highly experienced local resources to support Government of India’s Digital India vision.

In March 2023, the India G20 Presidency joined forces with the Alliance Secretariat to bring the perspectives and experiences of its members and partners at the first-of-its-kind exchange event on advancing financial inclusion through Digital Public Infrastructure (DPI) in the context of the G20, in India.

“India’s experience has shown that if we make digital infrastructure inclusive, it can bring about socio-economic transformation. It is the responsibility of us G20 leaders that the benefits of digital transformation should not be confined to a small part of the human race.”

Prime Minister Narendra Modi

Source: G20 Summit, Bali, Nov 2022
SPOTLIGHTING WOMEN AND MERCHANT DIGITIZATION

Action research with the government, focused on North East: To support the Ministry of Electronics & Information Technology’s Digital North East 2022 vision, the Alliance delivered action research report on Catalyzing Responsible Digital Payments in the North East Region of India which pegged the merchant digitization opportunity in the region at $18 billion (Rs.130,000 crore). This can be tapped if India's 1.5 million merchants embrace digitization and the recommended 7 priority actions to seize this potential, especially in the prioritization of women.

Action research with the private sector, focused on digitizing rural distribution networks: In 2017, Unilever joined the Alliance as a member. In 2019, with Hindustan Unilever, the Alliance embarked on a project to scale responsible digital payments to the Shakti rural network, which comprises 160,000 women entrepreneurs. The insights from the project, captured in a report, can help other fast moving consumer goods companies improve gender equality, contribute to their bottom line, while helping achieve the Sustainable Development Goals.

SHOWCASING INDIA’S LEADERSHIP THROUGH LEARNING EXCHANGES

Under the leadership of the Ministry of Finance, the Alliance has worked with the central and state governments, the private sector, and civil society to organize international and domestic learning exchanges on responsible practices in Direct Benefits Transfers (DBT), agriculture and retail payments, and the role of fintech. The Alliance has brought over 40 governments from all over the world to India to learn from PMJDY, Jan Dhan-Mobile-Aadhaar (JAM) trinity, and Direct Benefits Transfer.

PARTNERSHIPS TO ACHIEVE SCALE

To help drive responsible digital payments for women merchants and prioritize them in supply chains, SEWA and FICCI joined the Alliance as members in 2022. The Self-employed Women’s Association is India’s leading trade union comprising 2.1 million members. The Federation of Indian Chambers of Commerce & Industry (FICCI) is a leading industry body comprising over 250,000 companies.

HIGH-LEVEL SUPPORT FOR FLAGSHIP UN PRINCIPLES FOR RESPONSIBLE DIGITAL PAYMENTS

The Alliance developed a widely consulted resource named UN Principles for Responsible Digital Payments, which was launched by India’s Honorable Finance Minister, Smt. Nirmala Sitharaman at the Global Fintech Festival in September 2021. Honorable Minister emphasized on prioritizing women (Principle 3), safeguarding data (Principle 4), and building responsibility across the value chain (Principle 9).

The Better Than Cash Alliance is an implementing partner of the Global Partnership for Financial Inclusion (GPFI) under the G20 Presidency. The Alliance is also part of the B20 Digital Transformation Taskforce.