

Global Partnership for Financial Inclusion

Work plan 2013

1. Background

More than two billion adults continue to lack access to financial services and millions of micro-, small and medium-sized enterprises (MSMEs) face difficulties in accessing finance. Financial inclusion is fundamental for improving the livelihoods of the poor and in supporting MSMEs, the engines of economic growth and job creation, to start, grow and thrive.

Since 2009, G20 Leaders have made commitments to improving access to financial services for the poor, including endorsing The Principles for Innovative Financial Inclusion at the Toronto Summit in 2010.

At the G20 summit in Seoul in November 2010, the leaders of the G20, recognizing financial inclusion as one of the main pillars of the global development agenda, endorsed a concrete *Financial Inclusion Action Plan*. Financial Inclusion was not only prominent in the Leaders' Declaration, it was also highlighted as an important component under the Seoul Development Consensus and the financial sector reform agenda.

Significantly, G20 Leaders have also endorsed mechanisms for achieving these commitments, first through the G20 Financial Inclusion Experts Group (FIEG), launched in 2009. The Global Partnership for Financial Inclusion (GPFII) was then established being officially launched on 10 December 2010 in Seoul, Korea.

The GPFII is the main implementing mechanism of the G20 *Financial Inclusion Action Plan* endorsed by G20 leaders during the Seoul summit and functions as an inclusive platform for G20 countries, non-G20 countries, and relevant stakeholders for peer learning, knowledge sharing, policy advocacy and coordination. The GPFII's support for implementation of the G20 Principles for Innovative Financial Inclusion recognizes the importance of national leadership and commitments to concrete actions and strategies to promote financial inclusion, particularly in emerging and developing countries

The GPFII implementing partners are: Alliance for Financial Inclusion (AFI), the Consultative Group to Assist the Poor (CGAP), the International Finance Corporation (IFC), the Organisation for Economic Cooperation and Development (OECD) and the World Bank.

The 2010, G20 Leader endorsed, Financial Inclusion Action Plan and priorities identified during the Mexican G20 presidency in 2012 formed the basis for the GPFII Work plan 2011-2012. This document is the second GPFII work plan and covers the calendar year 2013.

2. Structure of the GPFI

The GPFI maintains the G20 troika countries as the overall Co-Chairs. At the launch meeting of the GPFI in 2010, three sub-groups were formed to implement the G20 Financial Inclusion Action Plan.¹

Sub-group on the G20 Principles and Standard Setting Bodies (SSBs)

This sub-group supports putting the Principles for Innovative Financial Inclusion into practice through encouraging and providing support for country commitments consistent with the Principles. The group also works to embed financial inclusion in the work of Standard Setting Bodies, as well as the private sector, and explores ways to improve the treatment of financial inclusion in various financial system assessments.

Sub-group on SME Finance

This sub-group focuses on identifying, scaling up, and improving the policy environment for successful models of SME financing, funding the winners of the SME Finance Challenge and launching an SME Finance Forum, a platform for knowledge sharing and dissemination of best practices. The sub-group will devote special attention to three focal areas: improving SME access to finance in the poorest countries, improving access to finance for agricultural SMEs, and promoting access to finance for women entrepreneurs.

Sub-group on Financial Inclusion Data and Measurement

This sub-group engages the different GPFI stakeholders with the goal of forming a general consensus on data and measurement issues, which include common definitions of the components of financial inclusion and consistent methodologies to inform, measure, and set targets. The group also facilitates actions to support countries to implement data initiatives and set their own targets.

Newly formed (March, 2013) Sub-group on Financial Literacy and Financial Consumer Protection

This sub-group will take forward G20 Leaders commitments on financial literacy and financial consumer protection. The terms of reference and work plan for this subgroup are currently being refined.

The GPFI Co-Chairs ensure the continuity of the work of the GPFI (and its sub-groups) under the G20 process and coordinate the work and outcomes between the sub-groups and the different G20 initiatives that are relevant to financial inclusion. The Co-Chairs of the sub-groups have the leading role in providing strategic direction and implementation of the activities within the sub-group. The non-G20 partners actively participate in the implementation of the sub-group activities.

The GPFI Co-Chairs and sub-group Co-Chairs meet to reach tentative agreement on the overall direction of the GPFI, the focus areas of the sub-groups, and the main deliverables towards the Leaders' Summit and/or the Finance Ministers and Central Bank Governors Meeting. Agreement on the direction, focus and deliverables is after all the country representatives in the GPFI have had an opportunity to provide input and are comfortable

¹ Information on the GPFI and the roles of the individual subgroups are available at www.gpfi.org

with the plan for the GPF. Achieving buy-in from the GPF country membership is important to establish the legitimacy of work and build ownership of the results.

GPF co-chairs: Russia, Mexico, Australia				
Subgroup	Principles and SSBs	SME Finance	Data and Measurement	Financial Literacy and Consumer Protection
Subgroup co-chairs	Korea Indonesia United Kingdom	Germany Turkey	South Africa Australia Mexico	China Russia United States
Key non-G20 countries	Kenya Philippines Peru Nigeria	Malaysia Netherlands Switzerland	Peru Netherlands Thailand	tbd
G20 Implementing partners	AFI CGAP World Bank	AFI IFC World Bank	AFI CGAP IFC World Bank	AFI CGAP OECD World Bank

The implementing partners, AFI, CGAP, IFC, OECD and World Bank will undertake and coordinate the implementation of the activities of each sub-group together with other relevant stakeholders and the participating G20 and non-G20 countries. The active participation of all relevant stakeholders and governments are crucial for the success of the GPF.

The GPF work plan recognises the importance of leadership and commitment to concrete actions and strategies to promote financial inclusion, particularly in emerging and developing countries.

3. Progress and new commitments in 2012

Summary of Progress

The GPF presents annual progress reports to G20 Finance Ministers and Central Bank Governors and to G20 Leaders. Key achievements during 2012 include:²

Principles and Standard Setting Bodies

- Progress on implementing the G20 Principles, including through commitments to concrete actions to promote financial inclusion made by 35 developing and emerging countries under the Maya Declaration;
- Some progress has been achieved in encouraging SSBs to incorporate financial inclusion issues into their standards and guidance. Examples include proportionality incorporated into the revised Basel Core Principles (2012 and FATF Recommendations (2012).

² For more details refer to GPF *Follow up Report to G20 Leaders, 19 June 2012*

- The GPFi held a high level conference with 5 global SSBs in October 2012, focused on Proportionate Standards and Guidance – the theme of the GPFi 2011 White Paper *Global Standard-Setting Bodies and Financial Inclusion for the Poor* and its recommendations.

SME Finance

- In April 2012 the Global SME Finance Initiative was launched as a catalytic investment and Technical Assistance platform with initial funding commitment of \$215m.
- The SME Finance Forum was launched in April 2012 as a collaborative knowledge sharing platform for data, research and best practice on SME finance (www.smefinanceforum.org).
- Development of the SME Finance Impact Assessment Framework.
- Presentation of report on “Innovative Agricultural SME Finance Models”

Data and Measurement

- In June 2012 Leaders endorsed the G20 Basic Set of Financial Inclusion Indicators, which will assist in focussing efforts on measuring and tracking global and national progress on financial inclusion.
- The G20 Basic Set is available from the GPFi website (and the World Bank data portal).

G20 Commitments during 2012

In 2012, G20 Leaders and Finance Ministers’ continued to endorse the work of the GPFi in promoting financial inclusion. In addition, Leaders called for the GPFi to focus on

- Sharing the experiences of G20 and non-G20 countries under the G20 Financial Inclusion Peer Learning Program
- Consumer protection and financial literacy issues.

See Appendix 3 for an extract on Financial Inclusion from the G20 Leaders, 2012 Los Cabos Leaders Declaration.

4. GPFI Work plan for 2013

GPFI

- GPFI Report to Finance Ministers and Central Bank Governors
- 2013 GPFI Report to Leaders
- 2013 GPFI Forum

Principles and Standard Setting Subgroup

- Catalyse support for countries who have made commitments under the AFI Maya Declaration, and mobilizing additional commitments
- Support Standard Setting bodies to incorporate financial inclusion within the context of their respective mandates and to share the information with each other and other stakeholders
- Ensure the FATF Mutual Evaluation Methodology adequately takes into account financial inclusion issues

SME Finance Subgroup

- Present the SME Finance Compact partner countries and start the implementation of the Compact.
- Launch the Women's Finance Hub (part of the SME Finance Forum) to increase access to finance for women entrepreneurs
- Report on SME specific issues in relation to consumer protection regulation and SME financial literacy
- Prepare SME Finance Subgroup private sector engagement strategy and the monitoring framework.
- Prepare an SME Finance Status Report to reflect current gaps and challenges SMEs are facing and some policy responses on specific areas, building upon the 2010 Stocktaking Report.

Data and Measurement sub-group

- Launch and promote the G20 Basic Set of Financial Inclusion Indicators
- Improve the capacity of developing countries to collect and use financial inclusion data
- Develop a second tier of financial inclusion indicators, completing the Basic Set to form the G20 set of financial inclusion indicators.
- Prepare a paper for the GPFI on financial inclusion target-setting, providing a framework within which this can be done and incorporating the use of the Basic Set.

Financial Literacy and Financial Consumer Protection

- World Bank and OECD in cooperation with the GPFI to deliver further tools to promote financial education, with a progress report to the next Summit.
- Coordinate with Data and Measurement Sub-group development of qualitative financial inclusion indicators related to financial literacy and financial consumer protection
- Input related to approaches to excluded/low income population to the update report by the G20/OECD Task Force on Financial Consumer Protection on the implementation of the High Level Principles on Financial Consumer Protection,
- The GPFI, the OECD/INFE, and the World Bank to identify barriers women and youth may face and progress report to be delivered by the next Summit.

4.1 Subgroup on G20 Principles and Engagement with Standard Setting Bodies

Key outcomes for the subgroup during 2013:

1. Catalyse support for countries who have made commitments under the AFI Maya Declaration, and mobilizing additional commitments
2. Support Standard Setting Bodies (SSBs) to incorporate financial inclusion within the context of their respective mandates and to share the information with each other and other stakeholders
3. Ensure the FATF Mutual Evaluation Methodology and assessor training adequately takes into account financial inclusion issues.
4. Support the Basel Consultative Group to conduct a range of practice survey and develop a consultation draft of a guidance paper under its Financial Inclusion Workstream.

G20 Principles for Innovative Financial Inclusion

In 2013 the subgroup will focus on catalysing support for the countries that have already made commitments under the AFI Maya Declaration, and mobilizing additional commitments in keeping with the G20 Principles under the Maya Declaration through various platforms such as regional forums, Russia's G20 Presidency and Implementing Partner events, and the GPFI annual forum. It will also support monitoring and reporting to G20 Leaders on the implementation of the G20 Financial Inclusion Peer Learning Program (PLP).

Standard Setting Bodies

Building on the successful high level engagement in 2012, which culminated in the first GPFI conference on SSBs and financial inclusion, the subgroup is now drilling down to support specific SSB workstreams and catalyse concrete progress. Examples of upcoming SSB outputs, that reflect focused engagement by the GPFI in response to the G20 Leaders' call, include³:

- *The Financial inclusion guidance paper issued by the FATF in February 2013.* This guidance will assist jurisdictions to implement AML/CFT⁴ regimes that are consistent with the goal of financial inclusion. The paper specifically highlights the G20 Principles for Innovative Financial Inclusion, and refers to engagement with the GPFI subgroup on Principles and SSBs.
- *A new payment methods (NPM) guidance paper to be issued by the FATF in June 2013.* This guidance will consider the impact of regulation on the NPM market, which covers mobile payment services and other innovations, and explicitly consider potential impacts on financial inclusion. This work also directly references and discusses the G20 Principles for Innovative Financial Inclusion.
- *New methodology to assess the effectiveness of AML/CFT regimes e issued by the FATF in February 2013, and subsequent training for assessors.* This methodology

³ Considerable work is also underway by the IAIS, CPSS and IADI in which the GPFI will engage in 2013, as well as wider work of the Subgroup, but this work has not been reported here due to space limitations.

⁴ Anti-money laundering and combatting the financing of terrorism.

specifically references financial inclusion as a contextual factor to be considered in assessing the effectiveness of an AML/CFT regime. The GPFI will support the development of subsequent training for assessors.

- *A range of practice survey on financial inclusion to be conducted by the Basel Consultative Group (BCG) during 2013:* The GPFI will provide support to the BCG's new financial inclusion work stream in conducting this survey of banks and other deposit taking institutions.
- *A financial inclusion guidance paper to be issued for consultation by the BCBS during 2013:* The GPFI will support the BCG to broaden existing BCBS guidance to cover financial inclusion.

The subgroup will also encourage systematic documentation and dissemination of developing and emerging country experience in implementing global standards to help inform further technical work of the SSBs during 2013.

Financial Sector Assessments

The subgroup will continue its work on improving financial sector assessments, including national financial system/sector assessments and those of other international bodies, to incorporate robust financial inclusion components that yield high quality analysis and actionable recommendations.

The Subgroup will focus its activities in 2013 on the FATF Mutual Evaluation Methodology, with attention also to possible practical contributions to improving consideration of financial inclusion in FSAPs for those countries identifying this as a policy priority.

4.2 SME Finance Subgroup

SME Finance subgroup key outcomes for 2013:

1. Present the SME Finance Compact partner countries and start the implementation of the Compact.
2. Launch of the Women's Finance Hub (part of the SME Finance Forum) to increase access to finance for women entrepreneurs
3. Report on SME specific issues in relation to consumer protection regulation and SME financial literacy
4. Prepare SME Finance Subgroup private sector engagement strategy and the monitoring framework.
5. Prepare an SME Finance Status Report to reflect current gaps and challenges SMEs are facing and some policy responses on specific areas, building upon the 2010 Stocktaking Report.

Realizing SME Finance at the Country Level

In 2012, the SME Finance Compact was launched to feed into the G20 Financial Inclusion Peer Learning Program. The objective is to provide coordinated support through the GPFI to help countries implement specific SME finance commitments. During 2013, the subgroup will present the Compact partner countries and reach out to G20, interested non G20 countries and relevant GPFI stakeholders or initiatives as well as international fora such as

APEC to mobilize support for Compact partner countries. As an initial step implementing the Compact , it will work with AFI and other implementing partners, in particular the IFC, on the most effective modalities for SME finance peer learning.

Reporting on the progress on the 14 winning proposals of the SME Finance Challenge and their impact at the country level will continue in 2013.

Analytical work and knowledge sharing

The sub-group will with the support of the SME Finance Forum expand and deepen the knowledge base. It will also seek to secure medium-term funding and develop a sustainability plan for the long term for the SME Finance Forum that will organize at least one knowledge sharing event for the grantees of the SME Finance Challenge to promote further exchange of ideas and experience.

Under the SME Finance Forum in partnership with GPFI implementing partners and stakeholders the following activities will be pursued:

- Preparation of technical notes on applying the SME Finance Impact Assessment Framework (developed in 2012) to specific interventions, based on priorities emerging from the AFI/GPFI initial discussions.
- The SME Finance Forum will launch a new Women's Finance Hub, highlighting good practices and support knowledge exchanges in these and other cutting edge areas.
 - Phase 1 is the initial cataloguing and creation of the web site, including links to leading implementers in this field;
 - Phase 2 would be an action plan for collaborative research and implementation, supported by the GPFI implementing partners, and other expert institutions active in this field, including a joint outreach event for the private sector with the Global Banking Alliance for Women.
- Extending principles of consumer financial protection and financial literacy to SMEs by:
 - Preparing a note on SME specific issues to be included in deliberations on consumer protection regulation.
 - The World Bank will prepare a financial literacy training module for SMEs that can be used by government and private sector parties.
- The SME finance sub-group will reach out to other initiatives such as the Responsible Finance Forum that is currently mapping responsible finance initiatives of development cooperation to link it to the GPFI for better synergies.
- A private sector engagement strategy will be developed also using upcoming opportunities to reach out to the private sector such as the Global Banking Alliance for Women Annual Summit in Istanbul in June 2013.
- *An SME Finance Status Report will be prepared to reflect current gaps and challenges SMEs are facing and some policy responses on specific areas, building upon the 2010 Stocktaking Report.* In concert with the wider data harmonization effort pursued by the G20, to agree a standard set of indicators and a common reporting system for SME Finance.

4.3 Data and Measurement Subgroup

The Data and Measurement sub-group priorities for 2013:

1. Launch and promote the G20 Basic Set of Financial Inclusion Indicators
2. Improve the capacity of developing countries to collect and use financial inclusion data
3. Develop a second tier of financial inclusion indicators
4. Prepare an options paper for the GPMI on the feasibility of a financial inclusion target

Launch and promotion of the G20 Basic Set of Financial Inclusion Indicators

The GPMI Basic Set of Financial Inclusion indicators were agreed in Los Cabos in June 2012. Using existing data measurement efforts of the International Monetary Fund and the World Bank, a Basic Data Set website was developed. While, this site has been live since December 2012, there has been no official launch of the website. During 2013, the Data and Measurement subgroup proposes to launch the website at the spring meetings in April. Additional opportunities to promote the use of the Basic Data Set will also be pursued.

Improve the capacity of countries to collect and use financial inclusion data

There are still large capacity constraints, particularly in developing countries, in the efforts to strengthen financial inclusion data efforts. The Subgroup will play an important role in demonstrating the importance of financial inclusion data to formulate relevant policies at country level. The possibility of using implementing partners' resources to aid existing efforts to strengthen in-country capacities will be pursued. The sub-group will further engage implementing partners with a view to develop case studies of countries, potentially countries involved in the peer learning program, that had used financial inclusion data to improve financial inclusion outcomes.

Develop a second tier of financial inclusion indicators

These indicators, focussed on extended access to and usage of financial services indicators as well as addressing quality indicators, will be submitted for endorsement to the GPMI and Finance Ministers at their meetings in 2013. The second tier of indicators will include headline indicators that enable a more comprehensive measurement of the financial inclusion landscape. Co-chairs propose that no additional indicators are added to the basic set after this point, as this expanded set will constitute the G20 set of financial inclusion indicators.

Prepare a paper for the GPMI on financial inclusion target -setting

As a result of limited data availability, the focus of the subgroup has been on strengthening data collection. In 2013, the subgroup is exploring the possibility of establishing a framework for financial inclusion target-setting. The point of departure is that countries should be enabled, in the first instance, to set their own targets depending on their circumstances. Although a global target may be deduced from these efforts, that would be a consequence rather than the primary objective. It is the intention of co-chairs that implementing partners prepare a paper which will address issues such as: What are the factors to be considered to establish national targets? What are the core indicators to consider in this work? What role does the expanded Basic Set of indicators play in this? This work will build on previous GPMI

target-setting research and analysis, such as the IFC/McKinsey & Co study commissioned by the Data and Measurement Subgroup in 2011.

4.4 Financial literacy and financial consumer protection

The workplan for this subgroup will be developed by June 2013. Key outputs for the subgroup will be those requested by G20 Leaders in 2012:

- World Bank in cooperation with the GPFi to deliver further tools to promote financial education, with a progress report to the next Summit.
- An input to update by the G20/OECD Task Force on Financial Consumer Protection on the implementation of the High Level Principles on Financial Consumer Protection,
- The GPFi, the OECD/INFE, and the World Bank to identify barriers women and youth may face and call for a progress report to be delivered by the next Summit.

5. GPFI 2013 Timeline

The GPFI activities and meetings follow the overall G20 process. The following table lists key outreach events for the GPFI including anticipated launch of reports and other outputs.

Date	Event	Location	Activities
16 February 2013	Finance Ministers and Central Bank Governors Meeting	Moscow, Russia	Communique - endorsement of 2013 GPFI activities
26-27 February 2013	G20 Development Working Group	Moscow, Russia	Discussion and endorsement of 2013 GPFI activities
6-7 March 2013	AFI National Financial Inclusion Strategies Peer Learning Event	Bangkok, Thailand	Component of the G20 Peer Learning Program
8 March 2013	AFI SME Finance Peer Learning Event	Bangkok, Thailand	Component of the G20 Peer Learning Program
9 March 2013	GPFI co-chair & implementing partner meeting	Bangkok, Thailand	Discussion of GPFI 2013 Workplan and activities
18-19 April 2013	G20 Finance Ministers and Central Bank Governors Meeting	Washington, USA	Communique - endorsement of 2013 GPFI activities
21 April 2013	G20 Women and Finance Event	Washington, USA	<ul style="list-style-type: none"> • Launch of the Women's SME Finance Hub • Launch of the G20 Basic Set of Financial Inclusion Indicators • Launch of FISF initiative
16-17 May 2013	Development working group	Moscow, Russia	Discussion of 2013 GPFI activities
6-7 June 2013	G20 Finance and Central Bank Deputies Meeting	St Petersburg, Russia	
13-14 June 2013	Conference: Financial Literacy and Financial Consumer Protection	Moscow, Russia	Outreach event, plus 4 th Sub-Group meeting

15 June	1 st meeting of the GPFI 4 th Sub-Group meeting	Moscow, Russia	1 st official meeting of 4 th Sub-Group meeting after the G20 Financial Literacy and Financial Consumer Protection conference
24-25 June 2013	Responsible Finance Forum IV		Thematic event (responsible finance: consumer protection and financial education/capabilities), this year focus on insurance sector
8-10 July 2013	Development working Group	Moscow, Russia	
18-19 July 2013	G20 Finance and Central Bank Deputies and Governors Meeting	Moscow, Russia	<ul style="list-style-type: none"> • GPFI Progress Report • Second tier of financial inclusion indicators • Other key deliverables
2-5 September 2013	G20 Finance Ministers Deputies Meeting	St Petersburg, Russia	Communiqué - endorsement of 2013 GPFI activities
5-6 September 2013	G20 Leaders Summit	St Petersburg, Russia	GPFI Progress Report and key deliverables
10-12 September 2013	AFI Global Policy Forum	Kuala Lumpur	Outreach event
9-10 October	G20 Finance and Central Bank Deputies and Governors Meeting	Washington, USA	
10-11 October 2013	G20 Finance Ministers and Central Bank Governors Meeting	Washington, USA	
21-22 October, 2013	GPFI Forum and Plenary	St-Petersburg, Russia	<ul style="list-style-type: none"> • Outreach event • Second tier of financial inclusion indicators Options paper for the GPFI on the feasibility of a financial inclusion target
23-24 October	Development working Group	Moscow, Russia	<ul style="list-style-type: none"> • Update on the GPFI Forum and achievements

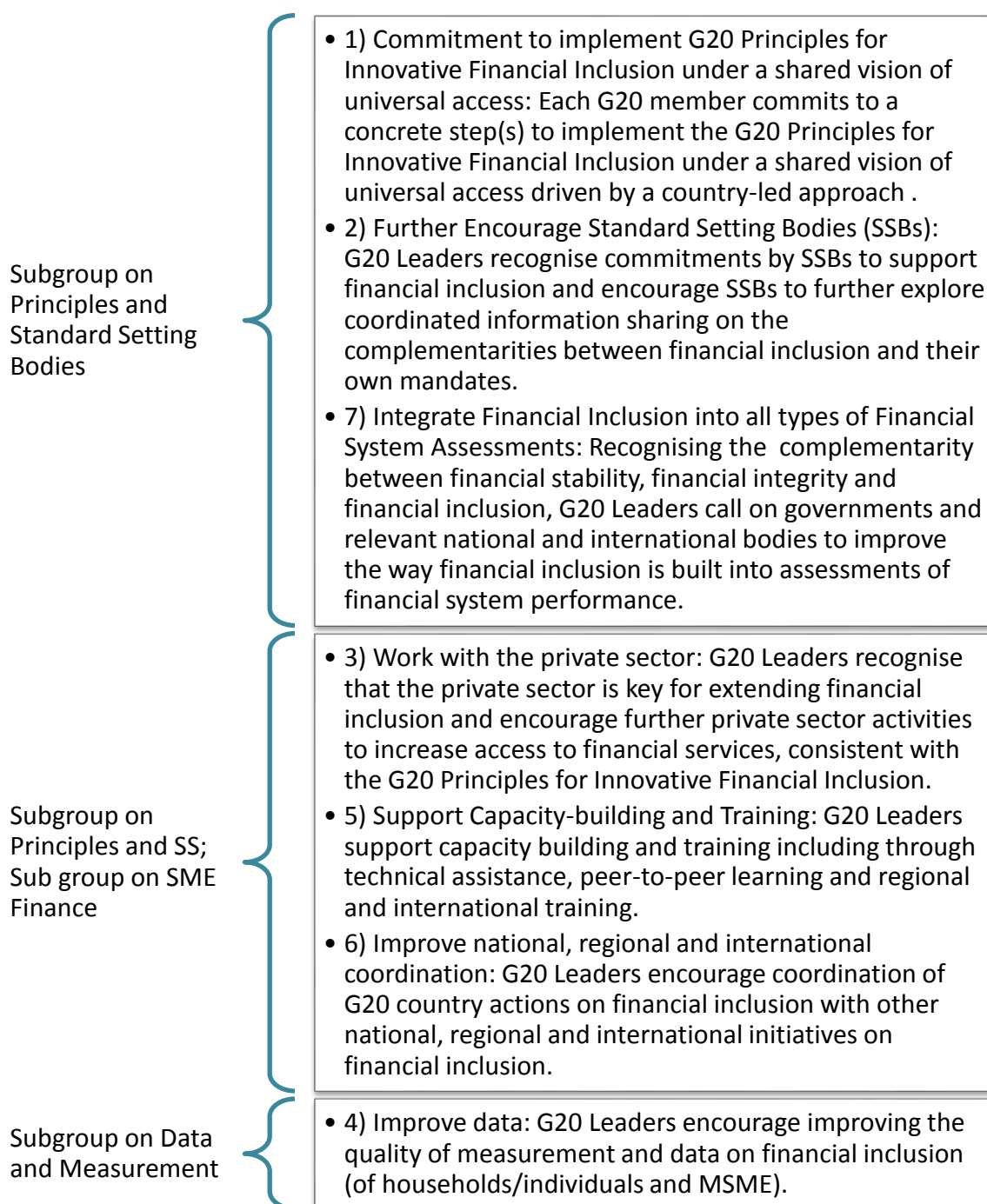
Appendix 1: G20 Financial Inclusion Action Plan

The G20 Financial Inclusion Action Plan was endorsed by G20 Leaders in 2010. There are two overarching actions:

A) Establish a Global Partnership for Financial Inclusion (GPII) and

B) Mobilize Funding for Financial Inclusion

The plan includes seven actions, six of which are taken forward through the GPII sub-groups:



Appendix 2: G20 Principles for Innovative Financial Inclusion

Innovative financial inclusion means improving access to financial services for poor people through the safe and sound spread of new approaches. The following principles aim to help create an enabling policy and regulatory environment for innovative financial inclusion. The enabling environment will critically determine the speed at which the financial services access gap will close for the more than two billion people currently excluded. These principles for innovative financial inclusion derive from the experiences and lessons learned from policymakers throughout the world, especially leaders from developing countries.

- 1. Leadership:** Cultivate a broad-based government commitment to financial inclusion to help alleviate poverty.
- 2. Diversity:** Implement policy approaches that promote competition and provide market-based incentives for delivery of sustainable financial access and usage of a broad range of affordable services (savings, credit, payments and transfers, insurance) as well as a diversity of service providers.
- 3. Innovation:** Promote technological and institutional innovation as a means to expand financial system access and usage, including by addressing infrastructure weaknesses.
- 4. Protection:** Encourage a comprehensive approach to consumer protection that recognises the roles of government, providers and consumers.
- 5. Empowerment:** Develop financial literacy and financial capability.
- 6. Cooperation:** Create an institutional environment with clear lines of accountability and co-ordination within government; and also encourage partnerships and direct consultation across government, business and other stakeholders.
- 7. Knowledge:** Utilize improved data to make evidence based policy, measure progress, and consider an incremental “test and learn” approach acceptable to both regulator and service provider.
- 8. Proportionality:** Build a policy and regulatory framework that is proportionate with the risks and benefits involved in such innovative products and services and is based on an understanding of the gaps and barriers in existing regulation.
- 9. Framework:** Consider the following in the regulatory framework, international standards, national circumstances and support for a competitive landscape: an appropriate, flexible, risk-based Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) regime; conditions for the use of agents as a customer interface; a clear regulatory regime reflecting for electronically stored value; and market-based incentives to achieve the long-term goal of broad interoperability and interconnection.

These principles are a reflection of the conditions conducive to spurring innovation for financial inclusion while protecting financial stability and consumers. They are not a rigid set of requirements but are designed to help guide policymakers in the decision making process. They are flexible enough so they can be adapted to different country contexts.

Appendix 3: Extract from G20 Leaders Declaration, Los Cabos, 2012

50. We welcome the progress made by the Global Partnership for Financial Inclusion (GPFI) on implementing the five recommendations set out in its 2011 report and call on the GPFI to continue working towards their full implementation. We endorse the G20 Basic Set of financial inclusion indicators developed by the GPFI. Recognizing the key role that SMEs play in economic development, and poverty reduction, we welcome the launch of the SME Finance Compact that will support developing innovative models and approaches to address the specific access to finance challenges and constraints faced by developing countries with regards to SME finance. We welcome the forthcoming GPFI conference on standard setting bodies and financial inclusion as a means of helping to create an enabling regulatory environment, and we call on the GPFI to report progress to our Finance Ministers and Central Bank Governors in November. Finally, we support the ongoing effort to create a fourth GPFI subgroup that will focus on consumer protection and financial literacy issues.

51. We acknowledge the efforts of those G20 and non-G20 countries committed to national coordination platforms and strategies for financial inclusion under the “G20 Financial Inclusion Peer Learning Program” and encourage similar efforts to advance effective implementation of the G20 Principles for Innovative Financial Inclusion such as the commitments to concrete actions to promote financial inclusion made by developing and emerging countries under the Maya Declaration, recognizing the ongoing efforts and the support by the World Bank Group and the Alliance for Financial Inclusion, and other stakeholders including the United Nations (UN), and bilateral donors to foster financial inclusion.

52. On financial education, we endorse the OECD/International Network on Financial Education (INFE) High Level Principles on National Strategies for Financial Education, and call on the OECD/INFE and the World Bank in cooperation with the GPFI to deliver further tools to promote financial education, with a progress report to the next Summit. For advancing the financial consumer protection agenda, we take note of the discussion on the Statutes of the International Financial Consumer Protection Network (FinCoNet) and on the issues of formal structure and financial support to ensure the exchange of best practices. We also endorse the Action Plan presented by the G20/OECD Task Force on Financial Consumer Protection to develop effective approaches to support the implementation of the High Level Principles on Financial Consumer Protection, and look forward to an update report by the Leaders’ Summit in St. Petersburg in 2013.

53. We recognize the need for women and youth to gain access to financial services and financial education, ask the GPFI, the OECD/INFE, and the World Bank to identify barriers they may face and call for a progress report to be delivered by the next Summit.

54. We welcome the launch of the Mexico Financial Inclusion Challenge: Innovative Solutions for Unlocking Access, a call for innovations that address barriers to financial inclusion through the creation of valuable, affordable, secure, and comprehensive financial services.