GPFI Global Partnership for Financial Inclusion

G20 GERMANY 2017 HAMBURG

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July 2017

“RECOGNISING THE IMPORTANCE OF FINANCIAL INCLUSION AS A MULTIPLIER FOR POVERTY ERADICATION, JOB CREATION, GENDER EQUALITY, AND WOMEN’S EMPOWERMENT, WE SUPPORT THE ONGOING WORK OF THE GLOBAL PARTNERSHIP FOR FINANCIAL INCLUSION AND WELCOME THE 2017 G20 FINANCIAL INCLUSION ACTION PLAN.”

(G20 LEADERS‘ DECLARATION, HAMBURG 2017)

FOREWORD

The Global Partnership for Inclusion (GPFI) Forum has become an annual cornerstone of the GPFI's activities. At the Forum, the GPFI presents its work to a broader audience, going beyond its members. Usually taking place back-to-back to the GPFI's plenary meeting, the forum offers a unique opportunity for reaching out and networking. In 2017, the GPFI Forum was hosted on 2-3 May in Berlin by the German G20 Presidency, paving the way to the G20 summit on 7-8 July 2017 in Hamburg, Germany.

The meeting provided a space for exchange and dialogue and attracted around 270 participants from more than 60 countries. In 12 sessions, experts from many different backgrounds reflected on the GPFI's current priorities. Important stakeholders from G20 and non-G20 countries, from the private sector, from financial service providers and Fintechs, from government agencies and central banks, regulators and development experts gave important inputs that already have affected and will continue to influence GPFI's scope of work.

The GPFI was created by G20 leaders at the Seoul Summit in 2010. The Partnership is committed to advancing financial inclusion globally by increasing access to and usage of sustainable formal financial services, thereby expanding opportunities to underserved and excluded households and enterprises. Despite a 20 percent increase 2011-2014 in the number of adults with access to formal financial services worldwide, there are still two billion people - more than half of the adult population - and 300 million businesses that are excluded from the formal financial system.

In 2017, the GPFI reviewed and updated its strategy. The 2017 G20 Financial Inclusion Action Plan (FIAP) aligns the work of the GPFI with the 2030 Agenda and the Addis Ababa Action Agenda and addresses the opportunities and challenges for financial inclusion through advances in digitization. These two central themes guided us through the two-day GPFI Forum.

Financial Inclusion is a prerequisite for achieving many of the Sustainable Development Goals (SDGs) outlined in the 2030 Agenda. It is about "leaving no one behind", it contributes to eradication of poverty and inequality, to gender equality and many other SDGs. The new FIAP puts a special emphasis on vulnerable and underserved groups, a focus we reflected on in the sessions dedicated to financial inclusion of youth, people in rural areas, and forcibly displaced persons – gender being a crosscutting theme in several of the discussions. We further wanted to show how financial inclusion contributes to the G20 Partnership with Africa.

The second day of the forum was mainly devoted to the seismic changes digitization brings to the financial inclusion environment: Emerging policy approaches for digital financial inclusion were discussed with representatives of regional organisations; the opportunities that alternative data presents for SME Financing were weighted against the challenges for consumer protection and data privacy; and the case for strengthening digital and financial literacy and awareness was made.

We were overwhelmed and humbled by the huge interest and great response and by the positive feedback we received from many participants at the forum. Our intention with this brochure is to summarize the main takeaways from the official panel sessions so that subsequent presidencies can refer to and build on the event. Additionally, we hope to have captured to some extent the creative, interactive and open atmosphere of these two days. I hope you will enjoy reading or flipping through this report as much as we did producing it.

I would like to thank our excellent facilitator Natasha Walker, who navigated us smoothly through the two days. I further want to thank my dear Troika colleagues from China and Argentina - it has been a pleasure working with you. Another big thank you to my colleagues at BMZ and GIZ for their support throughout the German G20 Presidency – what a great team! Finally, a huge thank you goes to all participants in the Forum, on the stage as well as in the audience for contributing to the success of this event, which led to the strong recognition of the work of the GPFI in the G20 Leaders' Declaration and various other agreed documents under the German G20 Presidency. I look forward to meeting many of you again in Argentina in 2018!

Natascha Beinker
German GPFI Chair
2017 G20 Presidency
Federal Ministry for Economic Cooperation
and Development (BMZ)

ACRONYMS

AFI	Alliance for Financial Inclusion
AML/CFT	Anti-Money Laundering / Combating the Financing of Terrorism
B2B	Business-to-Business
BMZ	German Federal Ministry for Economic Cooperation and Development
CDD	Customer Due Diligence
CGAP	Consultative Group to Assist the Poor
DFI	Digital Financial Inclusion
DFID	UK Department for International Development
FATF	Financial Action Task Force
FDP	Forcibly Displaced Person
FIAP	Financial Inclusion Action Plan
FSB	Financial Stability Board
FSP	Financial Service Provider
G20	Group of Twenty
G2P	Government-to-Person
GDP	Gross Domestic Product
GPFI	Global Partnership for Financial Inclusion
GVC	Global Value Chains
HLP	G20 High Level Principles for Digital Financial Inclusion
IFC	International Finance Corporation
KYC	Know Your Customer
MNO	Mobile Network Operator
MSME	Micro, Small and Medium Enterprise
NatCat	National Catastrophe
OECD / INFE	Organisation for Economic Co-operation and Development / International Network on Financial Education
P2B	Person-to-Business
P2G	Person-to-Government
P2P	Person-to-Person
RFF	Responsible Finance Forum
SDG	Sustainable Development Goal
SME	Small and Medium Enterprise
SSB	Standard Setting Body

CONTENT

OPENING OF THE 2017 GPFI FORUM BY THE GERMAN G20 PRESIDENCY

Parliamentary State Secretary Silberhorn opening the GPFI Forum

The 2017 GPFI Forum in Berlin was opened by **Mr. Thomas Silberhorn**, Parliamentary State Secretary to the German Federal Minister for Economic Cooperation and Development, who stressed the importance of financial inclusion for achieving the 2030 Agenda and the Sustainable Development Goals, and outlined the priorities of the German G20 Presidency in his Keynote.

Mr. Silberhorn underlined the importance of financial inclusion for economic development and for reducing poverty and inequality, and thus also for the implementation of the 2030 Agenda. He pointed out that financial inclusion contributes towards empowering individuals and businesses to fully tap their economic potential and improve their overall wellbeing. Mr. Silberhorn added that German development cooperation "is currently supporting more than 250 projects across the globe" and underlined the importance of national and international cooperation. In this regard, he highlighted the accomplishments of the GPFI and its role as "a central platform in global efforts to promote financial inclusion and as an important foundation for the three pillars of the German G20 Presidency in 2017: building resilience; improving sustainability; and assuming responsibility".

Mr. Silberhorn congratulated the GPFI on its achievements in 2017 and elaborated on the German G20 Presidency's priorities in the GPFI. In this context, he highlighted the update of the Financial Inclusion Action Plan (FIAP) and its alignment with the 2030 Agenda and digitization. The opportunities offered by digitization, including the use of big data, were important drivers for better access to financial services. He emphasized how policymakers and regulators need to “act on both the opportunities and the risks that new technologies provide”, and push “for the full implementation of the G20 High Level Principles for Digital Financial Inclusion”. Referring to another GPFI focus area under the German G20 Presidency, Mr. Silberhorn stressed the importance of implementing the G20 Action Plan on SME Financing and discussed the contribution of small and medium-sized enterprises to economic growth and job creation. In this context he mentioned two of the initiatives on the GPFI’s agenda for the year, namely the self-assessment by the G20 countries on their framework conditions for SME financing and the analytical work on financing instruments for SMEs in sustainable global value chains.

Another aspect to which Germany has given a strong emphasis is the financial inclusion of vulnerable and financially underserved groups: “In order to ensure that no one is left behind, we need to financially include groups that are particularly hard to reach,” the Parliamentary State Secretary said. He also especially underlined the importance of improving access to finance for women and female entrepreneurs along with promoting youth employment, and the financial inclusion of children and youth. Pointing out that, within the broader consideration of vulnerable and underserved groups, the German G20 Presidency has placed working on the financial inclusion of forcibly displaced persons particularly high on the agenda of the GPFI, Mr. Silberhorn highlighted the outcomes of the GPFI/AFI High-Level Forum on Financial Inclusion of Forcibly Displaced Persons and the need for concerted action and continued global dialogue.

In closing his keynote address, Mr. Silberhorn renewed the commitment made to promoting financial inclusion because financial inclusion “needs the joint efforts of all of us – of the public and the private sector, of G20 countries and beyond.” He encouraged the participants to “jointly realize the potential that financial inclusion holds for all our economies, for the achievement of the SDGs and, not least, for the wellbeing of all.”

[For the full text of the speech by Mr. Silberhorn please see page 74]

Joerg Stephan, G20 Deputy Director General at the German Federal Ministry of Finance (BMF)

Mr. Joerg Stephan, G20 Deputy Director General at the German Federal Ministry of Finance (BMF), highlighted the German G20 Presidency's priorities in the finance track – enhancing resilience, improving investment conditions in Africa, and evaluating the opportunities and risks of digitization, in particular for the financial sector. Digitization offers many opportunities to enhance financial inclusion and financial literacy - both highly important issues for the German G20 Presidency. To promote financial inclusion on a global scale, the G20 Presidency has organized a G20 conference to discuss the, very much interlinked, topics of digitizing finance, financial inclusion and financial literacy. Furthermore, the Presidency in the finance track also placed a special emphasis on SME Financing. The G20 Workshop "Helping SMEs go global – moving forward in SME finance" brought together many experts, including the private sector, to discuss this equally important issue. Not least, remittances are another area of particular focus in the G20 finance track. The Financial Stability Board (FSB), along with the Financial Action Task Force (FATF) and the GPFI, are making joint efforts to tackle issues relating to remittance providers' access to banking services. These groups met for a dialogue with the private sector and have already agreed to follow-up with a high-level meeting between public and private sectors.

FINANCIAL INCLUSION AND THE 2030 AGENDA

Lead Moderator Natasha Walker welcoming the participants of the 2017 GPFI Forum

Ruth Goodwin-Groen pointing out that financial inclusion plays a key role in achieving the Sustainable Development Goals

Keynote Speaker:

- Ms. Ruth Goodwin-Groen, Managing Director, Better Than Cash Alliance, United Nations Capital Development Fund

In her keynote speech, **Ms. Ruth Goodwin-Groen** highlighted that two main issues must be taken into account in the discussion on linkages between financial inclusion and the 2030 Agenda.

Firstly, the digitization of payments and of financial services is the foundation for achieving the Sustainable Development Goals (SDGs). At the same time, Goodwin-Groen emphasized that this digitization can only succeed if promoted responsibly and inclusively.

In summary, Ms. Goodwin-Groen made two calls for action:

- Firstly, there is an **urgency** to act now as 2030 is only 13 years away. Without immediate action, the 2030 goal cannot possibly be met.

- Secondly, since the G20 represent 85% of the world GDP and two-thirds of the world population, it has a particular responsibility to act. If governments, regulators, private sector leaders and innovators can come together to overcome the barriers **now**, then the international community will be able to deliver on its commitment. The implementation of the G20 High-Level Principles of Digital Financial Inclusion is a necessary foundation for achieving this commitment.

“GREATER ACCESS TO FINANCIAL SERVICES CONTRIBUTES TO ALL DIMENSIONS OF THE 2030 AGENDA (PEOPLE, PLANET, PROSPERITY, PEACE AND PARTNERSHIP) AND MIGHT HAVE A SIGNIFICANT IMPACT ON THE SDGS.”

(2017 G20 Financial Inclusion Action Plan)

Ms. Goodwin-Groen pointed out that digital financial inclusion is an enabling and powerful tool to support the SDG-implementation. She provided concrete country examples on how digital financial services are linked to relevant SDGs. For example, in line with SDG 1 (End Poverty) and SDG 5 (Gender Equality), 194,000 Kenyan households were lifted out of poverty through mobile banking. In line with SDG 1 (End Poverty) and SDG 10 (Reduce Inequality), the Indian government has managed to support the poor through cash-transfer programmes. By digitizing the largest cash transfer scheme in the world, India not only saved over $3 billion in three years, but also managed to better target those most in need of help. Ms. Goodwin-Groen further explained that digitization was a game changer for SME-financing - a key condition for job creation, poverty reduction, formalization and inclusive growth. She summarized that many of the technical solutions already exist and that government leaders need to follow-up quickly with regulations.

MAIN TAKEAWAYS !

Overall, the session yielded the following conclusions or takeaways:

- **Digitizing payments and financial services is necessary to implement the 2030 Agenda and the SDGs.** Digitization presents an unprecedented opportunity to accelerate access to finance for the financially excluded and underserved.

- The G20 need to act quickly, demonstrate leadership to deliver on its commitments, particularly for the **implementation of the High-Level Principles for Digital Financial Inclusion**. Technical solutions exist, but representatives of the G20 and non-G20 countries, international organizations, multilateral development banks and policymakers must lead by example in promoting international cooperation to overcome the political barriers for digital financial inclusion.

FINANCIAL INCLUSION AND THE G20 PARTNERSHIP WITH AFRICA

Front row: Holger Illi, Tukiya Kankasa-Mabula, Nomsa Daniels, Wolfgang Bücker.
Back row: Philip Sigwart, David Ashiagbor, Mthandazo Ngwenya

Moderator:

Mr. Wolfgang Bücker – Head of Sector Program Financial Systems Development, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Germany

Panellists:

- Mr. David Ashiagbor, Coordinator, Making Finance Work for Africa Partnership, African Development Bank
- Ms. Nomsa Daniels, CEO, Graça Machel Trust
- Mr. Holger Illi, Deputy Head of Division, Federal Ministry for Economic Cooperation and Development, Germany
- Ms. Tukiya Kankasa-Mabula, Deputy Governor, Central Bank of Zambia
- Mr. Mthandazo Ngwenya, Regional Director Africa, Intellectual Capital Advisory Services Private Limited (Intellecap), Kenya
- Mr. Philip Sigwart, Group Director SME Banking, Equity Group Holdings Limited, Kenya

The session reflected the important role of financial inclusion – access of households and small and medium enterprises (SMEs) to a wide range of financial services – in the context of an increasing international focus on Africa. Some key questions were: What are the contributions of the financial sector in overcoming bottlenecks and boosting investment for growth in Africa? Which new approaches in promoting financial inclusion have proven most effective? What are the main challenges in African economies and how should

Holger Illi, BMZ, (right): Financial inclusion and long-term finance as key elements of G20 Partnership with Africa

Governor Kankasa-Mabula on promoting financial inclusion, financial literacy and women empowerment in Zambia

these be addressed in upcoming G20 initiatives? The discussants presented different private and public sector perspectives on these questions.

The session began with an overview of trends and challenges in the field of financial inclusion and financial sector stability in Africa. Following a decade of strong growth, a number of African countries are facing strong economic headwinds due to a protracted slump in commodity prices. Investors' perceptions of Africa have changed accordingly from hype to a more pessimistic outlook. Current challenges include the diversification of African economies, governance, trade and financial sector development. Another topic was the demographics of development as 50% of the world´s youth population will be living in Africa by 2040. This implies large opportunities but also risks with regard to development, poverty reduction and migration. Therefore, the panellists approved of Africa now being part of the G20 agenda.

Despite progress in recent years, much remains to be done in promoting inclusive, stable and efficient financial sectors in Africa. There is significant progress in terms of increasing the number of bank and mobile accounts, assets under management by institutional investors and insurance coverage. However, many people in Africa are still financially excluded. The situation is particularly challenging for women as 70 percent of the female adult population lacks access to formal financial services. Despite growth in recent years, insurance coverage remains below 2 percent in most African countries. In addition, financial inclusion is not only about ensuring access to accounts but also about ensuring actual usage: Today, approximately 30 percent of mobile money accounts in Africa are inactive.

THE ENSUING DISCUSSION CENTRED ON THE FOLLOWING ISSUES:

Lessons learned in promoting financial inclusion and SME finance:

- To be effective, national **financial inclusion strategies** need to specify targets and timelines. Ensuring buy-in and ownership of the private sector are crucial conditions to scale up successfully. For instance, Zambia has made positive experience with the banking association being in charge of the country's annual Financial Literacy Week.

- Building **financial literacy** is essential to enable customers to take informed decisions. A particular focus on youth, women and entrepreneurs is required.

- By embracing **digital financial solutions and bank agent networks**, banks can, at low cost, reach out to large customer segments formerly excluded from financial services. Adopting such an inclusive business model and building on mobile and agent banking, Equity Group grew their customer base from one million to eleven million within ten years. The bank serves those at the base of the pyramid and helps its clients to graduate as they grow their own businesses.

- African financial sectors are highly liquid, including in local currency, but there is a lack of well-prepared **bankable projects** and viable businesses. Banks and institutional investors therefore often prefer to invest in high-yielding and "risk-free" government bonds.

- Filling the financing gap in the SME sector further requires a **diversification of financing sources** beyond the formal banking sector. Angel investors, equity investors and venture capital funds can provide financing to entrepreneurs where banks may be too risk-averse. A successful approach is to combine equity and debt financing with entrepreneurship and business development training to build and grow local enterprises.

- Banks could ease constraints for firm financing by reducing their often high **collateral requirements** for local businesses ("sometimes two to three times of the size of a loan") or accept other forms of collateral, e.g. moveable assets like livestock.

- Policymakers should beware of **unintended consequences of financial sector policies**. Interest rate caps for bank lending, for example, may cause a credit crunch for SMEs rather than boost lending to the sector, as banks are then unable to charge interest rates that reflect the risk-return profile of SMEs.

"WE LAUNCH THE G20 AFRICA PARTNERSHIP IN RECOGNITION OF THE OPPORTUNITIES AND CHALLENGES IN AFRICAN COUNTRIES AS WELL AS THE GOALS OF THE 2030 AGENDA."

(G20 LEADERS' DECLARATION, HAMBURG 2017)

- During the German Presidency, the G20 has launched the initiative “Compact with Africa” aimed at fostering private investment and forging closer economic and financial ties with the continent.

- The G20 is currently working with Côte d’Ivoire, Morocco, Rwanda, Senegal, Tunisia as well as Ghana and Ethiopia to design tailor-made compacts that reflect country-specific circumstances. Overall, the initiative focuses on three pillars: (1) strengthening macroeconomic frameworks, (2) improving the financing framework, (3) creating an enabling business environment.

- Creating opportunities, growth and jobs in African partner countries are a top priority. Financial inclusion and long-term finance are at the core of this agenda as prerequisites to grow African businesses and build infrastructure.

MAIN TAKEAWAYS !

Overall, the session yielded the following conclusions or takeaways:

- **Africa is in the international spotlight** at the G20 level.

- **Financial inclusion** in Africa has improved in recent years, **but much more needs to happen.** Digital financial services and non-banking institutions offer large potential and are changing the landscape.

- To fuel digital financial inclusion and further increase outreach, we need to see **large-scale investment in communication infrastructure and electrification**, particularly in remote and sparsely populated areas.

- **Addressing the specific requirements of women and female entrepreneurs is crucial** to fill the gender gap. There is also evidence that focussing on women has a strong positive economic impact. Creating greater transparency around gender and finance (women account for 82 percent of savings in Kenya, for instance) will support evidence-based policymaking.

- **The financial inclusion agenda should be accompanied by long-term financing** in order to boost economic growth and job creation in Africa. FSD Africa and Germany are starting to improve the information base on long-term finance with comparable data, country benchmarking and in-country diagnostics so as to create a level of transparency similar to that on financial inclusion over the past decade.

- **Capacity development at all levels** is crucial for government employees, in the financial sector, and for entrepreneurs.

FINANCIAL INCLUSION AS INTEGRALLY LINKED TO FINANCIAL SECTOR STABILITY, INTEGRITY, AND THE PROTECTION OF CUSTOMERS

The panel: Conor Donaldson, Alejandra Vázquez (Mexico), Francesca Brown, Rupert Thorne, Tom Neylan and Timothy Lyman (f.l.t.r.)

Moderator:

Ms. Francesca Brown, Private Sector Development Adviser, Department for International Development (DFID), United Kingdom

Input:

- Mr. Timothy Lyman, Senior Policy Adviser in the Government and Policy Team, The Consultative Group to Assist the Poor (CGAP)

Panellists:

- Mr. Conor Donaldson, Member of the Secretariat, The International Association of Insurance Supervisors (IAIS)
- Mr. Tom Neylan, Senior Policy Analyst, Financial Action Task Force (FATF)
- Mr. Rupert Thorne, Deputy Secretary General, Financial Stability Board (FSB)
- Ms. Alejandra Vazquez, Director, Ministry of Finance, Mexico

The session raised awareness of the interconnections between financial inclusion and the more traditional objectives of financial sector policy, regulation and supervision: financial stability, financial integrity, and the protection of financial consumers. The stability of the financial sector is a crucial precondition for safeguarding achievements in financial inclusion. Financial inclusion is more and more understood as a pathway to increased stability – as underlined by the 2030 Agenda – but only if financial integrity and consumer protection are ensured.

The key messages of the GPFI White Paper, *Global Standard-Setting Bodies and Financial Inclusion - The Evolving Landscape*, served as the basis for discussion. After canvassing the linkages mentioned above – particularly in the face of rapidly scaling digital innovation (Part I) – representatives of key global standard setting bodies (SSBs) and policymakers discussed the risks of financial *exclusion* and the challenges to cross-border remittances flowing from bank account closures and the drop-off in correspondent banking frequently referred to popularly as "de-risking" (Part II).

A short presentation set the stage for the session: It outlined the progress on integrating financial inclusion into the work and thinking of the SSBs leading up to and since the establishment of the GPFI and provided insights on recent digital trends and the GPFI White Paper's key messages. Recent digital trends call for an ever greater need for collaboration between multiple SSBs and a widening array of country-level authorities.

PART I

In Part I, the discussion centred on the following points:

- **We have come a long way.** A decade ago, a single SSB (IAIS) was engaged in financial inclusion; today, it is deeply embedded in the work of all relevant SSBs, many of which now are applying relevant work streams.

- **Proportionality in practice**. Mexico provided an example of applying the principle of proportionality in policymaking: Rules should differ between financial institutions taking into account their size and business model. For example, niche banks have lower capital requirements than commercial banks.

- **New digital developments lead to the entry of new actors and new or shifting risks, and new approaches to policymaking:**

  - National authorities are increasingly approaching the challenge of promoting innovation while paying heed to institutional and systemic stability and customer-protection by allowing for **regulatory 'sandboxes'** and similar innovation facilitators that enable experimentation with new products and providers in a controlled environment.
  - The FSB has recently conducted a stocktaking exercise on the **stability ramifications of financial technology (FinTech)** and is planning to submit the resulting report to the G20 Summit. This includes **FinTech's role in promoting financial inclusion**.
  - Innovation tests strengthen the **capacity of regulators and supervisors** to understand the potential risks and, on this basis of this understanding, implement appropriate, proportionate regulation.

- **Financial inclusion, financial stability, financial integrity and financial consumer protection are mutually supportive objectives.** The FSB, for example, notes that financial inclusion broadens the customer base of the financial system, not only stimulating growth in the real economy, but also diversifying risk and helping to avoid financial excesses. Similarly, FATF has integrated financial inclusion considerations into its work, noting that financial exclusion can lead to money laundering and financing of terrorism.

- **Over-compliance on customer due diligence (CDD) remains one of the most challenging obstacles.** FATF encourages both countries and providers not to apply 'gold-plated' requirements that can have a counter-productive effect. This means taking advantage of country-level policymaking and of the flexibility that the risk-based approach embeds at the heart of the FATF standards to apply the requirements in different ways or to soften them in lower-risk situations. It also means avoiding over-compliance by providers and taking advantage of simplified CDD measures that a country's regulation may allow for financial inclusion products.

- **FinTech and RegTech: some new financial integrity risks; many potential benefits for financial inclusion.** FATF is optimistic about the potential opportunities to assist in combating threats to financial integrity, and to promote financial inclusion (e.g. by developing alternative technologies and systems for customer identification and verification). The FATF has reached out proactively to FinTechs and RegTechs to help them understand risks and opportunities, and to build risk mitigation into their financial products.

- **Implementation is a key challenge for the SSBs, and IAIS intends to do something about it.** The IAIS highlights the strong linkages between financial inclusion and IAIS's core mandate to protect policyholders. In recent years, there have been a number of guidance projects. Yet IAIS is coming to realize that the capacity of its members to implement the guidance is the critical obstacle. The SSB is stepping up its engagement on the implementation front, including through its collaboration with IAIS' implementation partner, the Access to Insurance Initiative. Several other SSBs have launched, or are launching, capacity-building initiatives.

"TO FURTHER IMPROVE THE ENVIRONMENT FOR REMITTANCES, WE ALSO SUPPORT PROGRESS MADE BY THE GPFI WITH REGARD TO FACILITATING REMITTANCES, INCLUDING BY PROMOTING ACTIONS AND POLICIES THAT COULD LOWER THEIR COSTS, WHILE ENSURING THE QUALITY OF REMITTANCE SERVICES AND THEIR IMPACT ON LOCAL ECONOMIC DEVELOPMENT."

(G20 Hamburg Action Plan)

PART II

In Part II of the session, the discussion turned to the risks of financial *exclusion* and the phenomenon referred to by exiting banks as "de-risking" – topics that cause concern far beyond financial sector development alone and carry profound implications for the SDGs and the entire development agenda.

KEY POINTS ON FINANCIAL EXCLUSION RISKS INCLUDED:

- **Until now, little work has been done to understand financial exclusion risks.** The GPFI White Paper reminds us that little work has been done across the SSBs to understand the various risks to their core mandates that flow from the exclusion of large numbers of people and enterprises from the formal financial system. The moderator highlighted the importance of Recommendation 10: *"Work towards the development of a common understanding of the risks of financial exclusion."*

- **The data revolution threatens to carry troubling financial exclusion implications in the insurance context.** While the data revolution offers new tools in the insurance context, such as alternative credit scoring, newly available data enables insurance providers to cherry-pick low-risk customers, undermining the very concept of risk pooling and perpetuating the exclusion of higher-risk customers. Further, the data sets generated are not always complete or accurate and customers excluded based on faulty data are unlikely to have the means to correct it.

KEY POINTS ON "DE-RISKING" INCLUDED THE FOLLOWING:

- **If the fall-off in correspondent banking were to deepen, this could bring financial exclusion on a large scale.** The fall-off in the availability of correspondent-banking relationships in growing numbers of jurisdictions – including many poorer and conflict-countries, where populations are most vulnerable – risks the exclusion of entire economies and populations from the international financial system. The adverse consequences are global in their implications. For now, the effects of "de-risking" on financial exclusion have been limited.

- **"De-risking" is a misleading term, as financial exclusion risks increase with banks' withdrawal.** While a bank that exits correspondent banking or denies accounts to remittance providers may reduce its own risk, broader risks increase as transactions migrate to cash. "De-risking" removes risks from the banking system, but it does not make them disappear.

- **Drivers of "de-risking" are complex, and there are no easy answers.** "De-risking" is a long-term trend, with complex drivers and without simple solutions. Profitability is an especially important aspect of banks' decision-making, and is in turn affected by multiple factors, including not just the costs of AML/CFT compliance, but also capital requirements, low interest rates, and other changes in global financial markets.

- **Cooperation and coordination among the SSBs and other global bodies are necessary to avoid moving backwards.** The FSB's Correspondent Banking Coordination Group,

Conor Donaldson emphasizes that the capacity of IAIS' members to implement guidance is the critical obstacle

Rupert Thorne explains how financial inclusion helps to diversify risk and to avoid financial excesses

which, under FSB's leadership, brings together multiple SSBs and other global bodies with different stakes in the "de-risking" phenomenon, exemplifies the kind of cooperation and coordination among diverse stakeholders that will be needed.

- **Working on trust-building and information-sharing as key "pieces of the puzzle".** Communication and trust-building are crucial to address the "de-risking" phenomenon. Establishing a record of accomplishment of effectiveness can help to build confidence in cross-border providers and their regulators. In addition, an information-sharing mechanism among banks and other actors can allow for the tracking of all outbound transfers to identify money laundering activity across the entire market.

- **Embracing a multi-dimensional approach to a multi-dimensional problem.** Remittance-dependent countries face the problem of bank accounts for remittance providers. Innovative new measures aimed at mitigating banks' risk concerns and promoting information-sharing and dialogue are required as the issue of "de-risking" is multidimensional, calling for a multidimensional response.

MAIN TAKEAWAYS

Overall, the session yielded the following key takeaways:

- **Financial inclusion is increasingly embedded in the work and thinking of the SSBs,** and the integral linkages between inclusion and their "mission-critical" objectives of financial stability, integrity, and the protection of customers are increasingly well understood.

- **Innovation for inclusion is introducing new actors and new or shifting risks,** triggering ever more crosscutting issues on which multiple SSBs (at the global level) and multiple public bodies (at the country level) must collaborate.

- **National implementation is a key challenge ahead.** Progress in recent years on financial inclusion-sensitive standards and guidance from the SSBs now needs to be followed up with improved capacity of country-level authorities to implement them.

- **Moving risks around is not the same as reducing risks.** For example, a bank that reduces its own risk level by terminating its correspondent banking business may have increased money laundering risks in general by forcing transactions underground.

- **Addressing the phenomenon of "de-risking" requires a multi-dimensional response.** The coordination work led by FSB brings the range of interested SSBs and other global bodies to the table.

- **GPFI plays a crucial role in facilitating the dialogue and complementing the work of the SSBs.** The issues touch all GPFI Subgroups.

BREAKOUT SESSIONS: REACHING THE LAST MILE – FINANCIAL INCLUSION IN RURAL AREAS

BREAKOUT SESSION A: HOW CAN CLIMATE RISK INSURANCE AND AGRICULTURAL INSURANCE MAKE RURAL MSMES MORE RESILIENT AND DRIVE DEVELOPMENT?

Calvin Miller, Ulrich Hess and Sucharita Mukherjee (f.l.t.r.)

Calvin Miller, Ulrich Hess and Mweene Monga (f.l.t.r.)

Moderator:

Mr. Ulrich Hess, Senior Advisor, Global Access to Insurance, InsuResilience Initiative, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Germany

Speakers:

- Mr. Calvin Miller, Independent Consultant, ex Agrobusiness and Rural Finance Group Leader, FAO
- Mr. Mweene Monga, Manager Business Development, Mayfair Insurance Company Zambia Limited
- Ms. Sucharita Mukherjee, CEO, IFMR Holdings, India

This breakout session focused on the role of agricultural and "climate risk insurance", known as weather insurance, as well as other financing instruments for adaptation and mitigation. Climate change tends to increase risks and uncertainty and presents significant challenges for micro, small and medium enterprises (MSMEs) - including agricultural businesses. Access to finance and risk transfer solutions can enable MSMEs to adopt necessary climate smart practices and to invest in new climate smart technologies and approaches.

MSMEs often lack collateral and struggle with high interest rates. Paired with uncertainty and lack of long-term financing, MSMEs are unable to adapt to climate change and mitigate the associated risks. Under the German G20 Presidency, the GPFI SME subgroup produced a policy paper on "Climate smart financing for rural MSMEs – creating an enabling policy environment"[1]. The paper recommends policy options in the areas of:

- Legislative/regulatory, e.g. what policies can support financial inclusion?
- Economic/fiscal, e.g. incentives (taxes), matching grants, blending finance, guarantee funds, insurance
- Agreement/incentive-based, e.g. utility pricing, guarantees, public funding support
- Information/communications-based, e.g. awareness; capacity building at the financial, MSME and policy level

Full access to financial services, including access to savings, credit, insurance and other financial products, is particularly important in rural areas. When dealing with low-income households, it is important to reach out through a network of financial institutions with solutions rather than mere products. A number of different products and goal-based product plans may better fulfil their customers' needs than any single approach.

Natural catastrophe (NatCat) insurance products can target farmers and small businesses, but also wage labourers that are excluded from government insurance or disaster relief schemes. Such a product aims at protecting loss of income due to natural catastrophes and protecting loss of assets, including livestock.

Over the last few years, weather index insurance markets, e.g. in cotton, maize and soy farming, have been developed and scaled up. The use of satellite technology has been a game changer in giving farmers access to insurance products. Climate change-related challenges lead to high claim ratios and the need to rely on partners due to a limited branch network. The case of the Zambian cotton contract farming operator NWK AgriServices demonstrates that weather index insurance solutions can be sustainable and scalable. In the 2015/2016 season, 52,000 out of 70,000 contract farmers bought weather and life insurance, greatly facilitated by NWK AgriServices and their pre-financed premiums.

THE DISCUSSION CENTRED ON THE FOLLOWING ISSUES:

- The use of **insurance as collateral** its role in facilitating access to credit was confirmed. Insurance can secure repayment of the credit by mitigating the key risk that usually affects farmers' ability to repay.

1 http://www.gpfi.org/publications/g20-gpfi-policy-paper-climate-smart-financing-rural-msmes

"TO FURTHER CONTRIBUTE TO ACHIEVING THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT, WE HAVE AGREED (...) IN HAMBURG ... [TO] EMPHASIZE WOMEN, YOUTH, PEOPLE LIVING IN RURAL AREAS AND FORCIBLY DISPLACED PERSONS IN OUR CONTINUED EFFORTS TO PROMOTE FINANCIAL INCLUSION FOR ALL."

(HAMBURG UPDATE: TAKING FORWARD THE G20 ACTION PLAN ON THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT)

- As far as the **pricing of NatCat products** is concerned, climate change increases uncertainty and levels of risk and therefore tends to push up insurance premium levels as well. Thus risk-adequate premiums can be substantial, and signal risk levels to farmers, helping them with crop selection and adaptation in general. The insurance premium tends to be lower than the profits that farmers sacrifice to minimize risks.

- As for **policies, regulations and guidelines**, the audience noted that policy frameworks matter greatly when it comes to implementing agricultural or weather risk insurance, because they require significant public goods such as quality data and enabling regulatory frameworks.

MAIN TAKEAWAYS !

Overall, the session yielded the following takeaways:

- **Policies** can have a significant effect on helping **rural MSMEs' overcome market failures that prevent adaptation to climate change.**

- **NatCat insurance and agricultural insurance** are two effective tools that help MSMEs and individuals transfer their natural risks and thus **become more resilient and more profitable.**

- **Rather than offering stand-alone products for MSMEs and individuals,** a number of different problem-solving products should be offered.

BREAKOUT SESSION B: FINANCIAL INCLUSION IN RURAL AREAS THROUGH REMITTANCES, FINANCIAL LITERACY AND INVESTMENT

Estrella Mai Dizon-Año-nuevo providing insights into the remittances-case in the Philippines (f.l.t.r.: Flore-Ann Messy, Eric Gold-berg, Leon Isaacs, Estrella Mai Dizon-Añonuevo)

The audience getting engaged in the discussion

Pedro De Vas-concelos

Moderators:

- Mr. Pedro De Vasconcelos, Manager, Financing Facility for Remittances, Senior Advisor, Policy and Technical Advisory Division, International Fund for Agricultural Development (IFAD)
- Ms. Flore-Anne Messy, Principal Administrator Financial Education & Global Relations, Financial Affairs Division, Directorate for Financial and Enterprise Affairs, OECD

Speakers:

- Mr. Eric Goldberg, Senior Counsel, Consumer Financial Protection Bureau (CFPB), USA
- Mr. Leon Isaacs, CEO, Developing Markets Associates Limited (DMA), United Kingdom
- Ms. Estrella Mai Dizon-Añonuevo, Executive Director, Atikha Overseas Workers and Communities Initiatives Inc., Philippines

Reaching out to individuals, smallholders and MSMEs in remote rural areas is at the forefront of financial inclusion. This breakout session explored how remittances, financial literacy and investment can become a virtuous circle for financial inclusion and economic development in rural areas:

- An emphasis was placed on the **business case for financial service providers** to work with remittance receivers. Local banks are often unaware of the high level of remittances received and do not realize the business case for reaching out to recipients to offer savings schemes and create a business relationship. At the same time, the recipients often lack financial literacy. Establishing a relationship between both groups and providing trainings creates a win-win situation.

- In general terms, **only a small proportion** (15-20 percent) **of remittances are saved or invested** by the sender's families back home. Transnational challenges include the integration of migrants into the local economy in host countries and creating sufficient opportunities "back home" to make migration a choice rather than a necessity for future generations. Successful approaches include entrepreneurship training, financial literacy training of "Remittance Families" to enable both migrants and their families to save and invest.

- The importance of **providing remittance senders with better information** on remittance products was underlined. This can be achieved through financial capability trainings (spending decisions, tracking income, and bills etc.), by collecting and addressing consumer complaints, enhancing disclosure and allowing consumers to withdraw.

THE DISCUSSION CENTRED ON THE FOLLOWING ISSUES:

Mind the economics of migration: If migrants sending remittances to developing countries were to form an imaginary country, it would have a population of 250 million, including 100 million women, and generate a combined GDP of $3 trillion, of which $429 billion would be sent as remittances. Interestingly, most of the recipients of remittances are unbanked, which means a great opportunity to leverage remittances for further financial inclusion. Remittances already contribute to the SDGs by giving families access to food, education, health, and income-generating activities, particularly in rural areas where these flows count the most. Not activating this potential and excluding migrants from financial services would mean a huge missed chance since remittances form a vital link between migration and SDG agendas.

- **Financial literacy programmes need to focus on people**. In many cases, migrants demonstrate low levels of financial literacy, are not proficient in the host country's language and have short-term financial needs. Altogether, migrants, like all consumers, are a very heterogeneous group and financial literacy programmes need to reflect and adapt to this diversity.

- **Importance of taking an inclusive approach**: It is essential to engage with all relevant stakeholders: not only host and home governments at the local and national level, but also schools, churches and the local private sector in order to reach migrants and their families and address economic as well as psychosocial issues that drain their resources. These stakeholders assist in creating an enabling environment to facilitate migrant investment and enterprises. Adopting a migration corridor approach (working with migration stakeholders, migrants and families in destination countries and origin countries) ensures the effectiveness of the programme because: a) it promotes shared responsibility of migrants and families in income management and b) the interventions are tailored to fit to the needs of the migrants and opportunities and capacities in the area.

MAIN TAKEAWAYS

Overall, the session yielded the following takeaways:

- **Linking financial literacy and remittances interventions** is crucial to achieve a lasting impact. Financial literacy should be linked with other interventions such savings promotion, investment and business opportunities, skills training and enterprise development.

- **Forming multi-stakeholder partnerships**. It is important to work with the entire spectrum of stakeholders, ranging from migrants and recipients to schools, entrepreneurs, financial institutions and public sector institutions at all levels – and on both ends of remittance corridors. Engaging with champions in the respective groups can be very effective.

- **Don't forget the sender**! Besides working with remittance recipients it is important to inform and empower remittance senders about their options that allow senders to protect themselves and their recipients.

- **Focus on educating service providers.** An often neglected target group is the service provider. Targeting these in both the destination and origin countries could yield a large impact.

- A **consistent policy framework,** which allows for an enabling environment for remittances and investment is necessary.

- **Assist countries in digitizing financial education learning material and assessing the impact of financial education.** This data would enable evidence-based policymaking and mobilize funding for scaling-up.

BREAKOUT SESSION C: INNOVATIVE APPROACHES ON HOW TO FINANCE INVESTMENTS IN RURAL AREAS

Martin Rohler, explaining the approach of LFS Financial Systems

Stefan Zelazny explaining the business model of Mobisol

Moderator

Mr. Jens Windel, Advisor, Division Economic and Social Development, Financial Systems Development, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Germany

Speakers

- Ms. Laura Knierim, Project Manager, KfW Development Bank, Germany
- Mr. Martin Rohler, Head of Group Credit Operations, LFS Financial Systems, Germany
- Mr. Stefan Zelazny, CEO, Mobisol Group, Germany

This session provided best practices on how to finance investments in rural areas through innovative approaches. Two private companies presented a business model by which individual persons and MSMEs are able to access financial services in remote rural areas. In addition, KfW Development Bank presented an investment fund that invests into the agricultural sector and includes a unique hedging instrument that allows for local currency risks.

The session was kicked off by the moderator who outlined the major challenges that hamper financial solutions for investments in rural areas. Unsurprisingly, poor infrastructure, high transaction costs and the risky and volatile nature of agricultural activities were mentioned. A number of issues were tabled for discussion:

- The use of **quality solar home systems** to match various energy needs of low-income households can be **financed via mobile phone payments**, comprehensive customer service and innovative remote monitoring technology. Through the latter, customers can be motivated to keep the payment process intact, which is often demonstrated by a low default rate.

- The combination of **microfinance with a specialized rural lending approach** to offer customers tailor-made financial products in rural areas. For the more traditional brick and mortar approach, typical customers in rural areas are smallholder (commercial) farmers with limited or no access to technology and transport. The customer relationship approach relies largely on personal interaction, so that outreach to rural areas is costly even though default rates are low. In order to increase the branches' service radius while keeping costs manageable, loan officers can, for instance, use motorbikes to visit clients. Loan conditions have to be very much adapted to client needs, e.g. through uncollateralized lending or individual repayment plans. Digitization was considered to offer tremendous potential to facilitate loan officer assessments in the field.

- The **relevance of short-term loans and flexible lines of credit** to enable the growth of agricultural enterprises that work with smallholder farmers. Through improved access of local MSMEs to working capital, food security, productivity and peasant income can be enhanced, thus stimulating inclusive economic growth and employment in rural areas. The local food supply can be increased through local currency loans to those companies which do not export but produce for the local market. One point of discussion was the high hedging cost when refinancing lines have to be converted from "hard" currencies into the local currency of the country. In the past two years, many African currencies have experienced high volatility. This has increased hedging costs significantly and made local currency lending cost-intensive for borrowers.

MAIN TAKEAWAYS !

Overall, the session yielded the following takeaways:

- The **supply of financial services in rural areas** is not sufficient; neither innovative nor more traditional financial service providers have been able to fill the gap. It is estimated that up to 500 million **smallholders do not have access to adequate financial services.**

- **Digitization will play a major role** in the coming years in **servicing people in rural areas;** yet up to now, there are strong **limitations due to lack of infrastructure**. A sound (digital) infrastructure is one of the key pre-conditions to develop and use innovative digital financial services; this includes stable internet and extensive mobile phone coverage.

- **Traditional brick and mortar financial service providers** still have their stake; however, they need to innovate further to bring down the **high transaction costs**. Certain local and regional financial service provision hubs are needed in Africa's rural areas. In the meantime, physical presence is key. Yet, over time, this will change and digital innovations may substitute parts of the branch networks.

- The **challenges of financing investments in rural areas** (in Africa) **go way beyond financing** alone: providing a solid education including **financial literacy, building a proper road infrastructure**, are equally essential.

FINANCIAL INCLUSION OF FORCIBLY DISPLACED PERSONS

Enas Halaiqah providing insights into the situation in Jordan

The vast majority of the audience perceived the topic as extremely relevant. Panellists (f.l.t.r.: Leon Isaacs, Natascha Weisert, Rolf Wenzel, Enas Halaiqah, Matthew Homer, Niclaus Bergmann)

Moderator:

Mr. Leon Isaacs, CEO, Developing Markets Associates Limited (DMA), United Kingdom

Panellists:

- Mr. Niclaus Bergmann, Managing Director, Savings Banks Foundation for International Cooperation, Germany
- Ms. Enas Halaiqah, Project Coordinator, GIZ Jordan
- Mr. Matt Homer, Senior Policy Adviser, USAID
- Ms. Natascha Weisert, Senior Policy Officer, Federal Ministry for Economic Cooperation and Development (BMZ), Germany
- Mr. Rolf Wenzel, Governor, Council of Europe Development Bank (CEB)

This session gave an understanding of the challenges and opportunities in promoting the financial inclusion of forcibly displaced persons (FDPs). Concrete project examples offered insights on how to design financial inclusion approaches that enable refugees, asylum seekers and internally displaced persons to overcome crises, use their competencies and thus contribute to the economic development of the host community or country. In addition, the session briefly presented recommendations emanating from the focus area of the German G20 Presidency[2] and the AFI/GPFI High-Level Forum on Financial Inclusion of

2 http://www.gpfi.org/news/gpfi-afi-high-level-forum-financial-inclusion-forcibly-displaced-persons-held-berlin

Forcibly Displaced Persons that took place in April. The session drew on a panel of experts representing financial service providers, donors and implementing agencies which shared success stories and lessons learned.

After a short presentation on the session's background, including the process and initial findings of the **GPFI initiative on Financial Inclusion of Forcibly Displaced Persons (FDPs)**, the discussion centred on the following issues:

- **Financial inclusion of FDPs is an urgent matter and not a new one:** Housing and infrastructure projects for FDPs within Europe were a common phenomenon following World War II, recognizing the potential contribution of FDPs to the economic development of host countries.

- **Meeting the needs of FDPs requires a holistic approach**: In many crises contexts, while refugees are not allowed to open a bank account, they do often have access to mobile wallets, such as in Jordan. To facilitate this, one needs an enabling regulatory environment, which generally requires partnering with the private sector and training the target group for such an approach in a comprehensive manner. It should aim at improving access to financial services for refugees and financially excluded or underserved segments of society. Mobile-based financial services can be of particular relevance even in a cash-based society.

- **Financial service providers (FSPs) do not see refugees as (an immediate) business case**: In 2015, the huge influx of refugees in Germany created an urgent need for basic accounts for receiving public benefits. Opening a bank account for refugees, however, can take much longer compared to other customers mainly due to language barriers and legal issues. For this reason, FSPs do not see refugees as an immediate business case. But they can be a long-term investment and turn into attractive customers over time.

- **Importance of financial capability and the ability to take informed decisions**: Language barriers and low level of financial capabilities not only cause costs for FSPs, but also pose risks for the customers themselves as they are not able to take informed decisions. For this reason, financial capability measures should be part of the efforts to promote financial inclusion of FDPs.

- **Refugees as human capital – for the economy in general and the banking sector in particular**: In some countries, national authorities treat the influx of refugees as a chance to get human capital into the country, e.g. in Armenia. This can be supported by providing trainings for refugees with the intention to identify people with entrepreneurial skills and with potential to work for banks.

- **Digital innovations can improve outcomes and can help to bridge the humanitarian and development world**: The Barcelona Principles on "Digital Payments in Humanitarian Response" demonstrate the potential of digital solutions for both promoting financial inclusion of FDPs and the opportunity to bridge the humanitarian-development divide. The Barcelona Principles can thus be used as guidance to develop a relevant action agenda in humanitarian and development cooperation projects and programmes.

"WE SUPPORT THE WORK OF THE GPFI TO ADVANCE FINANCIAL INCLUSION FOR PARTICULARLY UNDERSERVED AND VULNERABLE SEGMENTS OF SOCIETY, INCLUDING (...) FORCIBLY DISPLACED PERSONS.
WE (...) ASK THE GPFI TO DEVELOP A ROADMAP FOR SUSTAINABLE AND RESPONSIBLE FINANCIAL INCLUSION OF FORCIBLY DISPLACED PERSONS BY 2018."

(G20 HAMBURG ACTION PLAN)

- **It must be understood what FDPs want**: The group of forcibly displaced persons includes internally displaced persons, refugees and asylum seekers. This illustrates how heterogeneous and complex this group of people is and how great the need is to understand which financial services are needed by whom. To gather the required data and evidence, the proper set of stakeholders has to be brought together.

- **ID is a critical (regulatory) issue**: The rules and regulations for financial access of FDPs can be unclear or inconsistent and FDPs often lack adequate identification or legal status for KYC (Know Your Customer) and account opening. Most countries have not designed flexible KYC regulation, and little guidance from regulators exists on how to comply with international standards and identification requirements causing uncertainty at all levels. In Armenia the FSPs were surprised by the number of options they may offer to FDPs.

MAIN TAKEAWAYS !

Overall, the session yielded the following conclusions or takeaways:

- **Financial inclusion of FDPs is a complex multi-jurisdiction, multi-stakeholder, and multi-sector process.** Strong collaboration between various stakeholders is required. The issue has the potential to connect the humanitarian and development worlds.

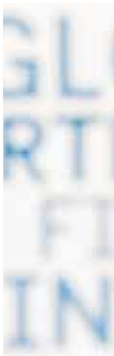
- **We are at the beginning of a process, and we can gather information and develop solutions at the same time.** Further research, pilot activities, and especially data are needed to develop evidence-based approaches and products and better understand what FDPs want and need.

- **Address both FDPs and host community** to avoid favouring FDPs over host communities, an integrated approach has to be promoted.

- **The amount of attention to this topic is tremendous thanks to the GPFI priority.** The initial results of the GPFI initiative and the related discussions proved the importance of dialogue, sharing knowledge and promising examples. The GPFI has an important role to play in continuing this process.

IF NOT THEM – WHO? MAKING YOUNG ENTREPRENEURS VISIBLE AND BANKABLE

The session panel discussing the challenges of entrepreneurship



Amira Cheniour from Tunisia

Moderator:
Ms. Lubna Shaban, Director of Youth Entrepreneurship, Child & Youth Finance International

Panellists:

- Mr. Baybars Altuntas, Chairman, World Business Angels Investment Forum (WBAF)
- Mr. Cephas Chabu, Managing Director, National Savings and Credit Bank, Zambia
- Ms. Amira Cheniour, I.T.Grapes, Tunisia
- Mr. Pietro Paolo Ganis, Laboratori Fabrici srl, Italy
- Mr. Momarr Mass Taal, Tropingo Foods, The Gambia
- Ms. Judith Joan Walker, African Clean Energy, Netherlands

In this session, four finalists of the Young Entrepreneurs (YE!) Awards presented their business cases and discussed the potential of youth entrepreneurs and innovative models to finance their undertakings with potential investors such as angel investors and other financiers. The panellists talked about the particular needs and opportunities associated with serving young entrepreneurs in countries with a large population segment below the age of 30. The young entrepreneurs from OECD countries and developing countries and different sectors (agriculture, IT, energy, etc.) contributed their experiences in growing their businesses and tapping into relevant financing channels for that purpose.

> *"WE WELCOME THE WORK OF THE GLOBAL PARTNERSHIP FOR FINANCIAL INCLUSION, ESPECIALLY WITH REGARD TO PROMOTING YOUTH ENTREPRENEURSHIP THROUGH THE GLOBAL PLATFORM FOR YOUNG ENTREPRENEURS "GLOBAL YE! COMMUNITY" THAT HAS BEEN ESTABLISHED IN CLOSE COOPERATION WITH CHILD & YOUTH FINANCE INTERNATIONAL TO FORM A POSITIVE CYCLE AMONG "INNOVATION-ENTREPRENEURSHIP-EMPLOYMENT".*
>
> (G20 INITIATIVE FOR RURAL YOUTH EMPLOYMENT)

Mr. Altuntas highlighted the important role that angel investors play in supporting young entrepreneurs. Mr. Chabu talked about how his bank is extending support to young entrepreneurs through the NATSAVE program, which features a loan for young entrepreneurs as well as non-financial support through trainings and shared services.

THE DISCUSSION CENTRED ON THE FOLLOWING ISSUES:

- **Young entrepreneurs** are looking to **work with experienced investors** who can contribute their knowledge.
- Traditionally, young entrepreneurs rely on family and friends to finance their business ideas.
- In the past, banks have not been the ones providing the most relevant solutions. The panellists view **investment funds** (which collaborate with other private or government institutions) as possible **trailblazers towards more innovation and added value.**
- **Crowdfunding** can be a good idea to test the credibility of a business idea.
- Work with youth-led start-ups needs **to include the entire ecosystem and invite all players** (business associations, exporters, development banks) around the table and show how young entrepreneurs can be supported via **financing, but also through expertise and networking.**
- In terms of **preferred investment model** (equity/angel investment or debt model), it was pointed out that the decision on the preferred model comes later in the start-up process. **Mentoring** is a critical element to help determine whether an entrepreneur is on the right track.
- Ideally, **financing options** should be **more flexible and affordable**. Convertible debt could be an option; equity investment is difficult to understand.
- The young entrepreneurs did not rule out giving up a share of their company, but said that they would need **credible and reliable partners**.

- From the financing side, it is also important that entrepreneurs be clear about their goals right from the start: Do they want to develop a start-up and sell it after 5-7 years or plan to run the same business for decades? The latter option would be similar to SMEs, which generally turn to banks for financing.

Mabel Suglo a young entrepreneur from Ghana

THE YE! COMMUNITY

The Ye! community is a global community of young entrepreneurs between 16 and 30 years old. It is an initiative of Child and Youth Finance International (CYFI). The Ye! Community was launched under the Turkish G20 Presidency with the endorsement of the Global Partnership for Financial Inclusion. The community has 14,000 members from 121 countries. Through it, young entrepreneurs can get support in the form of mentorship, connections with other entrepreneurs, country guides as well as tools and resources.

Find out more at: www.childfinanceinternational.org/initiatives/ye-community.html

MAIN TAKEAWAYS !

Overall, the session yielded the following takeaways:

- It is important to recognise youth entrepreneurs as a segment with very **specific needs and challenges**.

- **Financial literacy, including mentoring** at more advanced stages of financing for SMEs/start-ups/young entrepreneurs is **critical for financial inclusion to drive sustainable growth.** For young entrepreneurs, this is particularly vital, as they often do not fully grasp the financial products offered nor the market dynamics.

- To facilitate this, it is very important for different players, i.e. **financial institutions, government representatives, angel investors and large firms to collaborate** and contribute to the ecosystem. It is not just about funding, it is about how complementary models of support are developed to **meet the needs of young entrepreneurs.** It is necessary to draw on different players' expertise and to build and coordinate a collaborative network.

REGIONAL INITIATIVES ON FINANCIAL INCLUSION AND THE IMPLEMENTATION OF THE G20 HIGH-LEVEL PRINCIPLES FOR DIGITAL FINANCIAL INCLUSION

Isaac Sidney Ferreira presents the vision and strategic objectives of FILAC (f.l.t.r.: Alfred Hannig, Abdulrahman A. Al Hamidy, Isaac Sidney Ferreira, Ungatea Latu, Rogério Lucas Zandamela, Shri Amit Agrawal)

The panellists discuss the experience and role of regional financial inclusion initiatives

Moderator:
Mr. Alfred Hannig, Executive Director, Alliance for Financial Inclusion (AFI)

Panellists:

- Mr. Abdulrahman A. Al Hamidy, Director General, Arab Monetary Fund, Financial Inclusion in the Arab Region Initiative (FIARI)
- Mr. Shri Amit Agrawal, Joint Secretary, Ministry of Finance, India
- Mr. Isaac Sidney Ferreira, Deputy Governor, Banco Central Do Brazil, Financial Inclusion in Latin America and the Caribbean (FILAC)
- Ms. Ungatea Latu, Assistant Governor, Reserve Bank of Tonga, Pacific Islands Regional Initiative (PIRI)
- Mr. Douglas Pearce, Practice Manager for Financial Infrastructure & Access in the Finance & Markets Global Practice, World Bank Group
- Mr. Rogério Lucas Zandamela, Governor, Banco de Moçambique, African Mobile Phone Policy Initiative (AMPI)

HIGH-LEVEL PRINCIPLES FOR DIGITAL FINANCIAL INCLUSION

PRINCIPLE 1: Promote a Digital Approach to Financial Inclusion

PRINCIPLE 2: Balance Innovation and Risk to Achieve Digital Financial Inclusion

PRINCIPLE 3: Provide an Enabling and Proportionate Legal and Regulatory Framework for Digital Financial Inclusion

PRINCIPLE 4: Expand the Digital Financial Services Infrastructure Ecosystem

PRINCIPLE 5: Establish Responsible Digital Financial Practices to Protect Consumers

PRINCIPLE 6: Strengthen Digital and Financial Literacy and Awareness

PRINCIPLE 7: Facilitate Customer Identification for Digital Financial Services

PRINCIPLE 8: Track Digital Financial Inclusion Progress

The session reviewed cross-regional common factors that are relevant for the successful implementation of financial inclusion policies and regulatory frameworks. It provided insights into the potential role of policymakers and regional initiatives in supporting the implementation of the G20 High-Level Principles (HLP) for Digital Financial Inclusion (DFI). First, regional initiatives and policymakers presented their organizations and their strategic objectives for the coming years. In the second part, and based on the GPFI report "Digital Financial Inclusion: Emerging Policy Approaches[3]", representatives of regional initiatives on Financial Inclusion discussed their experiences, presented additional approaches and looked at ideal forms of peer exchange and the cooperation with the GPFI in supporting the implementation of the financial inclusion principles.

The first part of the panel discussions focused on the different **regional initiatives and their strategic objectives** for the coming years. The discussion can be summarised as follows:

- When setting up a regional initiative and bringing together a quite heterogeneous group of countries and contexts, it is important to **treat each country of the initiative both individually and collectively,** especially by focusing on common challenges, such as high unemployment rates or a high percentage of unbanked persons, especially women. To address such challenges one must involve all relevant stakeholders, including the private sector. Giving particular attention to ownership of programmes and activities by local stakeholders and building on the existing regional momentum to promote financial inclusion are important success factors of regional initiatives.

- **Platforms for knowledge exchange and peer learning** can expand digital financial inclusion across the world. To facilitate this, one should initiate stocktaking exercises to lay the groundwork for discussions and the setting-up of high-level roundtables.

3 http://www.gpfi.org/publications/g20-report-digital-financial-inclusion-emerging-policy-approaches

- A major challenge to promoting inclusive and sustainable growth and poverty reduction through sustainable financial inclusion policies is a **lack of disaggregated data** to allow every country and region to develop appropriate measures.

The second part of the panel discussion focused on the **implementation of the High Level Principles (HLP) for Digital Financial Inclusion** and the findings of the respective GPFI report – a set of principles and areas for action in order to catalyse financial inclusion using digital solutions:

Policy leadership and coordination across public and private sectors are crucial to promote digital financial inclusion, e.g. by developing and implementing coordinated national strategies and action plans. The panellists also stressed the importance of leading by example. Some examples to date are: (1) adopted national financial inclusion strategies with a clear digital focus as can be found in Pakistan, Tanzania, Philippines, China or Mexico; (2) AFI Maya Declarations with increasing focus on digital payments; (3) the increasing digitization of payments as done in Brazil, Mexico, Turkey, or Jordan through JoMoPay, enabling a wide range of use cases, including P2P, P2B and bill payment, P2G, G2P, B2B, international remittances, merchant payment, airtime top-up, cash-in and cash-out. [HLP 1].

Financial regulators are increasingly using **a "test and learn" approach** to better understand the risks and potential of innovations and new technologies, including through so-called "sandboxes" which allow experimentation and innovation in a small-scale, controlled environment. While this is encouraging, a critical and possibly limiting factor to consider is the regulatory capacity to oversee such testing. [HLP 2]

The panellists highlighted that **a predictable, risk-based and fair legal and regulatory environment** is necessary; a framework that allows for new entrants while being technologically neutral, and that does not impose excessive, non-risk based compliance costs. They further stressed that an effective and efficient supervision with appropriate capacity and resources is necessary to succeed. [HLP 3]

Close cooperation between policymakers, regulators and industry can achieve a robust, open and efficient digital infrastructure. In this regard, national authorities have to place their focused on a range of areas such as retail and online payments infrastructure that involve interoperable platforms linked to a wide range of Point of Sale, ATM and agent networks, bill payment platforms, credit reference systems, and digital asset registries. [HLP 4].

"WE ENCOURAGE G20 AND NON-G20 COUNTRIES TO CONTINUE PROMOTING DIGITAL FINANCIAL SERVICES UNDER THE GUIDANCE OF THE G20 HIGH-LEVEL PRINCIPLES FOR DIGITAL FINANCIAL INCLUSION."

(G20 HAMBURG ACTION PLAN)

Douglas Pearce highlights emerging policy approaches that support the implementation of the High-Level Principles for Digital Financial Inclusion

The discussion focused on common factors that are relevant for the successful implementation of business models, regulatory amendments and policy measures for greater financial inclusion, among others:

- An **increasingly diverse range of financial service providers** with different mandates and requirements all leverage digital solutions. In a bank-based model, the governmental bodies still play a significant role – and the interlinked HLP for DFI serves as guidance for a systematic framework.

- There needs to be **a focus on the ecosystem infrastructure** and a framework that enables fair competition. In addition, dialogue (e.g. with the telecommunication sector) should be facilitated and instruments to create transparency and strengthen the financial capability of customers used.

- A national strategy for Financial Inclusion should place a high priority on **digital aspects as a guideline for strategic action.** It should promote new banking channels for delivering financial services to the mass market and expanding the customer base for banks and FIs exponentially, by targeting new customer segments and untapped geographic areas. This should include developing the digital financial ecosystem, allowing banks to offer services to customers of several Mobile Network Operators (MNOs) and promoting interoperability between mobile money schemes and the banking sector, while ensuring full compliance with financial sector regulation. Governments can actively support DFI by digitizing payments (e.g. school fees), developing new remittances products, allowing for tablet banking and working on proportionate regulatory framework conditions, e.g. by including simplified customer due diligence in guidelines for financial institutions.

- **A relatively young target group** and their familiarity with relevant technologies **underscore the potential of DFI.** Apart from the improvement of financial infrastructure, the panellists view responsible digital financial practices to protect consumers, raising awareness and building capacity of actors at all levels as crucial.

MAIN TAKEAWAYS !

Overall, the session yielded the following conclusions or takeaways:

- Why **establish regional financial inclusion** initiatives? Apart from international and national efforts, it is important to have an institutional regional body to exchange information and spread best practices examples. The regional character of the exchange ensures that experts from similar financial settings with a similar language and comparable regulations **discuss and learn from each other about financial inclusion**. In cases where national/regional/international structures exist, one must avoid too many overlaps and silos (good integration of the platforms are necessary and often similar experts sit in the different fora).

- **Regional financial inclusion initiatives** can complement global learning and exchange on regulatory practices and technical content. Based on regional consensus around key regulatory issues they can effectively **encourage and drive in-country implementation efforts** of domestic policymakers and regulators.

- **Proactive policy leadership and coordination** mechanisms across a diverse range of national authorities, regional leading organizations and private sector stakeholders is key for the **implementation of the High-Level Principles for Digital Financial Inclusion** – getting actors coordinated and aligned to strategies.

- The principles are relevant and driven by the country examples, which can guide concrete actions by others. **Setting a framework and facilitating knowledge exchange is precisely the role the G20 / GPFI** should play. G20 and non-G20 countries should intensify their exchange.

- **Balancing innovation, risks** and financial stability remains the critical practical challenge.

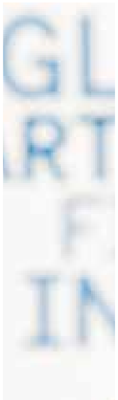
- More progress on **digital tools for regulators and supervisors** is needed, as supervising digital financial service providers requires more sophisticated and automated systems with real-time monitoring and analysis.

- Promoting interoperable, **open technology platforms** for digital financial services helps establish a broad-based ecosystem for public and private entities to better reach consumers and ultimately improve their economic situation.

- National governments need to prioritize availability of **robust and easily verifiable digital ID**, whether biometric or other types of databased forms, to facilitate access to digital financial services and develop effective ways to oversee issues such as data security, quality of service and network reliability.

BALANCE INNOVATION AND RISK TO ACHIEVE DIGITAL FINANCIAL INCLUSION – NEW BUSINESS MODELS, NEW RISKS?

Two sides of same coin - panellists discussing opportunities and risks of innovative digital financial services (f.l.t.r.: Matt Gamser, Anju Patwardhan, Joyce Lanyero Okello, Thorsten Seeger, Hannah Grant, Volker Hey, John Owens)



Matt Gamser summarizing the panellists' experiences showing that that balancing innovation and risks is challenging, but not impossible

Moderator
Mr. Matt Gamser, CEO, SME Finance Forum / International Finance Corporation (IFC)

Panellists:

- Ms. Hannah Grant, Head of Secretariat, Access to Insurance Initiative (A2ii)
- Mr. Volker Hey, Senior Policy Officer, Federal Ministry for Economic Cooperation and Development (BMZ), Germany
- Ms. Joyce Lanyero Okello, Director, Bank of Uganda
- Mr. John Owens, Senior Digital Financial Services Advisor, Digital Financial Advisory Services
- Ms. Anju Patwardhan, Senior Partner for Fintech Investment Fund and Fund of Funds Units, Creditease
- Mr. Thorsten Seeger, Managing Director, Funding Circle, Germany

One of the most significant constraints to the survival, growth and productivity of MSMEs is access to finance. The SME credit gap has proven to be an enduring structural feature across both developing and developed markets. Traditionally, many banks have considered SMEs to be high-risk clients. Digitizing SME finance and making use of transactional and alternative data offer an opportunity for addressing both sides of this

"WE SUPPORT THE EFFORTS TO DEVELOP ENABLING AND RESPONSIBLE LEGAL AND REGULATORY ENVIRONMENTS FOR FINANCIAL SERVICES THAT FOSTER FINANCIAL INCLUSION AND ENCOURAGE COUNTRIES TO SHARE THEIR EXPERIENCES IN REGULATING FINTECH."

(G20 HAMBURG ACTION PLAN)

problem. Fintechs, technology (tech) giants and new digital banks are transforming the SME lending status quo. Tech giants, especially those focusing on e-commerce, search engines and payment systems are extending SME lending into their digital ecosystems where they are already dominant.

The session dealt with opportunities and risks of digital financial inclusion in the context of big data and data privacy. The discussion rested on the main findings of the GPFI report *Alternative Data Transforming SME Finance*[4]:

- Banks have valuable **customer data**, but often fail to use it to its potential to understand credit worthiness and debt capacity of potential SME borrowers
- **Digital SME lenders** are developing new relationships with SME customers and their data
- **New SME digital data streams** are becoming more readily available and accessible: There are a wide range of digital SME originator lending business models with digital SME lending now becoming more of a global trend
- **New digital banks and Fintech-bank collaboration** is also a growing part of the future of SME finance
- **Access to data** is increasingly becoming less of a problem in terms of improving access to SME lending
- **New uses of alternative data** to facilitate SME lending are bringing new challenges

The new challenges include data privacy and consumer protection issues, cyber security, transparency and disclosure as well as balancing integrity, innovation and marketplace competition.

The session highlighted the main issues raised in the **Responsible Finance Forum (RFF)** *Opportunities and Risks in Digital Financial Services – Protecting Consumer Data and Privacy*[5], which took place in Berlin on 27-28 April 2017. The two days of discussion aimed to understand business models of the industry and regulatory, supervisory and industry approaches to data protection and yielded the following recommendations:

4 http://www.gpfi.org/publications/gpfi-report-alternative-data-transforming-sme-finance

5 https://responsiblefinanceforum.org/publications/key-takeaways-eighth-responsible-finance-forum/

- Building the evidence base (e.g. research on consumer concerns/evidence of harm)
- Research to maximize value of data for financial inclusion and understand ways to minimize risks
- The importance of appropriate capacity building – especially to better assist regulators and supervisors to understand the industry and new risks
- Financial capability and education and digital literacy for consumers
- Global cooperation – lessons learnt and consideration of cultural aspects
- Domestic cooperation for each country to be enabled to implement G20 HLPs
- Development of minimum common industry standards

THE SUBSEQUENT PANEL DISCUSSION CENTRED ON THE FOLLOWING ISSUES:

- **Markets without credit bureaus can still benefit from alternative data,** which Fintechs often rely on for credit decision-making. Fintechs can use credit card and other transactional information, where traditional data sources do not exist. New technologies can also improve the speed and ability to analyse this data. They can also support investors in better understanding SMEs. Mature markets with good wholesale data and credit bureaus do not benefit as much from adding new kinds of data but can still benefit from efficiency gains.

- The issue of big data and usage of the flow of data resulting from **mobile money offers new opportunities but also certain risks** that regulators have to address. In some countries, lenders use data from mobile phone usage for credit decision, e.g. the duration of a customer's mobile phone contract or his/her phone recharging history. Regulators who want to ensure costumer data protection need to ensure that appropriate measures of "informed consent" are in place as well as rules regarding data usage and access to customer data especially among multiple third-party providers.

- **In insurance, alternative data and analytics** could play a significant role in better understanding individuals' needs and their behavioural patterns. Insurers can design better-tailored products and set premiums based on how individuals actually behave rather than relying on general proxies (age, marital status, gender) to assess risk. However, use of social media information and phone logs is not widespread. Digital financial services provide huge opportunity in insurance, e.g. efficiency in claims processes. Anyhow, usage of data bears risks especially for vulnerable customers (low income/higher risk customers), as it could result in financial exclusion.

MAIN TAKEAWAYS !

Overall, the session yielded the following conclusions:

- The **speed of change within the industry is increasing**, which causes challenges for policymakers and regulators. Appropriate **monitoring of the new sector is necessary** prior to jumping into new regulations, as the behaviour of the new methods through full economic cycles has yet to be observed. Regulations and regulators alone cannot solve these challenges; **self-regulation** by the emerging Fintech sector is desirable.

- Current standards regarding the use of credit information need to be updated to reflect the far greater diversity of data now available, and the equally greater diversity of users of this new data. For this is reason, **regulators and supervisors need to build up their capacity** to better understand the Fintechs' and tech giants' business cases.

- **Traditional financial transactional data remains very useful.** Other structured information like shipment data or mobile usage data is used to develop credit scores and make credit decisions. While social media usage provides large quantities of unstructured data, the verdict is still out about which, if any, of this data adds substantially to credit risk assessment.

STRENGTHENING DIGITAL AND FINANCIAL LITERACY AND AWARENESS – FINANCIAL CAPABILITY, BEHAVIOURAL PATTERNS AND WHAT DOES DATA TEACH THE FINANCIAL SERVICE PROVIDERS ABOUT ME?

Sille Krukow explaining behavioural approaches to facilitate choice architectures

Maria Lúcia Leitão emphasising the role of financial literacy initiatives to empower consumers

Moderator

Ms. Anna Zelentsova, Coordinator of Financial Literacy at Ministry of Finance, Russia, GPFI FLCP sub group co-chair

Panellists

- Ms. Anna Gincherman, Chief Product Development Officer, Women's World Banking
- Ms. Anabela Gómez, Senior Analyst, Central Bank of Argentina
- Ms. Sille Krukow, Behavioral Director and Professor, KRUKOW
- Ms. Maria Lúcia Leitão, Head of Banking Conduct Supervision Department, Central Bank of Portugal
- Ms. Flore-Anne Messy, Principal Administrator Financial Education & Global Relations, Financial Affairs Division, Directorate for Financial and Enterprise Affairs, OECD
- Mr. Agus Sugiarto, Head of Financial Literacy and Inclusion Department, Indonesia Financial Services Authority (FSA)
- Ms. Anna Zanghi, Head of Global Innovation and Product Development for Youth at MasterCard Worldwide

"WE EMPHASISE THE IMPORTANCE OF ENHANCING FINANCIAL LITERACY AND CONSUMER PROTECTION GIVEN THE SOPHISTICATION OF FINANCIAL MARKETS AND INCREASED ACCESS TO FINANCIAL PRODUCTS IN A DIGITAL WORLD."

(G20 HAMBURG ACTION PLAN)

The session aimed at discussing the role of financial education in the digital age and approaches to strengthen digital financial literacy and awareness. Based on a keynote on the main aspects from the G20 OECD/ INFE Report on *Ensuring Financial Education and Consumer Protection for all in the Digital Age*[6], the panellists and the audience engaged in a discussion on financial inclusion of and financial education for women, youths and minors. They also confirmed the importance of integrated financial education interventions to ensure that inclusive potentials through financial digitalisation continue to be unleashed.

- Digital financial services, despite their potential for financial inclusion, can expose consumers to security and privacy risks that increase where financial literacy is low. **Financial education and consumer protection policies** play a crucial role for financial education as the key to full and lasting consumer protection due to its power to act on low financial literacy, improve consumers' awareness, trust and appropriate use. Most financial education initiatives do not yet target digital finance services specifically, but begin to address key topics, e.g. safe and effective use of digital money.

- While the advances made in financial inclusion through digitization might not have helped to minimize the gender gap per se, **digitization offers the potential to achieve greater gender balance** through improved financial product design. However, design is not all – no financial service offered would be successful without an element of financial education. Key financial education messages should include information on *how* to use the product and what the specifics potential benefits and risks are from using that product.

- Guidelines on *Safer Payment Products for Minors: Guiding Minors Towards Financial Autonomy*[7] bring the **group of minors** into the centre of discussion. Minors who actively contribute to the economy require an appropriate product design, including elements of financial education. Digital channels and new technology can provide guidance and education for minors at relevant points – with the potential to complement education efforts in schools and families.

- Digital or not, to create an environment in which **consumers can potentially make more literate decisions,** effective choice architectures needs to be designed in the first place. Digital tools and approaches are important and offer chances to build a more effective choice architecture that would also include financial education elements.

6 http://www.gpfi.org/publications/g20oecd-infe-report-ensuring-financial-education-and-consumer-protection-all-digital-age

7 http://www.todoscontam.pt/SiteCollectionDocuments/SaferPaymentProductsMinors.pdf

Agus Sugiarto sharing insights on financial inclusion and education in Indonesia (f.l.t.r.: Anna Zelentsova, Flore-Anne Messy, Anna Gincherman, Anna Zanghi, Sille Krukow, Maria Lúcia Leitão, Anabela Gómez, Agus Sugiarto)

- **Youth financial inclusion** is advanced by promoting savings and non-credit payment services. A broad framework for financial education that also targets young people and schools, built on evidence through randomized-control trials and exchanges with public and private sectors, can facilitate such an endeavour.

- **Digital financial services** are often acknowledged in national financial inclusion or financial education strategies as **a means to advance financial inclusion.** Digital financial literacy initiatives can aim to enhance consumer trust in digital financial services, empower consumers on security issues, and boost consumer awareness on digital financial services' features, on the potential risks and risk mitigation measures and redress procedures. Survey results can help develop specific actions, e.g. targeting security, payment services, or consumer credit.

- Financial inclusion requires **responsible usage of financial services** beyond first-time access for which financial education is to be targeted so that (digital) financial services can reach their full inclusive potential. Digital financial services thus are powerful where financial literacy is integrated at an early stage. To be more effective, one must develop, together with the industry, financial service policies that include financial education early on.

- Digitization can help **to reach consumers with low financial literacy:** Going digital offers more potential to transfer and visualise education where words do not work. However, one has to keep in mind that digital skills and financial literacy in combination are needed to use digital financial services responsibly and effectively.

- There is no specific evidence on **which consumer groups are most affected** by digitization of financial services. One could argue for youth, elderly and women as being most affected. Overall, positive effects on financial inclusion and education are possible for all consumer groups while all will simultaneously face potential security and privacy risks.

- The **private sector** has an important role in the **provision of digital financial education** in terms of advancing product design for simplified decision-making, based on a more effective choice architecture. However, design improvements alone do not achieve much without integrated elements of digital financial education. Lastly, to help the promotion of successful financial education interventions, the private sector might also consider investing in proper assessments of initiatives.

MAIN TAKEAWAYS !

- Where education in general is low, **digitization can help improve financial literacy** because digital tools offer the opportunity to visualise where words don't work. Digital means can enable education where traditional means are not used or ineffective.

- Through **digital tools, higher levels of financial literacy** may be achieved through (1) improved access to financial information and advice, (2) reinforced core competencies, confidence and experiences with finance, (3) enhanced money management skills and control over finances, and (4) addressing consumers' personal biases.

- For consumers to make sound financial decisions, an **effective choice architecture** must be built into the financial system delivery process.

- **Providing access without education is dangerous** - providing education without access is pointless. New technology offers potential new avenues to deliver financial education to consumers for them to better understand and decide on the products offered or desired.

- A key priority for all policymakers interested in opportunities of the digital revolution will be to closely follow the **progress of financial education programmes for digital financial services** and digital tools, and to undertake further research and more in-depth evaluations of their impact. In cooperation with the private sector, joint approaches to include financial education at an early stage will be necessary.

SME FINANCE IN SUSTAINABLE GLOBAL VALUE CHAINS – HELPING SMES TO GO GLOBAL

Christiane Rudolph (DEG) argued that environmental and social sustainability is a business case for SMEs. Left: Frank Sibert (BNP Paribas)

Shikhar Jain (left) made the point that capacity building on sustainability standards and certifications is vital for SMEs. Ghada Teima (right) moderated the session

Moderator:
Ms. Ghada Teima, Lead Financial Sector Specialist, International Finance Corporation (IFC)

Panellists:
- Mr. Dirk Elsen, Director Emerging Markets, Triodos Bank, The Netherlands
- Michael Hoelter, Director & Portfolio Manager, Deutsche Bank
- Mr. Shikhar Jain, Principal Counsellor, Confederation of Indian Industry (CII)
- Ms. Christiane Rudolph, Head of Corporate Strategy and Development Policy, DEG, Germany
- Mr. Frank Sibert, Head of Sustainable Finance, BNP Paribas Germany

Strengthening the participation of SMEs in global value chains has been a longstanding G20 priority. Research suggests that SMEs face a financing shortfall of more than $2 trillion, which is the main barrier to enhanced competitiveness and wider SME-participation in global production networks. However, access to global value chains alone is not enough. Global value chains must also be socially and environmentally sustainable to prevent harm to workers and to the environment in producer countries.

In this session, experts from industry and the financial sector discussed financing models that support credit-constrained SMEs to upgrade their production processes in line with required environmental and social standards in global value chains:

- SMEs account for large shares of employment across the G20. While certification and sustainability standards can increase their competitiveness, many SME are overwhelmed by the multitude of existing standards.

- Trade finance programmes for suppliers can provide incentives to comply with international environmental and social standards. They offer better financing terms for those suppliers with a higher score in a multinational's sustainability rating. The IFC Performance Standards can serve as a basis for the rating.

- Development finance institutions, which often have clear environmental and social goals for each investment, can support local banks in building up their own environmental and social management systems, placing them in a better position to assess the sustainability risks of their clients.

- Banks can finance global value chain sustainability by providing both short-term working capital (trade finance) and long-term financing to SMEs. Before making a financing decision, due diligence, including borrowers' compliance with social and environmental standards is critical: compliance with environmental and social standards is a good business case and an indicator for long-term business performance.

- "Patient capital" with a long investment horizon was proposed to support SME growth. Commercial banks in emerging markets usually expect a considerable return on investment within a timeframe too short for many SMEs to develop their business. A fund structure with blended finance from private and public sources can be an effective instrument to mobilize capital for SME financing with a long-term perspective, often supported by partnerships with development finance providers and international organizations.

THE DISCUSSION CENTRED ON THE FOLLOWING ISSUES:

- **Capacity building on sustainability standards for SMEs:** The panellists agreed that there is a clear business case for SMEs to invest in line with environmental and social sustainability since this can enable better access to new local and foreign markets and better access to finance. Environmental and social sustainability improves the satisfac-

"RECOGNISING THE ONGOING WORK OF THE GLOBAL PARTNERSHIP FOR FINANCIAL INCLUSION (GPFI), WE PROMOTE BETTER ACCESS TO FINANCING, TECHNOLOGY, AND TRAINING FACILITIES THAT HELP IMPROVE THE CAPACITY OF MICRO, SMALL AND MEDIUM ENTERPRISES TO INTEGRATE INTO SUSTAINABLE AND INCLUSIVE GLOBAL SUPPLY CHAINS."

(G20 LEADERS' DECLARATION, HAMBURG 2017)

Discussion on how the financial sector can incentivize more sustainability in global value chains (f.l.t.r.: Dirk Elsen, Michael Hoelter, Frank Sibert, Christiane Rudolph, Shikhar Jain, Ghada Teima)

tion of employees and attracts skilled labour that contributes to better business performance. Nevertheless, SMEs are often trapped in the multitude of existing sustainability standards. SMEs require capacity building and support in understanding which standards are most relevant for their business operations and how they can be met.

- **Cost-sharing mechanisms for certification:** The costs for certification are often restrictively high for SMEs. Approaches for cost-sharing between multinational corporates and SMEs could help SMEs obtain the certifications necessary for integration in global value chains. The trade finance programme BNP is offering in cooperation with Puma and the IFC is one example of how costs for sustainability upgrading can be shared between multinational corporates and their suppliers.

- **Role of sustainability considerations in banks' investment decisions:** Recent research shows a clear correlation between sustainability and business performance of companies. Banks' adoption of environmental and social management systems can thus lead to improved portfolio risk profiles and a drop in late loan repayments. However, banks lack the legislative and executive competence to demand sustainability from their clients, i.e. banks cannot and should not be used to police their clients, given the risk that the clients be pushed into unofficial markets or financially excluded. To address this, external support (such as IFC other DFIs ILO) can be used to build up capacities and create awareness with regards to the benefits of environmental and social management (i.e. positive strengthening). Clear sustainability guidelines for banks could offer an incentive to monitor borrowers' compliance with sustainable practises. Sharing of good practices on environmental/social monitoring among banks needs to be strengthened, e.g. by building capacity and creating exchange and learning platforms.

- **Financial product to support SMEs for sustainability upgrading:** Lending to SMEs is challenging due to high risks and a lack of bankability. To mobilize more resources for SME lending, long-term public capital and first-loss tranches for blending with private capital are needed. Scaling up such schemes will help meet the investment needs of the SDGs. At the same time, regulators and risk managers in banks need to think outside the box to promote long-term and sustainable investments of banks that serve the real economy.

MAIN TAKEAWAYS

Overall, the session yielded the following conclusions or takeaways:

- **Multi-Stakeholder initiatives** will enhance credibility and acceptance of sustainability standards.
- Approaches for **cost-sharing between multinational corporates and SMEs** can help SMEs obtain the necessary certifications for integration in global value chains.
- **Clear sustainability guidelines for banks** and platforms for peer-to-peer learning on environmental and social management systems between banks are needed.
- There needs to be a **scaling-up of blended finance** to leverage more private capital into SME financing and to meet the investment needs of the Sustainable Development Goals.
- **Banking regulation** must be adjusted to promote long-term and sustainable investments of banks that serve the real economy.
- SMEs require **capacity building** to understand which standards are most relevant for their business operations and how to meet the requirements of certifications.
- **Fair and free global trade** allowing access to markets is a pre-condition for SMEs to be integrated into the global value chains.

CLOSING OF THE GPFI FORUM

The GPFI Troika: Anabela Gomez (Argentina), Natascha Beinker (Germany), Tiandu Wang (China) (f.l.t.r.)

Speakers:
GPFI Troika consisting of

- Ms. Natascha Beinker, GPFI Presidency, Federal Ministry for Economic Cooperation and Development (BMZ), Germany
- Ms. Anabela Gómez, Senior Analyst, Central Bank of Argentina
- Mr. Tiandu Wang, GPFI Coordinator, People´s Bank of China

The GPFI Troika consisting of China, Germany and Argentina closed the two-day GPFI Forum by thanking the participants for their active contributions and the productive discussions. The Troika highlighted that the Forum had served as an important milestone in the GPFI's work in 2017, through the exchange and dialogue with relevant actors in the financial inclusion sphere, such as government agencies and central banks, SSBs, the private sector; development organizations and research agencies - in G20 countries and beyond.

Argentina, as the incoming Presidency, commended the German Presidency's focus on implementation and pledged to continue this course in 2018. In unison, the Troika stated that financial inclusion shall remain a priority of the G20 and that it will be important to act now and quickly achieve the GPFI's goal of financial inclusion for all.

2017 GLOBAL INCLUSION AWARDS

Global Inclusion Awards - Winners 2017

Back-to-back to the GPFI Forum, on 3 May 2017 in Berlin's historic Meistersaal, the Annual Global Inclusion Awards honoured excellence in financial inclusion, economic citizenship education and entrepreneurial support for children and youth worldwide. The Global Inclusion awards are an initiative of Child and Youth Finance International (CYFI) and were co-organised with the support of the German G20 Presidency as part of the Global Partnership for Financial Inclusion (GPFI) Forum. This was the sixth edition of the Global Inclusion Awards, since their 2012 launch in Amsterdam. Since then, annual ceremonies have taken place around the world in Istanbul (2013), New York (2014), London (2015) and Stockholm (2016).

Under the German G20 Presidency, the GPFI has placed an emphasis on the financial inclusion of vulnerable groups, with a particular focus on youth and the promotion of youth employment and entrepreneurship. The Global Inclusion Awards were a platform to display and celebrate the institutions and people who have been champions of this important issue. The awards also featured the Ye! awards for young entrepreneurs, and brought together youth finalists from 10 countries. In total, The Awards Ceremony brought together 63 finalists from 54 countries.

The Global Inclusion Award categories included:

GLOBAL YOUTH ENTREPRENEUR AWARD

The Global Youth Entrepreneur Award was designed to celebrate exceptional young entrepreneurs who are running an enterprise with the potential for high job-creation and sustainable impact. The Global Youth Entrepreneur serves as an inspiration to other young entrepreneurs around the world.

Global Inclusion Awards Gala

CYFI Country Award Winners

THE CHILD AND YOUTH FINANCE COUNTRY AWARD

This award acknowledges the accomplishments of government authorities (for example central banks, ministries of education) in building alliances among key national stakeholders, initiating child- and youth-friendly financial regulation and expanding the reach of quality Economic Citizenship Education through formal and non-formal education channels.

GLOBAL MONEY WEEK AWARD

The Global Money Week Award acknowledges the efforts and accomplishments of countries in implementing "Global Money Week 2017"

ECONOMIC CITIZENSHIP EDUCATION (ECE) AWARD

The Economic Citizenship Education (ECE) Award acknowledges the accomplishments of organisations who have effectively implemented outstanding financial, social and livelihoods education programs in the field.

CHILD & YOUTH FRIENDLY BANKING AWARD

The Child & Youth Friendly Banking Award acknowledges the accomplishments of financial service providers who are pioneering innovative and original child- and youth-friendly banking products with educational components, delivered through a variety of media channels and employing a variety of learning methodologies.

OUTSTANDING YOUTH ECONOMIC CITIZENSHIP AWARD

The Outstanding Youth Economic Citizenship Award highlights the activities of children and youth to raise awareness of the importance of financial education and financial inclusion for young people, both in school and other community settings.

ANNEX

LIST OF GPFI DOCUMENTS IN 2017

- G20 2017 Financial Inclusion Action Plan (FIAP)
- GPFI 2017 Annual Report to the G20 Leaders
- G20 Financial Inclusion Action Plan Progress Report 2014-2017
- G20 Action Plan on SME Financing Implementation Framework: Credit Infrastructure Country Self-Assessment Consolidated Report
- GPFI Report 2017 Update to Leaders on Progress Towards the G20 Remittance Target
- GPFI Report Digital Financial Inclusion: Emerging Policy Approaches
- GPFI Guidance Note on Building Inclusive Digital Ecosystems
- GPFI Report Alternative Data transforming SME Finance
- GPFI Policy Paper Financing Climate Smart Rural MSMEs: Enabling Policy Frameworks
- GPFI Policy Paper on Financial Inclusion of Forcibly Displaced Persons (forthcoming)
- GPFI Report Leveraging Financial Services for Small and Medium-sized Enterprises in Sustainable Global Value Chains (forthcoming)
- G20/OECD INFE Report Ensuring financial education and consumer protection for all in a digital age
- AFI Special Report Financial Inclusion of Forcibly Displaced Persons: Perspectives of financial regulators

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Faroun	Ali	Palestine Monetary Authority (PMA)
Ferreira	Isaac	Central Bank of Brazil
Festo	Elia	East Africa Fruits Farm Co. Ltd., Tanzania
Francisco	Rafael	Bank of Mozambique
Frickenstein	Judith	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Germany
Gamser	Matthew	SME Finance Forum / International Finance Corporation (IFC)
Ganis	Pietro Paolo	Laboratori Fabrici srl / Clairy Inc, Italy
Gincherman	Anna	Women's World Banking (WWB)
Goldberg	Eric	Consumer Financial Protection Bureau (CFPB), USA
Gómez	Anabela	Central Bank ok Argentina (BCRA)
González Hernández	Iván Alberto	Child and Youth Finance International (CYFI)
Goodwin-Groen	Ruth	Better Than Cash Alliance
Goosen	Roelof	Insight2impact (i2i), South Africa
Grant	Hannah	Access to Insurance Initiative (A2ii)
Gueye	Maimouna	African Development Bank Group (AFDB)
Guida	Marilisa	Bank of Italy
Guremen	Gokce	Child and Youth Finance International (CYFI)
Gutsche	Korina	Learn Money e.V., Germany
Halaiqah	Enas	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Germany
Hanfstaengl	Eva Maria	Bread for the World - Protestant Development Service, Germany
Hannig	Alfred	Alliance for Financial Inclusion (AFI)
Harpe	Stefan	The MasterCard Foundation
Harries	Jayne	Department of Foreign Affairs and Trade (DFAT), Australia
Heer	Silvia	Federal Ministry for Economic Cooperation and Development (BMZ), Germany
Hendriyetty	Nella Sri	Ministry of Finance of the Republic of Indonesia
Hermoso	Aissa	Board of Investments (BOI)/Department of Trade and Industry (DTI), Philippines
Hess	Ulrich	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Germany
Hey	Volker	Federal Ministry for Economic Cooperation and Development (BMZ), Germany

Heyde	Maximilian	Federal Ministry for Economic Cooperation and Development (BMZ), Germany
Hielkema	Petra	Dutch Central Bank
Hodrea	Raluca Cristina	Transylvania College, Romania
Hoelter	Michael	Deutsche Bank AG
Homer	Matthew	United States Agency for International Development (USAID)
Hu	Anzi	CreditEase China
Illi	Holger	Federal Ministry for Economic Cooperation and Development (BMZ), Germany
Ilunga Ndaya	Marie-José	Central Bank of the Congo (BCC)
Imboden	Kathryn	Consultative Group to Assist the Poor (CGAP)
Isaacs	Leon	Developing Markets Associates Limited (DMA), United Kingdom
Isaincu	Bianca	Child and Youth Finance International (CYFI)
Jacobi	Sebastian	Federal Ministry for Economic Cooperation and Development (BMZ), Germany
Jacolin	Luc	Bank of France
Jain	Shikhar	Confederation of Indian Industry (CII)
Janotte	Jörg	Federal Financial Supervisory Authority (BaFin), Germany
Kankasa-Mabula	Tukiya	Bank of Zambia (BoZ)
Katzilaki	Foteini	Child and Youth Finance International (CYFI)
Kawesha	Kabinda	Bank of Zambia (BoZ)
Khan	Sabur	Daffodil International University (DIU), Bangladesh
Khan	Fariha Shafa	CYFI Student Board in Bangladesh
Klein	Brigitte	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Germany
Knierim	Laura	KfW Bankengruppe, Germany
Koerger	Sandra	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Germany
Kouame David	Kouadio	Ministry of National Education and Scientific Research, Côte d'Ivoire
Kouassi Felix	Yao	Ministry of National Education and Scientific Research, Côte d'Ivoire
Kuhl	Steffen	GFA Consulting Group GmbH, Germany
Kuhn	Saskia	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Germany
Langa Kiesse	Bethyna	Central Bank of the Congo (BCC)
Laraya	Malaya	Acudeen Technologies, Inc., Philippines
Latu	Mele Ungatea	National Reserve Bank of Tonga (NRBT)
Lee	SungAh	Bill & Melinda Gates Foundation
Lehmann	Constanze	Mambu GmbH, Germany
Leitão	Maria Lúcia	Banco de Portugal
Litman	Gary	United States Chamber of Commerce (USCC)

Louiszoon	Sandra	Ministry of Foreign Affairs, The Netherlands
Lozytska	Natalia	USAID Financial Sector Transformation Project, Ukraine
Lyman	Timothy	Consultative Group to Assist the Poor (CGAP)
Mabiala	Ma-Umba	International Organization of „La Francophonie“ (OIF), France
Maheshwari	Vandana	Reserve Bank of India (RBI)
Mahler	Sebastian	gvf VersicherungsMakler AG, Germany
Marrash	George	Mobaderoon, Syria
Matress	Fredrick	Honey Products Industries Ltd., Malawi
Maurer	Klaus	Finance in Motion GmbH, Germany
Mayr	Christine	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Germany
Messie	Roel	Netherlands Development Finance Company (FMO)
Messy	Flore-Anne	Organisation for Economic Co-operation and Development (OECD)
Miller	Margaret	The World Bank
Miller	Calvin	International Consultant
Mohns	Sara	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Germany
Mois	Georgiana	Transylvania College, Romania
Momen	Syed Abdul	BRAC Bank Limited, Bangladesh
Monga	Mweene	Mayfair Insurance Zambia Limited
Monnerie	Gildas	Federal Department of Finance (FDF), Switzerland
Mukherjee	Sucharita	IFMR Holdings Private Limited, India
Murati	Haris	Gimnazija,“30.septembar“, Montenegro
Muresan	Mircea Stefan	National Bank of Romania (BNR)
Mwanakatwe	Chisha	Bank of Zambia (BoZ)
Nabbanja	Tilda	Bank of Uganda
Napier	Mark	FDS Africa
Nedelcu	Corvin	Financial Supervisory Authority (ASF), Romania
Némethi	Balázs	Taqanu, Germany
Nenakhova	Elena	Central Bank of the Russian Federation
Newnham	Robin	Alliance for Financial Inclusion (AFI)
Neylan	Thomas	Financial Action Task Force (FATF)
Ngwenya	Mthandazo	Intellectual Capital Advisory Services Private Limited (Intellecap)
Nourse	Timothy	Making Cents International, USA
Nugent	Malachy	U.S. Treasury
Oirbons	Doran	Child and Youth Finance International (CYFI)
Okello	Joyce Lanyero	Bank of Uganda
Oktay	Ozlem	Undersecretariat of Treasury, Turkey

Otake	Shimpei	Financial Services Agency
Otsuka	Toshihiko	Rakuten Europe Bank S.A., Luxembourg
Owens	John	International Finance Corporation (IFC)
Pagonas	Konstantin	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Germany
Pastuszka	Stella	Child and Youth Finance International (CYFI)
Patwardhan	Anju	CreditEase China
Pearce	Douglas	World Bank Group
Penner	Jared	Child and Youth Finance International (CYFI)
Perez	Ricardo	Ministry of Production, Peru
Phiri	Brenda Mpande Lizabete	Bank of Zambia (BoZ)
Powell	Priya	Department of Foreign Affairs and Trade (DFAT), Australia
Puscas	Bogdan	National Agency for Public Procurement, Romania
Rahim	Nazmur	BRAC Bank Limited, Bangladesh
Reimers	Soenke	dfv Mediengruppe / Deutscher Fachverlag GmbH, Germany
Reynaud	Anne	Child and Youth Finance International (CYFI)
Ricaurte	Paula	Alliance for Financial Inclusion (AFI)
Richter	Karl	Engaged Investment Ltd (EngagedX), United Kingdom
Rodriguez Marroquin	Otto Boris	Central Reserve Bank of El Salvador
Rohler	Martin	LFS Financial Systems GmbH, Germany
Rose	Cheryl Parker	Consumer Financial Protection Bureau (CFPB), USA
Røttingen	Hege	Royal Norwegian Ministry of Foreign Affairs
Rudolph	Christiane	DEG, Germany
Rutabanzibwa	Flora	Bank of Tanzania
Saadani	Lalla Nezha	Fondation Marocaine pour l'Education Financière (FMEF), Morocco
Sagerer	Christian	BNP Paribas S.A., Germany
Sahler	Gregor	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Germany
Schobert	Franziska	German Federal Bank
Schröder	Katrin	Federal Ministry for Economic Cooperation and Development (BMZ), Germany
Schwenzfeier	Dirk	Federal Ministry for Economic Cooperation and Development (BMZ), Germany
Seeger	Thorsten	Funding Circle, Germany
Settimo	Riccardo	Bank of Italy
Seval	Selim	Octet Turkey
Shaban	Lubna	Child and Youth Finance International (CYFI)

Shamsher	Nikhiya	knicnacs.com, India
Shamsher	Pranjal	Curanum Healthcare PVT LTD
Shamsher	Shahid	Curanum Healthcare PVT LTD
Sibert	Frank	BNP Paribas S.A.
Sigwart	Philip	Equity Group Holdings Limited (EGHL), Kenya
Sikutwa	Lawrence	Madison Finance Company Limited, Zambia
Silberhorn	Thomas	Parliamentary State Secretary to the German Federal Minister for Economic Cooperation and Development
Silkina	Daria	Central Bank of the Russian Federation
Siqueira	Luis Gustavo	Central Bank of Brazil
Slava	Antra	Latvijas Banka, International Relations and Communication Department, Latvia
Solis	Elisa	General Superintendency of Financial Institutions, Costa Rica
Sommer	Christoph	German Development Institute (DIE)
Stapf	Jelena	German Federal Bank
Staudt	Elisabeth	Civil20
Stephan	Joerg	Federal Ministry of Finance, Germany
Strier	Felix	Federal Ministry for Economic Cooperation and Development (BMZ), Germany
Sugiarto	Agus	Financial Supervisory Authority (ASF), Indonesia
Suglo	Mabel	Eco-Shoes, Ghana
Susanti	Millennia	Ministry of Finance of the Republic of Indonesia
Taal	Momarr Mass	Tropingo Foods, The Gambia
Teima	Ghada	World Bank Group
Thorne	Rupert	Financial Stability Board
Thy	Hourn	SME Finance Forum / International Finance Corporation (IFC)
Tigre De Vasconcelos	Pedro	International Fund for Agricultural Development (IFAD)
Tondo	Christian	Central Bank of Paraguay
Upleja	Ieva	Financial and Capital Market Commission (FCMC), Latvia
Uppenberg	Niklas	Young Shareholders Association, Sweden
van der Beek	Wim	Goodwell Investments, South Africa
van Eijk	Bram	Child and Youth Finance International (CYFI)
van Kampen	Wessel	Child and Youth Finance International (CYFI)
Vazquez Plata	Alejandra	Secretariat of Finance and Public Credit, Mexico
Velázquez Argaña	Ernesto Andrés	Central Bank of Paraguay
Vieira Da Silva	Ronaldo	Central Bank of Brazil
Wagner	Anja	Federal Ministry for Economic Cooperation and Development (BMZ), Germany
Waithaka	Titus	Madison Finance Company Limited, Zambia
Wald	Tidhar	Better Than Cash Alliance

Walker	Natasha	Moderator
Walker	Judith Joan	African Clean Energy, The Netherlands
Wanczeck	Solveig	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Germany
Wang	Tiandu	People's Bank of China (PBC)
Weisert	Natascha	Federal Ministry for Economic Cooperation and Development (BMZ), Germany
Wenzel	Rolf	Council of Europe Development Bank (CEB)
Windel	Jens	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Germany
Witt	Matthias	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Germany
Witte	Makaio	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Germany
Wolff	Juliane	Mastercard, Germany
Xue	Jie	Child and Youth Finance International (CYFI)
Yasinetskaya	Victoria	Strands, Inc., Spain
Yu	Wenjian	People's Bank of China (PBC)
Zandamela	Rogério	Bank of Mozambique
Zanghi	Anna	Mastercard
Zelazny	Stefan	Mobisol GmbH, Germany
Zelentsova	Anna	Ministry of Finance of the Russian Federation
Zhang	Mina	World Savings and Retail Banking Institute (WSBI)
Ziemann	Kathleen	betterplace lab, Germany
Zoican	Mihai	Transylvania College, Romania

AGENDA

GLOBAL PARTNERSHIP FOR FINANCIAL INCLUSION (GPFI)
GPFI FORUM, 2-3 MAY 2017
INTERCONTINENTAL, BERLIN, GERMANY

DAY 1 – TUESDAY, 2 MAY 2017

08.00 – 09.00

Arrival / Registration

INTRODUCTION – IMPACT OF FINANCIAL INCLUSION AND RELEVANCE FOR ACHIEVING THE 2030 AGENDA

09.00 – 09.20

Session 1: Welcome and Keynote

Moderator:

- Ms. Natasha Walker

Keynote Speaker:

- Mr. Thomas Silberhorn, Parliamentary State Secretary to the German Federal Minister for Economic Cooperation and Development, Germany

09.20 – 09.40

Session 2: Keynote on Relevance of Financial Inclusion for the 2030 Agenda

Moderator:

- Ms. Natasha Walker

Keynote Speaker:

- Ms. Ruth Goodwin-Groen, Managing Director, Better Than Cash Alliance, United Nations Capital Development Fund

09.40 – 11.00

Session 3: Financial Inclusion and the G20 Partnership with Africa

This session shall reflect the important role of financial inclusion – access of a wide range of financial services to households and SMEs – in the context of a reinforced international focus on Africa. What are the key contributions of the financial sector to overcome existing bottlenecks to boost investment and thus drive growth in Africa? Which new approaches in promoting financial inclusion have proven most effective? What are the main challenges in various African economies and how should these be addressed in upcoming G20 initiatives? The panel discussion will feature discussants representing different private and public sector perspectives on these questions.

Moderator:

- Mr. Wolfgang Bücker, Head of Sector Program Financial Systems Development, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Germany

Panellists:

- Mr. David Ashiagbor, Coordinator, Making Finance Work for Africa Partnership, African Development Bank

- Ms. Nomsa Daniels, CEO, Graça Machel Trust
- Mr. Holger Illi, Deputy Head of Division, Federal Ministry for Economic Cooperation and Development, Germany
- Ms. Tukiya Kankasa-Mabula, Deputy Governor, Central Bank of Zambia
- Mr. Mthandazo Ngwenya, Regional Director Africa, Intellectual Capital Advisory Services Private Limited (Intellecap); Kenya
- Mr. Philip Sigwart, Group Director SME Banking, Equity Group Holdings Limited, Kenya

11.00 – 11.30

Coffee break

11.30 – 13.00

Session 4: Financial Inclusion as Integrally Linked to Financial Sector Stability, Integrity, and the Protection of Customers

This panel raises awareness for the interconnections between financial inclusion on the one hand, and the stability and integrity of financial sectors on the other hand. The stability of the financial sector is a crucial precondition for safeguarding the achievements in financial inclusion. At the same time, financial inclusion as such is more and more understood as a pathway to increase stability – also indicated in the 2030 Agenda. The discussion will take into account the key messages of the GPFI White Paper "Global Standard-Setting Bodies and Financial Inclusion - The Evolving Landscape". Representatives of Standard Setting Bodies, national regulators, and the private sector discuss how to react to the changing landscape of international payments and remittances as well as challenges in the digital finance world.

Moderator:
- Ms. Francesca Brown, Private Sector Development Adviser, Department for International Development (DFID), United Kingdom

Input:
- Mr. Timothy Lyman, Senior Policy Adviser in the Government and Policy Team, The Consultative Group to Assist the Poor (CGAP)

Panellists:
- Mr. Conor Donaldson, Member of the Secretariat, The International Association of Insurance Supervisors (IAIS)
- Mr. Tom Neylan, Senior Policy Analyst, Financial Action Task Force (FATF)
- Mr. Rupert Thorne, Deputy Secretary General, Financial Stability Board (FSB)
- Ms. Alejandra Vazquez, Director, Ministry of Finance, Mexico

13.00 – 13.10

Lunch Keynote

Mr. Joerg Stephan, Deputy Director General G20 Policy, Federal Ministry for Finance, Germany

13.10 – 14.00

Lunch break

14.00 – 15.15

Session 5: Reaching the Last Mile in Rural Areas

Reaching out to individuals, smallholders and MSMEs in remote rural areas is at the forefront of financial inclusion. In parallel breakout sessions, the participants will explore different dimensions of financial inclusion in rural areas.

Breakout Group A:

How can climate risk insurance and agricultural insurance make rural MSMEs more resilient and drive development?

Moderator:

- Mr. Ulrich Hess, Senior Advisor, Global Access to Insurance, InsuResilience Initiative, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Germany

Speakers:

- Mr. Calvin Miller, Independent Consultant, ex Agrobusiness and Rural Finance Group Leader, FAO
- Ms. Sucharita Mukherjee, CEO, IFMR Holdings, India
- Mr. Mweene Monga, Manager Business Development, Mayfair Insurance Company Zambia Limited

Breakout Group B:

Financial Inclusion in rural areas through remittances, financial literacy and investment

Moderators:

- Mr. Pedro De Vasconcelos, Manager, Financing Facility for Remittances, Senior Advisor, Policy and Technical Advisory Division, International Fund for Agricultural Development (IFAD)
- Ms. Flore-Anne Messy, Principal Administrator Financial Education & Global Relations, Financial Affairs Division, Directorate for Financial and Enterprise Affairs, OECD

Speakers:

- Mr. Eric Goldberg, Senior Counsel, Consumer Financial Protection Bureau (CFPB), USA
- Mr. Leon Isaacs, CEO, Developing Markets Associates Limited (DMA), United Kingdom
- Ms. Estrella Mai Dizon-Añonuevo, Executive Director, Atikha Overseas Workers and Communities Initiatives Inc., Philippines

Breakout Group C:

Innovative approaches to financing investments in rural areas

Moderator:

- Mr. Jens Windel, Advisor, Division Economic and Social Development, Financial Systems Development, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Germany

Speakers:

- Ms. Laura Knierim, Project Manager, KfW Development Bank, Germany
- Mr. Martin Rohler, Head of Group Credit Operations, LFS Financial Systems, Germany
- Mr. Stefan Zelazny, CEO, Mobisol Group, Germany

15.15 – 15.45

Coffee break

15.45– 17.15

Session 6: Financial Inclusion of Forcibly Displaced Persons

Financial inclusion can enable forcibly displaced persons (FDPs) to master difficult situations, to deploy their competencies, and thus to contribute to the economic development of the host community or country. In this session, policy makers, humanitarian organizations, financial service providers and academia provide and discuss promising ideas and examples of how to create access to fast, cost-effective and safe financial services for FDPs in order to exploit this potential.

Moderator:

- Mr. Leon Isaacs, CEO, Developing Markets Associates Limited (DMA), United Kingdom

Input:

- Ms. Natascha Weisert, Senior Policy Officer, Federal Ministry for Economic Cooperation and Development (BMZ), Germany

Panellists:

- Mr. Niclaus Bergmann, Managing Director, Savings Banks Foundation for International Cooperation, Germany
- Ms. Enas Halaiqah, Project Coordinator, GIZ Jordan
- Mr. Matt Homer, Senior Policy Adviser, USAID
- Mr. Rolf Wenzel, Governor, Council of Europe Development Bank (CEB)

17.15 – 18.15

Session 7: If not them – Who? / Making Young Entrepreneurs Visible and Bankable

This session will emphasize the potential of youth entrepreneurs and innovative models of financing their ventures. Finalists of the YE! Award for outstanding young entrepreneurs around the world will share their business models for making a positive impact on society. Their insights and perspectives will kick off a discussion on possible next steps for increasing financing for youth-led SMEs by financial institutions, policy makers and other stakeholders.

Moderator:

- Ms. Lubna Shaban, Director of Youth Entrepreneurship, Child & Youth Finance International

Panellists:

- Finalists YE! Awards are presenting their businesses
- Mr. Baybars Altuntas, Chairman, World Business Angels Investment Forum, Turkey
- Mr. Cephas Chabu, Managing Director, National Savings and Credit Bank Zambia

18.30

Dinner, InterContinental Hotel Berlin

DAY 2 – WEDNESDAY, 3 MAY 2017

DIGITAL FINANCIAL INCLUSION – WHICH ROAD WILL WE TAKE?

09.00 – 11.00

Session 8: Regional Initiatives on Financial Inclusion and the Implementation of the G20 High Level Principles for Digital Financial Inclusion

Digital Financial Inclusion is happening. This session showcases some of the emerging policy approaches and provides insight into the potential role of policy makers in supporting DFI based on the GPFI report "Emerging Policy Approaches to Digital Financial Inclusion". Representatives of regional initiatives on Financial Inclusion discuss their role in supporting the implementation of the G20 High Level Principles for Digital Financial Inclusion, driving forward the Financial Inclusion agenda and looking at ideal forms of peer exchange and the cooperation with the GPFI.

Moderator:

- Mr. Alfred Hannig, Executive Director, Alliance for Financial Inclusion (AFI)

Panellists:

- Mr. Abdulrahman A. Al Hamidy, Director General, Arab Monetary Fund, Financial Inclusion in the Arab Region Initiative (FIARI)
- Mr. Shri Amit Agrawal, Joint Secretary, Ministry of Finance, India
- Mr. Isaac Sidney Ferreira, Deputy Governor, Banco Central Do Brazil, Financial Inclusion in Latin America and the Caribbean (FILAC)
- Ms. Ungatea Latu, Assistant Governor, Reserve Bank of Tonga, Pacific Islands Regional Initiative (PIRI)
- Mr. Douglas Pearce, Practice Manager for Financial Infrastructure & Access in the Finance & Markets Global Practice, World Bank Group
- Mr. Rogério Lucas Zandamela, Governor, Banco de Moçambique, African Mobile Phone Policy Initiative (AMPI)

11.00 – 11.30

Coffee break

11.30 – 13.00

Session 9: Balance Innovation and Risk to Achieve Digital Financial Inclusion – New Business Models, New Risks?

The dynamic changes in the finance industry and the rapidly increasing use of big/alternative data mandate further action. This session highlights the findings of the report "Alternative Data Transforming SME Finance" and the results of the Responsible Finance Forum VIII "Opportunities and Risks in Digital Financial Services Protecting Consumer Data and Privacy". The subsequent panel discussion will reflect these findings asking the question of how to strike the balance between data protection, creating an enabling environment and allowing for innovation from the perspectives of diverse stakeholders.

Moderator:

- Mr. Matt Gamser, CEO, SME Finance Forum / International Finance Corporation (IFC)

Inputs by:

- Mr. Volker Hey, Senior Policy Officer, Federal Ministry for Economic Cooperation and Development (BMZ), Germany

- Mr. John Owens, Senior Digital Financial Services Advisor, Digital Financial Advisory Services

Panellists:

- Ms. Hannah Grant, Head of Secretariat, Access to Insurance Initiative (A2ii)
- Joyce Lanyero Okello, Director, Bank of Uganda
- Ms. Anju Patwardhan, Senior Partner for Fintech Investment Fund and Fund of Funds Units, Creditease
- Mr. Thorsten Seeger, Managing Director, Funding Circle, Germany

13.00 – 14.00

Lunch break

14.00 – 15.30

Session 10: Strengthening Digital and Financial Literacy and Awareness – Financial Capability, Behavioral Patterns and What Does Data Teach the Financial Service Providers About Me?

This session will address approaches on strengthening digital and financial literacy and awareness. Current evidence and research findings on financial education and consumer protection measures will be discussed and verified. Research findings on financial literacy and payment behavior will be presented.

Moderator:

- Ms. Anna Zelentsova, Coordinator of Financial Literacy at Ministry of Finance, Russia, GPFI FLCP sub group co-chair

Input:

- Ms. Flore-Anne Messy, Principal Administrator Financial Education & Global Relations, Financial Affairs Division, Directorate for Financial and Enterprise Affairs, OECD

Panellists:

- Ms. Anna Gincherman, Chief Product Development Officer, Women's World Banking
- Ms. Anabela Gómez, Senior Analyst, Central Bank of Argentina
- Ms. Sille Krukow, Behavioral Director and Professor, KRUKOW
- Ms. Maria Lúcia Leitão, Head of Banking Conduct Supervision Department, Central Bank of Portugal
- Mr. Agus Sugiarto, Head of Financial Literacy and Inclusion Department, Indonesia Financial Services Authority (FSA)
- Ms. Anna Zanghi, Head of Global Innovation and Product Development for Youth at MasterCard Worldwide

15.30 – 16.00

Coffee break

16.00 – 17.30

Session 11: SME Finance in Sustainable Global Value Chains – Helping SMEs to Go Global

Strengthening the participation of SMEs in global value chains is a longstanding G20 priority. Research suggests that a financing shortfall of more than $2 trillion is the main barrier to enhanced competitiveness and wider SME participation in global production networks. However, access to global value chains alone is not enough. Global value chains must also be socially and environmentally sustainable to avoid harm to workers and the environment in producer countries. This session discusses how governments, financial institutions, and businesses can support financing models that provide credit-constrained SMEs with incentives to upgrade their production processes in line with required sustainability standards in global value chains.

Moderator:

- Ms. Ghada Teima, Lead Financial Sector Specialist, International Finance Corporation (IFC)

Panellists:

- Mr. Dirk Elsen, Director Emerging Markets, Triodos Bank, The Netherlands
- Michael Hoelter, Director & Portfolio Manager, Deutsche Bank
- Mr. Shikhar Jain, Principal Counsellor, Confederation of Indian Industry (CII)
- Ms. Christiane Rudolph, Head of Corporate Strategy and Development Policy, DEG, Germany
- Mr. Frank Sibert, Head of Sustainable Finance, BNP Paribas Germany

17.30 – 18.00

Session 12: Wrap-Up – The Way Forward

- Ms. Natascha Beinker, German GPFI Chair, Federal Ministry for Economic Cooperation and Development (BMZ), Germany
- Ms. Anabela Gómez, Senior Analyst, Central Bank of Argentina
- Mr. Tiandu Wang, GPFI Coordinator, People's Bank of China
- Mr. Wenjian Yu, Director-General, People's Bank of China

19:30 – open end

Global Inclusion Awards Ceremony

Hosted by German G20 Presidency and Child & Youth Finance International

(by invitation only)

Meistersaal Berlin

KEYNOTE OF MR. THOMAS SILBERHORN, PARLIAMENTARY STATE SECRETARY TO THE GERMAN FEDERAL MINISTER FOR ECONOMIC COOPERATION AND DEVELOPMENT

GPFI members, ladies and gentlemen, distinguished guests,

It is my great pleasure to welcome you here in Berlin. I would like to thank the G20 Global Partnership for Financial Inclusion for organizing this important event and bringing together experts from all around the globe and from a diverse range of backgrounds. Today we have in the room more than 250 representatives from the banking and insurance sectors, the FinTech scene and international organizations, as well as standard setters, policymakers and young entrepreneurs! Despite our very different backgrounds, there is one topic that connects us: financial inclusion.

Financial inclusion's relevance for economic development

Financial inclusion goes far beyond providing better access to financial services for households and SMEs. Increasing access to quality financial services enables people to better manage their economic lives: through insurance schemes to provide protection against unforeseen events such as weather or health issues, by enabling affordable and safe options for money transfers, or by providing suitable products that can be used to save money for unforeseen expenditures or to invest in a family business. Strengthening financial literacy and capability empowers households and businesses to take informed decisions and act in their own best interests.

Financial inclusion contributes to tackling inequality at a time when in-country social and economic inequalities are on the rise in many countries. It is about reducing poverty when ten per cent of the world's population must still live on less than 2 dollars a day and livelihoods are increasingly endangered by climate-related risks like floods or drought. And – importantly – financial inclusion is about empowering individuals and businesses to fully realize their economic potential and improve their overall situation.

German Development Cooperation in Financial Sector Development

For German development cooperation, the focus on financial inclusion is not just a recent trend. We have a long history of promoting financial system development in and with our partner countries. Germany is currently supporting more than 250 projects across the globe through GIZ and KfW – the main implementing organizations for our technical and financial cooperation. The portfolio of KfW alone exceeds 7.5 billion euros in financial sector operations. The BMZ is also the main sponsor of projects supported by the German Savings Banks for International Cooperation, which is promoting financial inclusion and financial literacy in about 40 countries.

Financial inclusion is high on national and international agendas

Financial inclusion is not only a priority for German development cooperation. It has moved up and is now firmly anchored in international and national reform agendas around the globe.

And the G20 Global Partnership for Financial Inclusion constitutes a central platform in global efforts to promote financial inclusion. The GPFI's work is also an important foundation for the three pillars of the German G20 Presidency in 2017: building resilience; improving sustainability; and assuming responsibility.

Focus areas of GPFI under German
During the German Presidency, the focus of the GPFI is on four priority topics:

1. Updating the G20 Financial Inclusion Action Plan (FIAP) and aligning it with the 2030 Agenda
The updated FIAP will enable appropriate attention to be given to the global challenges and opportunities of the present time. Amongst others this includes aligning the FIAP with the 2030 Agenda and the Addis Ababa Action Agenda, as well as addressing the opportunities and challenges for financial inclusion through advances in digitization.

2. Digital financial inclusion
A major benefit associated with digital financial services is increased reach. More households in developing countries have access to a mobile phone – a major entry point for many digital financial services – than have access to electricity or improved sanitation. At the same time, new business models are evolving, with financial technology companies, so-called FinTechs, making use of big data and algorithms to significantly decrease transaction costs. This in turn makes it possible to reach people who have been financially excluded until now. The statistics show signs of positive developments: between 2011 and 2014 alone, digital financial services helped 700 million adults globally to gain access to financial services – this is a 20% increase. This is incredibly promising. However, as policymakers, regulators and providers; as public and private sectors we need to be aware of and act on both the opportunities and the risks that new technologies provide. To address those issues, we hosted just last week the eighth Responsible Finance Forum here in Berlin. At the forum we discussed the opportunities and risks in digital financial services and the challenge of protecting consumer data and privacy in an age of big data and a rapidly evolving FinTech industry. Pushing for the full implementation of the G20 High Level Principles for Digital Financial Inclusion, we are considering both the opportunities and also the risks in digital financial services, as they constitute two sides of the same coin.

3. SME finance
A lack of access to financial services such as credit and insurance hinders entrepreneurs from scaling their businesses. This in turn prevents them from contributing to economic growth and job creation. 300 million small and medium enterprises in emerging markets lack access to finance, which places limits on their ability to grow and thrive. This is why we support the implementation of the G20 Action Plan on SME Financing that was adopted under the Turkish Presidency. A self-assessment by all G20 countries on their framework conditions for SME financing as well as analytical work on innovative financing instruments for SMEs in sustainable global value chains are just two important initiatives on the GPFI agenda this year.

4. Financial inclusion of vulnerable and underserved groups
To ensure that no one is left behind, we need to financially include groups that are particularly hard to reach:

- Women and women-owned businesses are a group that is disproportionally often without access to formal financial services. For women, the likelihood that they will have an account with a formal financial institution is 9 percentage points lower than for men. And while their present exclusion ought to be reason enough to promote women's financial participation, the overall benefits for society in terms of economic growth and social well-being are also significant. Women's financial inclusion can have a positive impact not only on the women themselves: If a woman gets stronger, her family gets stronger and her economy gets stronger. At last week's Women20 Summit, German Chancellor Angela Merkel emphasized the importance of improving access to finance for women and female entrepreneurs.
- Another vulnerable group that we need to pay more attention to is forcibly displaced persons. With all the global conflicts, persecution and injustices going on worldwide, forced displacements are likely to continue to be high. We therefore need to act in a forward-looking manner – rather than only reacting to the protracted refugee situation worldwide. Although it affects over 65 million people, financial inclusion for forcibly displaced persons was not previously at the center of international discussions. Financial inclusion can enable forcibly displaced persons to master difficult situations, make the most of their skills and abilities, and exploit their future potential, so that they can contribute to socio-economic development in their receiving country or in their country of origin.
- Within the German G20 Presidency, we are therefore working on defining concrete fields of action to advance the financial inclusion of forcibly displaced persons. Jointly with the Alliance for Financial Inclusion (AFI), the German G20 Presidency of the Global Partnership for Financial Inclusion therefore hosted a High-Level Forum on Financial Inclusion of Forcibly Displaced Persons last week here in Berlin. We convened a wide set of relevant countries and major stakeholders to participate in a global dialogue on the issues surrounding the financial inclusion of Forcibly Displaced Persons. I was impressed to see how in this particular area, too, financial sector solutions could make a difference and improve livelihoods.
- Another topic that is of high importance during our G20 Presidency and beyond is promoting youth employment and the financial inclusion of children and youth. Last week, we hosted a series of events concerned with promoting rural youth employment – this focus will be continued by the Global Inclusion Awards that my ministry is hosting together with Child & Youth Finance International on Wednesday night, where we will honor excellence in financial inclusion, economic citizenship education, and entrepreneurial support for children and youth worldwide.

These three priorities – digital financial inclusion, SME finance and financial inclusion of vulnerable and underserved groups – are themes we consider central to advancing the global financial inclusion agenda. And we look forward to continuing to work hand in hand with all GPFI members and beyond so as to make meaningful contributions to the global financial inclusion agenda and, most importantly, to the lives of those who are still financially excluded.

GPFI Forum is embedded in series of events and initiatives

The GPFI Forum is an important building block in further forming the G20 financial inclusion agenda. The results and insights from last week's Responsible Finance Forum, the GPFI Forcibly Displaced Persons event and from the Women 20 Summit will feed into today’s forum; just as the outcomes of the GPFI Forum will be important inputs for the GPFI Plenary that will follow on Thursday. What we discuss today and tomorrow will be considered for the GPFI annual report and the G20 Communiqué. So please keep in mind: Your input is important! It will help the G20 and GPFI to further shape concrete action areas and initiatives.

Looking back and ahead: Joining hands to further promote financial inclusion

Through our collective efforts we have already made important progress over the past few years: The GPFI has pioneered G20 High-Level Principles for Digital Financial Inclusion, G20 Financial Inclusion Indicators and the G20 Action Plan on SME Financing to name just a few examples of recent accomplishments. They are tangible proof of our commitment to promoting financial inclusion.

Nonetheless, and to put it in the words of Her Majesty Queen Maxima, the Honorary Patron of the Global Partnership for Financial Inclusion:We have done well, but not well enough!

There are still two billion people and 300 million micro, small, and midsize businesses in emerging economies that remain financially excluded. In sub-Saharan Africa, more than 70% of the adult population is without access to formal financial services. And it is not only in emerging economies that financial exclusion is an issue: 58 million people in the EU do not have a basic account and about 16 million adults in the US are unbanked. Financial exclusion is an issue affecting all of us.

While none of the Sustainable Development Goals explicitly targets financial inclusion, greater access to financial services is a key enabler for many of them. This includes SDG 1 on Eliminating Extreme Poverty, SDG 5 on Promoting Gender Equality, and also SDGs 10 and 16 aiming at more equitable and peaceful societies.

Financial inclusion is like a road – it is a means to an end. It provides us with the opportunity to reach our goals and ambitions. And just as building a road takes different skills and resources, financial inclusion efforts require the commitment of a range of different actors. In the spirit of the renewed Global Partnership as outlined in the 2030 Agenda on Sustainable Development: It needs the joint efforts of all of us – of the public and the private sector, of G20 countries and beyond.

So let’s work together, be engaged and jointly realize the potential that financial inclusion holds for all our economies, for the achievement of the SDGs and, not least, for the wellbeing of all.

PHOTOS


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Session 4
11:30 – 13:00 Financial Inclusion as Integrally Linked to Financial Sector Stability, Integrity, and the Protection of Customers


Advantage: banks
Advantage: fintechs