



THIRD PLENARY MEETING OF THE GLOBAL PARTNERSHIP FOR FINANCIAL INCLUSION

5 October 2022
(Hybrid Meeting)

CO-CHAIR'S SUMMARY



On the 5th of October 2022, the Global Partnership for Financial Inclusion (GPII) met in Yogyakarta in hybrid format for the third and last Plenary Meeting under the Indonesia G20 Presidency.

Mr. Dody Budi Waluyo, Deputy Governor of the Bank of Indonesia, opened the meeting by welcoming all participants and reckoning that financial inclusion has been at the heart of Indonesia G20 Presidency since the beginning. He emphasized that facilitating the access to finance for vulnerable segments of the population is important for the society as a whole. The use of digital financial services, in accordance with individual needs and priorities, contributes to financial wellbeing and resilience, and it ultimately lessens inequalities while giving more opportunities to all. He also highlighted the importance of digital financial literacy and adequate consumer protection measures, to accompany financial markets' developments towards an increased use of digital means. If risks are properly addressed, the benefits of digitalization can help build a better future for all.

Magda Bianco introduced the Plenary recalling the complexity of the current situation. The Russian invasion of Ukraine is making the recovery from the upheavals of the Covid-19 pandemic more difficult for all countries, imposing both unacceptable human losses and economic costs. The consequences of these events are heavier for the financially vulnerable and underserved groups, especially women, youth, and Micro-, Small-, and Medium-sized Enterprises (MSMEs), which are less equipped than others to deal with sudden shocks and uncertainties. The Co-Chair highlighted how the deliverables – that had been presented on the occasion of the High-Level Symposium held the day before – represent a concrete example of the GPII commitment to continue putting forward its Agenda and foster financial inclusion by all means, notwithstanding the difficult circumstances. In this vein, Magda Bianco congratulated the Indonesia G20 Presidency for the incredible work and the support provided throughout the year, and its availability to discuss and constructively interact with Members and Implementing Partners (IPs); this made it possible to achieve important results, in line with the G20 2020 Financial Inclusion Action Plan (FIAP) and the priorities of Indonesia G20 Presidency priorities.

After these initial remarks, the UK, the European Union, France, Germany, Spain, Italy, Canada, Japan and the US condemned the Russian invasion of Ukraine as an unjustifiable and



illegal war of aggression. They also emphasised that the economic and financial repercussions of the war are felt disproportionately by the most vulnerable groups of the society, exacerbating inequalities and impairing the Financial Inclusion Agenda.

The Indonesia G20 Presidency (Adi Budiarmo) took the floor and chaired the first session.

At the beginning of the session, Yunita Resmi Sari presented the main deliverable of the Indonesia G20 Presidency, the “Financial Inclusion Framework in Harnessing Digitalisation to increase Productivity, Sustainable and Inclusive Economy of Women, Youth and MSMEs”, suggesting calling it the “G20 Yogyakarta Financial Inclusion Framework”. The Framework is meant to serve as a guidance for regulators in their efforts to maximize the benefits of responsible digitalization to promote the economic potential of the most underserved groups – particularly women, youth and MSMEs – and favour the shift towards an economy that is more productive and sustainable. The framework comprises – and integrates into a single policy document – all the 2022 GPII deliverables:

- The Implementation Guide for G20 High Level Principles for Digital Financial Inclusion, compiled by the WB in collaboration with BTCA, CGAP and OECD.
- The Living Database on Digital and Innovative Financial Products and Services for MSMEs beyond Credit, for women entrepreneurs, youth entrepreneurs and social finance recipients, drawn up by SMEFF in collaboration with BTCA, IFAD, IsDB and WWB.
- The MSMEs Digital Financial Services Preliminary Regulatory Toolkit, prepared by AFI.
- A report on Progressing Data Harmonization on MSMEs, edited by SMEFF and the GPII Co-Chair.

These outcomes are complemented by two additional relevant documents, both prepared by the OECD: (i) the revised G20/OECD High-Level Principles on Financial Consumer Protection; and (ii) the updated G20/OECD High-Level Principles on SME Financing.

Subsequently, Hourn Thy (IFC-SMEFF) updated the audience about the G20 Living Database on Digital and Innovative financial Products and Services for MSMEs beyond credit. Six months after the launch of the initiative, the database is now live featuring about 60 case studies. The database can be accessed at this [web address](#). The cases received so far come



from different countries; however, some more than others have contributed with several examples, particularly UAE, the Philippines, Türkiye and China. The database features different financial products – among them savings, cash management and payments, credit guarantees, factoring, and insurance. Most of the innovations recorded in the database occurred in the year 2020. This database has huge potential to showcase meaningful examples of impactful innovations that would benefit the global community. Hence, G20 and non-G20 countries are encouraged to continue populating the database with new cases.

Afterwards, Robin Newnham (AFI) took the floor to present the preliminary results regarding the Regulatory Toolkit. It aims to provide countries with a practical instrument that can help them build an inclusive regulatory environment that is effective in fostering access to finance for small enterprises, especially the most vulnerable ones. It builds upon four pillars: (i) MSME Access to Digital Financial Service; (ii) Digitalized Credit Infrastructure; (iii) Market Efficiency; (iv) Special Considerations for Underserved Populations. Further refinements regarding both the structure of the document and the organization of its chapters will be addressed next year, in view of finalizing a ready-to-use diagnostic toolkit in compliance with the G20 2020 FIAP.

In the last intervention of the session, Sheirin Iravantchi (World Bank Group) presented the Implementation Guide for the G20 High Level Principles for Digital Financial Inclusion. The document is the result of a coordinated effort by different IPs and aims to offer a very practical guide to both G20 and non-G20 countries. There is a dedicated paragraph for each of 1 to 6 HLPs, recalling good practices and examples that could guide policymakers in their decisions. At the end of each chapter, there are many references from papers, documents and standards developed within the GPII community as well as the academia. The appendix offers a self-assessment tool with a specific checklist for each HLP, organized in two levels: the first presents the minimum standards that should be put in place in any jurisdiction where financial services and products are being offered; the second contains additional levers that can be employed to address newly emerging risks more efficiently and effectively.

In the roundtable that followed the presentations, all Members expressed their appreciation for the Framework and the deliverables prepared by the IPs, congratulating the



authors for the excellent work done. Everybody agreed that “Yogyakarta Framework” is a very appropriate name for the whole set of deliverables put forward under G20 Indonesia Presidency.

In the second session, chaired by Magda Bianco, Matthew Gamser presented the preliminary Report that aims to contribute to the harmonization of data on MSMEs. In fact, while several international surveys provide useful indicators of adults’ financial inclusion, similar information for MSMEs is very limited; gender and other disaggregated supply-side data are generally non-existent. The Report sets the stage by describing the available data sets that contain information on MSMEs finance, and reports on the results obtained in specific countries, such as the UK, to gather sex-disaggregated data on small businesses’ finance. In this vein, the Report also discusses the characteristics and content of the We-Fi initiative, presented to GPII Members in a dedicated workshop in July 2022.

Members agreed on the importance of MSMEs data harmonization as a key element to monitor enterprises’ financial gaps and to identify the most effective policy initiatives to address them; at the same time, they also acknowledged that the project is very ambitious and poses important challenges in terms of coordinating and harmonizing data collection efforts in many different jurisdictions. All expressed the willingness to continue analyzing the topic and possible solutions. Indonesia G20 Presidency recalled the importance of data for effective policies and emphasized three elements that should be taken into account when addressing the issue of gender-disaggregated data: (i) the importance of reaching an agreement on the concept of women-led MSMEs; (ii) the necessity of having a common understanding on the methodology for gathering data; and (iii) the need to increase public awareness on the relevance of data disaggregation.

Session III was devoted to the presentation of the Global Findex Database 2021 by Dorothe Singer (World Bank Group). The Report is available [here](#). Financial inclusion, measured as the number of accounts opened at formal institutions, is improving, even if the gender gap still represents an important issue to be tackled. Electronic payments continue to be an important aspect of financial inclusion: the number of people not only accessing but also using digital payments is growing worldwide; in particular, the Covid-19 pandemic accelerated the acceptance of digital payments by merchants. Finally, the need to receive social benefits by



Governments has been a catalyst for the opening, and subsequent use, of banking and mobile money accounts.

In the concluding session of the Plenary, Magda Bianco thanked all GPII Members who provided their annual monitoring report about the implementation of the respective National Remittances Plans, based on which the WB and IFAD will prepare the *2022 Update to Leaders on Progress Towards the G20 Remittance Target*. The Co-Chair welcomed Brazil in the Troika and thanked Italy for the fruitful collaboration on the last three years. She then gave the floor to the representatives of India, the incoming G20 Presidency, to present their priorities. After having congratulated the Co-Chair and Indonesia for the impressive results accomplished, notwithstanding the difficult times, Mr. Chancel Sarkar (MoF India) said that India is very motivated to continue the work of the GPII towards greater financial inclusion of people and enterprises, in accordance with the G20 2020 FIAP, and to collaborate with the Co-Chair and the other Troika members. While giving a broad overview of the GPII priorities for the upcoming India G20 Presidency, he highlighted that India has a vision for global advancement of financial inclusion and productivity for people and businesses through well-round public digital infrastructure. India would also be working with the Co-Chair and Troika very closely towards a new visionary, action-oriented new FIAP. Also Ms. Nisha Nambiar (Reserve Bank of India) reiterated the country's full commitment to continue working together on the GPII Agenda, in line with the deliverables envisaged in the current G20 2020 FIAP.

Finally, Magda Bianco updated the audience about two relevant processes that will engage the GPII next year: (i) the nomination of the new Co-Chairs; and (ii) the drafting of the new G20 2023 FIAP. Regarding the first point, according to the ToR, the G20 Presidency – in consultation with the GPII Troika – appoints the GPII Co-Chairs following a call for expressions of interest from G20 Member Countries. On making the final selection, the G20 Presidency should consider both the expertise and the experience of the countries' representatives on both G20 and financial inclusion issues, alongside their willingness and ability to dedicate adequate time and resources (including staff) to responsibly and effectively deal with the workload of managing the GPII and its portfolio. In case a Troika member stands as a candidate for chairing the GPII, it should be excluded from the consultation process. The selected Co-Chairs will be presented by the G20 Presidency to GPII Members along with a rationale for their selection for approval on a non-objection basis. The call will be opened in December 2022 and the selection



finalized by March/April 2023, in order to allow the new Co-Chairs to participate in the drafting and approval of the new FIAP. Regarding this second issue, the ToR clearly recognizes that the process is managed by the GPII Co-Chairs in consultation with the G20 Presidency, the GPII Troika and GPII Members. Magda Bianco pointed out that the drafting of the new FIAP will follow a very inclusive process, deeply involving all Members, and that, learning from the experience of the past, the GPII should aim to have a flexible instrument that could rapidly and effectively adapt to the continuously changing environment.

The Co-Chair concluded the Plenary by thanking all the participants for their relevant contributions, continuous support and active participation for a successful 2022 Agenda.

The Indonesia G20 Presidency concluded the meeting by thanking all GPII members for their effort and its team for the incredible work done.

“Recover together, Recover stronger”

GPII Co-Chair - Magda Bianco