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Internet Governance Forum Dynamic Coalition on Digital Financial Inclusion (DC-DFI)

Annual Report - 2025

The Dynamic Coalition on Digital Financial Inclusion (DC-DFI) entered its second year of operation in 2025 as a deliberative, multistakeholder space within the Internet Governance Forum ecosystem for discussions pertaining to digital financial access, health, and inclusion. In 2025, the DC-DFI convened eight times, bringing together independent experts from civil society, academia, industry, and the technical community to advance evidence-informed policy dialogue at the intersection of digital financial services and Internet governance.

The year's defining achievement was the development of the Policy Blueprint for Interoperable Payment Protocols, a substantive working document that articulates principled recommendations for governments and regulators on how to design and govern digital payment infrastructure in ways that are open, inclusive, and respectful of human rights. Drafted collaboratively over 18 months, the Blueprint was introduced to external stakeholders at the annual IGF meeting in Norway in June 2025, where the DC-DFI also convened an off-the-record private roundtable with invited participants.

Key themes that animated the 2025 deliberations included: the economics of financial inclusion and the question of who ultimately funds it; the balance between financial literacy as a regulatory responsibility and a design imperative; the governance of interoperable payment infrastructure as a public good; the appropriate regulatory treatment of cryptocurrencies and digital assets; and the emerging human rights dimensions of access to digital payment systems, including for migrants and undocumented populations.

This report documents the DC-DFI's activities, key discussions, and substantive outputs for 2025, in accordance with IGF requirements for intersessional Dynamic Coalitions.

About the DC-DFI

The Dynamic Coalition on Digital Financial Inclusion was established in April 2024. It operates as a non-hierarchical, independent, and inclusive collective of individuals and organizations dedicated to integrating digital financial inclusion themes, concerns, and solutions within Internet governance and digital policy frameworks.

In line with the IGF's principles for multistakeholder collaboration, the DC-DFI serves as a deliberative space for evidence-informed dialogue on how digital financial inclusion can evolve in tandem with the Internet. It meets virtually at least once per month during its active intersessional period and convenes in person at the annual IGF.

Mandate and Mission

The DC-DFI's mandate is to represent the needs of underserved and financially excluded populations in the broader Internet governance agenda. This means:

- Fostering dialogue between technical, policy, civil society, and private sector actors on the governance of digital payment infrastructure;
- Developing policy positions, principles, and frameworks that prioritize open, interoperable protocols and human rights;
- Contributing to the IGF's intersessional work and ensuring financial inclusion perspectives inform the broader Internet governance discourse; and
- Building a network of engaged experts who can carry DC-DFI outputs into relevant national and international policy fora.

Governance and Facilitation

The Interledger Foundation serves as rapporteur for the DC-DFI, providing secretariat support and modest funding to enable the working group to convene. In 2025, the Interledger Foundation funded the travel to Norway for five members of the DC-DFI to be able to actively participate in the Global IGF. The Interledger Foundation also funded staff time to assist with agenda preparation, meeting minutes, and coordination.

The independent experts who participate in the working group are responsible for the substance and direction of its outputs. Members participate in their individual capacity; their contributions do not represent the formal positions of their employers or affiliated organizations.

DC-DFI Activities in 2025

The DC-DFI convened eight times in 2025:

- Virtual meeting of February 13, 2025 - Transcript
  - Year-in-review debrief from IGF 2024 in Riyadh; work planning for 2025; review of early draft Statement of Principles; discussion of session proposal for IGF Norway
- Virtual meeting of March 19, 2025 - Transcript
  - Continued work on Statement of Principles; outreach and membership expansion; preparation of IGF session proposal
- Virtual meeting of April 16, 2025 - Transcript
  - Review of draft Policy Blueprint; structural feedback on document (guiding questions, framing of principles vs. design goals); IGF session proposal status update
- Virtual meeting of April 30, 2025 - Transcript
  - Line-by-line review of Policy Blueprint; debate on cryptocurrency and digital asset treatment; discussion of financial literacy, safeguards, and the question of 'who pays for inclusion'
- Virtual meeting of May 14, 2025 - Transcript
  - Further Blueprint refinement: language on entrepreneurship, external funding, multicurrency accounts, public goods vs. digital public infrastructure; IGF roundtable logistics
- Virtual meeting of May 27, 2025 - Transcript regretfully lost
  - Continued review of Policy Blueprint; authorship and attribution discussion; preparations for IGF Norway.
- Virtual meeting of June 4, 2025 - Transcript
  - Final pre-IGF call: authorship and status of document; roundtable logistics
- In-person private roundtable on June 25, 2025 from 11:15am to 12:45pm at the Annual IGF in Lillestrøm, Norway - held off-the-record

Key Thematic Discussions

Across its 2025 deliberations, the DC-DFI engaged with several substantive themes that recurred across multiple sessions. This section summarises the most significant threads.

Who Pays for Financial Inclusion?

One of the most generative discussions of the year concerned the economics of digital financial inclusion: who bears the cost of building and sustaining infrastructure that serves low-income and underserved populations?

Members explored several dimensions of this question. From a business model perspective, the group noted that transaction fees alone are unlikely to sustain financial inclusion efforts and that institutions serving excluded populations need diversified revenue streams. The analogy was made to traditional banks which derive only a small share of revenue from transaction fees; an institution targeting financial inclusion need not depend on payments alone to remain viable.

From a policy perspective, the group noted that inclusive payment infrastructure is an investment in GDP and economic development; every percentage of domestic payment volume captured by international card networks represents a net transfer of value out of the local economy. This reframing of inclusion as an economic self-interest argument for governments, rather than a charitable obligation, was seen as a more actionable basis for policy advocacy.

The group also explored the aggregate value of serving large numbers of low-income users. While each individual transaction may be small, the combined economic activity of large underserved populations has historically attracted substantial commercial investment, as exemplified by the growth of M-PESA and MTN Mobile Money.

Financial Literacy as Infrastructure

A related theme was the role of financial and digital literacy in making inclusion meaningful. Members repeatedly noted that access to a payment system is not the same as the ability to use it safely and effectively.

The group identified financial literacy as simultaneously a regulatory responsibility (governments must ensure it is funded and built into rollouts of new systems); a design imperative (well-designed products should be navigable by users with low digital literacy, and should incorporate defensive design to reduce exposure to fraud); and a metric of inclusion (genuine inclusion requires measuring whether literacy is evenly distributed across populations and intervening where it is not).

Members raised particular concern about the evolving sophistication of financial fraud, including scams targeting elderly and low-literacy populations. One member described local examples of gold-transfer scams and noted that consumers often avoid reporting fraud due to embarrassment, making it difficult to understand the true scale of harm. Another noted developments in the United Kingdom where liability for certain payment fraud was being shifted to financial institutions, incentivizing stronger preventive design.

The group agreed that the Policy Blueprint should acknowledge financial literacy explicitly and frame it as a prerequisite for trust and for genuine inclusion.

The Governance of Payment Infrastructure as a Public Good

A substantial portion of the working group's deliberations concerned the governance of interoperable payment infrastructure and its relationship to public goods.

Drawing on economic definitions, one participant articulated that truly public payment infrastructure should be non-rivalrous (one person's use does not diminish another's) and non-excludable (it is impossible to prevent access once infrastructure is provided). This framing, analogous to roads or public health systems, was proposed as a principled basis for distinguishing genuinely inclusive infrastructure from commercial or proprietary platforms.

The group explored the tension between digital public infrastructure (DPI), often state-enabled systems such as Brazil's PIX or India's UPI, and digital public goods (DPGs), which tend to be defined by principles of openness and interoperability rather than by ownership structure. Members noted that these categories are not mutually exclusive and that some commercial or proprietary platforms may in practice function as public goods, while some state-owned systems may not.

The role of open source software in this discussion was also raised. One member drew an analogy to government procurement of office software, arguing that investing in shared open source infrastructure (analogous to LibreOffice versus Microsoft Office) preserves sovereignty, reduces long-term costs, and avoids lock-in to externally controlled ecosystems.

The group also discussed the concept of a multistakeholder oversight mechanism for digital financial systems, drawing inspiration from the IGF model. One participant noted that no equivalent body exists for global payment infrastructure and suggested that the

Council of Europe might be a suitable institutional home, given its enforcement mechanisms through the European Convention on Human Rights and its broader geographic reach through Convention 108.

Cryptocurrency and Digital Assets

The appropriate treatment of cryptocurrencies and digital assets in the Policy Blueprint was one of the most contested discussions of the year, with members holding substantively different views.

One perspective, advanced with particular force, was that cryptocurrencies have caused significant consumer harm through speculation, fraud, and regulatory arbitrage, and that the Blueprint should address them explicitly rather than using euphemistic language around ‘digital currencies’. This member argued that if a government cannot afford to enforce cryptocurrency regulation, it should ban them outright.

Others were more agnostic, arguing that cryptocurrencies are already present in consumer markets regardless of regulatory preferences and that governments therefore have a responsibility to regulate them for consumer safety whether or not they endorse their use. From this perspective, the Blueprint’s role is to insist on regulatory equivalence: any digital currency or asset must meet the same anti-money laundering and countering terrorist financing, consumer protection, and stability standards as any other component of the financial system.

A third perspective focused on the governance implications of decentralized cryptocurrencies, noting that consensus mechanisms such as proof-of-work or proof-of-stake effectively cede governance to whoever controls the most computational resources (in practice, the wealthiest participants), which raises concerns about accountability and representation.

The group converged on a principles-based formulation: emerging technologies including cryptocurrencies may only be integrated into interoperable payment systems once they meet established technical, legal, and ethical standards, including consumer protection and anti-money laundering and countering terrorist financing requirements. This language was framed as neither an endorsement nor a prohibition, but as a consistent application of the same standards the Blueprint advocates for all financial infrastructure.

Human Rights and Financial Exclusion

A recurring thread across several sessions concerned the human rights dimensions of financial exclusion, particularly for migrants and undocumented populations.

The group explored whether financial exclusion constitutes a violation of existing human rights norms, including the right to participate in economic life and the right to an adequate standard of living. The group discussed the practical implications of treating financial inclusion as a human right rather than a development goal: it would require an accountability mechanism, potentially modelled on treaty monitoring bodies, UN Special Rapporteurs, or transparency watchdogs such as the Open Government Partnership. One participant noted that enforcement is the perennial challenge for human rights instruments, and that the Council of Europe's framework may offer more practical tools than the UN system for holding states to account.

The group also noted the particular vulnerability of migrants and undocumented people, who may be explicitly excluded from financial services as a matter of policy. One member observed that if financial inclusion is treated as a human right, such exclusion would be impermissible regardless of immigration status.

Outputs and Deliverables

The DC-DFI's primary output for 2025 was the Policy Blueprint for Interoperable Payment Protocols, a substantive working document addressed to governments and regulators. The document sets out principled recommendations across four core areas:

- **Open and inclusive governance:** advocating for multistakeholder governance of payment infrastructure, transparent standard-setting, and representation of underserved voices in protocol development;
- **Technical standardization:** calling for modular, fit-for-purpose standards that work across devices and regulatory contexts, avoid privileging high-cost integration approaches, and prevent lock-in to closed or externally controlled ecosystems;
- **Regulatory design goals:** including financial literacy obligations, multicurrency account access, and protection against predatory digital lending; and
- **Consumer-centred design:** prioritizing simplified interfaces, consumer protections, offline capabilities, and feedback loops with historically excluded communities.

The Blueprint also includes a set of guiding questions for regulators, organized thematically, intended to help local stakeholders translate abstract principles into context-specific decisions. These questions cover governance and oversight, public infrastructure and sovereignty, equity and representation, market dynamics and monopoly risks, literacy and institutional responsibility, monitoring and redress, and international law and multilateral institutions.

Following its introduction at the Annual IGF in Norway, the Blueprint was shared with a broader set of external stakeholders for comment and potentially further refinement.

The DC-DFI planned to open a formal organizational sign-on process in 2026, which would mark the document's final published form.

Looking Ahead to 2026

The DC-DFI enters 2026 with a foundational policy document, a growing network of engaged experts, and a set of substantive questions it has identified as the basis for a second phase of work.

Publication and Sign-On

The Policy Blueprint for Interoperable Payment Protocols is expected to reach its final published form in 2026, following the opening of the organizational sign-on process in mid 2026. The DC-DFI is seeking endorsement from a broad range of organizations including civil society groups, academic institutions, community financial institutions, and public interest advocates.

Second Phase Research

The DC-DFI identified several substantive questions as potential anchors for its next phase of research and deliberation:

- **Who pays for financial inclusion?**
  This question encompasses business models for inclusive financial institutions, public funding mechanisms, the economics of aggregate low-income markets, and the role of governments in reclaiming domestic payment revenues.
- **Financial literacy as infrastructure.**
  Building on the Blueprint's acknowledgement of literacy obligations, the DC-DFI could develop more detailed recommendations on how financial literacy programmes should be funded, designed, and measured.

- **Accountability mechanisms for digital financial rights.**
  The group began to sketch the contours of a potential oversight mechanism for digital financial systems. A more systematic exploration of existing models (treaty bodies, special rapporteurs, open government-style transparency frameworks) could inform a concrete proposal.

Membership Expansion

The DC-DFI plans to actively expand its membership in 2026, with targeted outreach to experts from the Global South, from community financial institutions, and from regulatory bodies. The completion of the Policy Blueprint provides a concrete basis for recruitment: prospective members can see exactly what kind of work the group does and what is expected of contributors.

Invitation to Collaborate

The DC-DFI welcomes new participants from across the Internet governance, development finance, financial services, and technology communities. We believe that multistakeholder collaboration is essential to designing inclusive digital financial ecosystems that serve everyone. We invite all interested stakeholders to join our mailing list, participate in upcoming meetings, and contribute to our collective mission.

Our work is made possible by the generous support of the Interledger Foundation and the dedication of our volunteer members.

This report has been prepared by the Chair of the DC-DFI, Ayden Férdeline.