

Global Partnership for Financial Inclusion: 2016 Work Plan

Overview

The Global Partnership for Financial Inclusion (GPFI) through its four Subgroups has conducted its work with respect to the Financial Inclusion Action Plan (FIAP) and on the occasion of the Leaders request.

This document presents the key outcomes for the GPFI during 2016. The GPFI organises its work through four subgroups: Regulation and Standard Setting Bodies (SSBs); Small-medium enterprise (SME) Finance; Financial Literacy and Consumer Protection; and the Markets and Payment Systems subgroup. Table 1 summarises the structure of the GPFI and members of each subgroup.

Table 1: GPFI Structure

GPFI co-chairs: Australia, Turkey, China				
Subgroup	Regulation and SSBs	SME Finance	Financial Literacy and Consumer Protection	Markets and Payment Systems
Subgroup co-chairs	India Indonesia UK	Germany Turkey	China Russia US	Australia Mexico
Participating G20 countries	Australia; France; Germany; Italy; US	Australia; Argentina Brazil; Canada; China; France; Italy; India; Indonesia; Japan; Mexico; Russia; Saudi-Arabia; South Africa; UK; US	Australia; Argentina; France; Germany; Mexico;	Brazil ; Canada; EU; France; Germany; Indonesia; Italy; Turkey; UK; US
Participating non-G20 countries	Philippines; Peru; Switzerland	Malaysia; The Netherlands; Switzerland		The Netherlands
Implementing partners	Alliance for Financial Inclusion (AFI); CGAP (lead); BTCA; IFC; OECD; WB	AFI; CGAP; WB/IFC; OECD; IFAD	AFI; CGAP; OECD; WB/IFC	AFI; Better Than Cash Alliance (BTCA); CGAP; IFAD and WB/IFC

Affiliated partners		Women's World Banking (WWB); Global Banking Alliance for Women (GBA); ILO; Child and Youth Finance International (CYFI); Microinsurance Network	International Financial Consumer Protection Organization (FinCoNet)	
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In addition, the GPFI benefits from the support of, and supports, Her Majesty Queen Máxima of the Netherlands, the UN Secretary General's Special Advocate for Inclusive Finance for Development (UNSGSA) and Honorary Patron of the GPFI.

Outcomes for 2016

Consistent with the theme of China's G20 Presidency in 2016, "**Towards the Innovative, Invigorated, Interconnected and Inclusive World Economy**", the GPFI will continue to work on former Presidencies' agenda items and support the implementation of the FIAP with particular focuses on:

- 1. Digital Financial Inclusion: Innovation, Regulation and Supervision;**
- 2. Data and Indicators;**
- 3. Reaching the Last Mile: Rural Areas, the Poor, the Youth and the Elderly;**
- 4. Financial Consumer Protection and Financial Literacy;**
- 5. SME Finance: Diversified Financing Channels.**

This overarching agenda is driven by the GPFI troika. Each G20 member country and each subgroup has an important role to play in shaping and delivering the overarching GPFI deliverables and objectives. The FIAP will incorporate a results framework to assess progress of actions. In addition to this, each GPFI subgroup has a parallel stream of ongoing work and priorities that it will progress throughout 2016. These agendas are set out below.

Regulation and Standard Setting Bodies Subgroup

In accordance with the Subgroup Terms of Reference and in line with the anticipated outcomes under the FIAP, the Subgroup will undertake in 2016 the activities outlined below. Periodic consultations among the Subgroup and the SSB secretariats across the range of activities under each Sub-objective will continue throughout 2016.

Key Outcomes

The two main activities that the Subgroup will carry out in 2016 in pursuit of this Sub-objective are the finalization of the **GPFI White Paper, Global Standard-Setting Bodies and Financial Inclusion – The Evolving Landscape** (GPFI White Paper), and the organization of the **3rd GPFI Conference on SSBs and Innovative Financial Inclusion** (3rd GPFI SSBs Conference). Additional activities downstream from the publication of the GPFI White Paper, based on issues of joint relevance and opportunities for collective action, may be defined during the year. In addition, the Subgroup, directly and through

its Implementing Partners, will support the preparation of the **4th High Level Meeting of SSB Chairs and Secretaries General**, convened by the UNSGSA and the Chair of BCBS (4th High Level Meeting) and scheduled to be held on 30 September 2016..

The Subgroup, directly and through its members and Implementing Partners, will continue to showcase, acknowledge and support the activities of individual SSBs and other global bodies of relevance to financial inclusion, dovetailing with and reinforcing their respective work plans, with an emphasis on promoting joint exploration of topics of relevance to multiple SSBs and other global bodies. The GPFI role vis-à-vis the SSBs will be informed by the identification of opportunities to monitor, showcase, acknowledge and support the implementation of the Recommendations in the GPFI White Paper, with a focus on themes identified as topics for the 3rd SSBs Conference and (as relevant in 2016) the 4th High Level Meeting. The following are indicative examples with respect to the bodies discussed in Parts III and IV of the GPFI White Paper: Basel Committee on Banking Supervision (BCBS), Committee on Payments and Market Infrastructures (CPMI), Financial Action Task Force (FATF), International Association of Deposit Insurers (IADI), International Association of Insurance Supervisors (IAIS), International Organization of Securities Commissions (IOSCO), Financial Stability Board (FSB), technical SSBs, International Organisation of Pension Supervisors (IOPS) and other global bodies.

Four interrelated types of Subgroup activities in 2016 will contribute to improve the understanding of linkages among financial inclusion, stability, integrity and consumer protection reflected in country-level policy making, particularly in emerging market and developing economies (EMDEs), and better evidence for SSB standards and guidance.

1. Country examples for 3rd GPFI SSBs Conference and the 4th High Level Meeting)
2. Subgroup content contributions to GPFI events
3. Sharing EMDE experience with “proportionality in practice”
4. EMDE participation in work of the SSBs and other global bodies

Two interrelated areas of Subgroup activity in 2016 will contribute to improve the coordination among SSBs and other relevant international bodies including banks, banking associations, law enforcement agencies and governments to address perceived risk in cross-border payments.

1. Action on GPFI White Paper Recommendations regarding “de-risking”
2. Action on GPFI White Paper Recommendations regarding financial exclusion risks

The following areas of Subgroup activity in 2016 will contribute to achieve the increased understanding of the interdependence of financial inclusion, stability, integrity and consumer protection reflected in the methodologies and other tools employed in financial sector assessments.

1. FSAP Guidance Note
2. SSB-specific self-assessments
3. Monitor proposed changes to FSAP implementation affecting financial inclusion assessments

The SME Finance Subgroup

The Sub-group will work on its continued working agenda with the following themes:

1. innovation - new instruments and the potential of digital solutions;
2. women’s economic empowerment;
3. financial inclusion of youth –young entrepreneurship;
4. data and indicators against the agreed SME finance indicators;
5. engagement with the private sector;
6. agricultural/climate risk insurance; and
7. outreach and promotion.

Key Outcomes

1. Realizing access to finance for SMEs at the country level

In an effort to promote SME finance policies and approaches that spur economic growth, the G20 GPFI announced the SME Finance Compact in 2012 to promote the development of innovative models and approaches to address the specific challenges and constraints faced by low income developing countries (LIDCs) with regard to SME finance.

The implementation of the SME Finance Compact is ongoing in partnership with the Alliance for Financial Inclusion and the World Bank Group to support peer learning amongst regulators, identify regulatory and policy challenges, develop data indicators for SME finance and document successful policy approaches, as an important initial step and to support further activities under the SME Finance Initiative and the Financial Inclusion Support Framework (FISF).

The Sub-group will review options for scaling-up support for innovation to SME finance and facilitating new partnerships to support developing countries to implement their SME Finance commitments in line with the goals of the Maya Declaration and the SME Finance Compact, with a goal of at least 5-10 developing countries, in particular LIDCs, establishing quantified targets for SME Finance in 2016.

2. Joint Action Plan of GPFI SME Finance Sub-group and IIWG on SMEs

Develop approach for the implementation of the G20 Joint Action Plan on SME Financing announced in 2015:

1. Clarify/ list the indicators to be used in monitoring against best practice, from ICCR for credit information regimes, and from UNCITRAL for collateral regimes and insolvency regimes, and share these within GPFI/G20.
2. Countries, with support from GPFI implementing partners which possess relevant data (such as the World Bank Group), establish a simple visual baseline assessment (e.g. color coded map representing status/existence of limited/none, some, most of the key indicators). The details will be agreed upon when designing the framework)
3. Initial baseline reporting shared more widely, coupled with restatement of G20 commitment to support non-G20 countries willing to reform in these areas (through implementing partners).
4. GPFI, with countries, agree responsible parties, timetable and format for annual reporting against these indicators.
5. GPFI aggregates the country reports into annual progress report, shared with G20 Finance Ministers and Leaders.

Offer the technical expertise of Implementing Partners (e.g. WBG) to support in the implementation of improvements in financial markets' infrastructure for countries which embark on development plans.

3. Agricultural Finance

The Sub-Group will continue working on agricultural insurance and include climate risk insurance solutions. Since climate change poses a threat to the growth of the agricultural sector, insurance can protect farmers and financial institutions from severe losses. Moreover, insurances play an important role in improving access to inputs/technology as well as finance. Yet, to date agricultural and climate risk insurances have reached scale only in a few countries including China and India.

4. Financial Inclusion and Youth

The SME Finance Subgroup, together with its Affiliated Partner Child and Youth Finance International (CYFI) launched a Global Platform for young entrepreneurs called *Global Ye! Community* in September 2015. The Sub-group will continue to promote the new focus on youth entrepreneurship.

5. Women's Economic Empowerment

Insurance plays a significant role in the financial inclusion agenda and contributes to numerous development agendas such as social protection, agricultural development and food security, disaster risk management and climate change, small and medium enterprise development, gender and youth promotion.

6. Implementation of private sector engagement strategy

Sustaining strong public-private collaboration in SME finance requires strong, sustained communications between three key groups: regulators/policymakers, financial services providers and the entrepreneurs themselves. GPFI and its implementing partners to date have established two platforms related to SME finance which facilitate such exchange and cooperation: the SME Finance Forum, and the AFI Public Private Dialogue (PPD) platform.

The subgroup's affiliated partners offer further channels for private sector collaboration. Women's World Banking and the Global Banking Alliance for Women connect to a large number of financial institutions world-wide and, through their monitoring/research efforts, to the institutions' women entrepreneur clients. Child and Youth Finance International provides a key connection to the important constituency of youth entrepreneurs. The International Labor Organization provides unique insights into informal sector entrepreneurship through its regular surveys and other activities. The newest partner, the Microinsurance Network, has not been involved to date, but should grow in importance as technological innovation, particularly surrounding the "internet of things", makes serving SMEs and small farmers viable for the first time for much of the insurance industry.

The Financial Literacy and Consumer Protection Subgroup

The objective of the FCPFL Subgroup for the next five years is to build the capacity of developing and emerging economies to implement audience-appropriate, evidence-based financial consumer protection and financial literacy programs. Additionally, the Subgroup will identify best practices, emanating from the public, private, and NGO sectors, in consumer protection and financial education policies that support use of digital financial products and services. The Subgroup will continue its efforts, consistent with the G20's 2013 St. Petersburg Development Outlook, to increase incentives, financial education, financial literacy, and consumer protection for the poor, with emphasis on vulnerable groups such as women, youth, and migrants.

Key Outcomes

1. Improve the capacity of public authorities and other relevant stakeholders to develop and implement financial literacy and consumer protection measures.
2. Promote consumer protection and financial education good practices for digitally delivered financial products and services.

Detailed expected outcomes:

1. The Subgroup will assist implementing partners and others in developing targeted and practical guidance for country-level implementation, by promoting voluntary peer review and exchange, private sector engagement, coordinated inputs into global FCPFL deliberations, and the identification/filling of gaps that are particularly important in the context of financial inclusion.
2. The Subgroup is recognized as the hub within the GPFI for technical content on FCPFL risks and solutions associated with digitalized finance, and will provide inputs to other GPFI Subgroups developing policy options with direct implications for consumers or that require consumers to have a minimum level of financial literacy when using such a financial product or service.

3. The subgroup will promote the development of surveys on financial literacy using the methodologies welcomed by G20 leaders in 2013 and supported by the Russian Trust Fund: the OECD/INFE methodology to develop cross comparable data (and the WB methodology for in-depth country surveys) in all G20 countries and interested non-G20 countries so as to compare, evaluate and improve the effectiveness of financial education, and recognize the financial needs of consumers particularly important in developing targeted financial inclusion.

The Markets and Payment Systems Subgroup

The overall goal of the subgroup is to advance utilisation of payment systems including remittances in the pursuit of increased and sustainable financial inclusion. The sub-group will focus on emerging technologies and business models and will incorporate strong links to market based approaches through engagement with financial service providers. The sub-group responds to the call in the G20's St. Petersburg Development Outlook for the GPFI to explore in 2014 "targeted actions to . . . harness emerging mechanisms such as electronic payments and mobile technology that can significantly improve access".

Key Outcomes

1. Monitoring progress of G20 National Remittance Plans

In 2014, G20 Leaders agreed to the G20 Plan to Facilitate Remittance Flows which mandates the GPFI to report on progress made by countries against their national remittance plans. National remittance plans were finalised under Turkey's presidency along with a monitoring framework. This framework outlines that the GPFI will review progress on the national plans annually, with plans updated every two years. Consistent with these arrangements, the sub-group will monitor progress towards achieving the five per cent target and report on such progress in 2016.

Given the impact of de-risking activities on the remittance market, as highlighted by the survey conducted in 2015, this aspect will be covered in the monitoring as well. Both international agencies and G20 countries will be requested to provide an assessment of this aspect on the market.

2. Develop additional G20 Financial Inclusion Indicators to monitor the existence and use of payment eco-systems

This work will take into account recent work on the measurement of payments. Supporting the Chinese Presidency's priority on Digital Inclusion Principles and Indicators in 2016, our work this year will focus on indicators on the usage of digital payments, disaggregated by key sectors including women, rural and youth. Over the longer term, we will develop indicators that cover access to, usage of and infrastructural enablement of payments for low-income market segments. The agreed indicators will enable a common approach to assessing and monitoring progress of developing inclusive payments, for use by individual countries. This work will include a focus on the use of payments by women both at individual and enterprise level.

3. Analysis of the roles of the public and private sector in the establishment and development of sustainable and payment eco-systems (for delivery in 2017)

The terms of reference document for this work was completed in 2015 (with the terms of reference for the completed stocktaking report) and will be used to guide this deliverable in 2016 and 2017. The analysis will involve identifying policy options and implementation approaches (incorporating a set of principles, policy guidelines, implementation frameworks and practical guidelines) for the private sector, government agencies and other players in the payment services environment to guide their efforts in using payment systems to sustainably increase financial inclusion.

This work will include a guidance note for government agencies and private sector actors on establishing, developing and accessing sustainable and inclusive payment eco-systems. This note will also draw on insight gained from the 2015 stocktaking report on payment systems.

Given implementing partners' existing commitments in developing deliverables for 2016 such as the High-Level Principles on Digital Financial Inclusion, the Markets and Payment Systems subgroup will take this work forward following the Hangzhou Summit in September 2016.

GPFI Outputs

Output	Subgroup	Date
Second edition of the GPFI White Paper, <i>Global Standard-Setting Bodies and Financial Inclusion – The Evolving Landscape</i>	SSBs	March 2016
3 rd SSBs Conference issues paper(s)	SSBs	October 2016
3 rd SSBs Conference video	SSBs	October 2016
SME Finance Compact Review <u>options for G20 support</u> [Support developing countries to implement their SME Finance commitments in line with the goals of the Maya Declaration and the SME Finance Compact, with a goal of at least 5-10 developing countries, in particular LIDCs, establishing quantified targets for SME Finance in 2016.]	SME	End 2016
SME Financing Joint Action Plan <ul style="list-style-type: none"> • Clarification of indicators • Baseline assessment and mechanism for reporting on progress established • Timetable and format for annual reporting agreed 	SME	End 2016
Agricultural Finance <ul style="list-style-type: none"> • Paper focussing on agricultural/climate risk insurances in three G20 countries (BMZ/GIZ, FAO) Session at a GPFI event with a focus on policy recommendations regarding agricultural/climate risk insurances (BMZ/GIZ, FAO)	SME	
Financial Inclusion and Youth <ul style="list-style-type: none"> • Launch the Ye! Awards (CYFI) 	SME	
Women's Economic Empowerment <ul style="list-style-type: none"> • High-level conference on promoting women's financial inclusion - dedicated session on supporting access to financial 	SME	28 April 2016

Output	Subgroup	Date
services for women owned SMEs (AFI) <ul style="list-style-type: none"> • Toolbox on “Women in Inclusive Insurance” (BMZ/GIZ, IFC) 		
Private Sector Engagement Strategy <ul style="list-style-type: none"> • The main priority for this year will be to ensure that members from all these key groups participate in the three main workshops on financial inclusion planned by the GPFI. Private sector commitments	SME	
Work on indicators : <ul style="list-style-type: none"> • Results of the 2015/16 OECD/INFE survey on financial literacy and inclusion and promotion of the use of the methodology and toolkit in more G20 and non-G20 countries • G20 survey results on financial literacy • Core competency on financial literacy for adults (call by G20 Leaders in 2013) • Inputs to China G20 Presidency work on digital financial inclusion indicators, by subgroup implementing partners. 	FCPFL	Intermediary results June 2016 Final results October 2016 Progress report in October 2016 Final report in 2017 June 2016
<ul style="list-style-type: none"> • Revised version of global mapping of FCPFL activities 	FCPFL	2016
Work on financial consumer protection: <ul style="list-style-type: none"> • [Revised] Good Practices for Financial Consumer Protection (WB): consultation and review process to be followed by dissemination. • Work on trends and policy use of consumer complaints and research paper on the use of behavioral economics 	FCPFL	May-Oct 2016 2016/2017
Work on the implication of digital financial services : <ul style="list-style-type: none"> • Report on the implications of digital finance for financial literacy and consumer protection • Report on financial consumer protection of mobile technology services • Discussion paper on data protection in the context of digital financial services and big data 	FCPFL	Course of 2016 Course of 2016 October 2016
Work on SMEs: <ul style="list-style-type: none"> • Financial literacy for MSMEs : advanced report and future survey instrument 	FCPFL	October 2016

Output	Subgroup	Date
<ul style="list-style-type: none"> SME Financial Capability pilot in Senegal 		July 2016
Support to implementation : <ul style="list-style-type: none"> Capacity building training programs for FCPFL supervisors and regulators Research, technical assistance, peer review and mutual learning initiatives to promote the implementation of the principles on FCP and national strategies for financial education Training for policymakers / regulators on national financial education strategies based on OECD / WB sources 	FCPFL	Throughout 2016
Agreed approach to monitoring remittance plans in 2016 and template for countries to demonstrate progress	M&P	March 2016
Completed country templates outlining progress on remittance plans submitted to the GPFI	M&P	June 2016
Draft of additional G20 Financial Inclusion Indicators relating to payments	M&P	June 2016 (TBC)
Finalised additional indicators and population with available data	M&P	August 2016 (TBC)

GPFI Timeline of Events

Date	Event	Location	Activities
4-5 February	OECD/India international conference on financial consumer protection	Mumbai, India	Global meeting addressing critical FCP issues such as institutional arrangements, impact of digital financial services, ARD
29 February – 4 March	AFI-BNM Business Conduct and Consumer Protection Training	Kuala Lumpur, Sri Lanka	
1-2 March	GPFI Workshop: New Development and Indicators Update	Shanghai, China	
3 March	GPFI Meeting	Shanghai, China	
11 March and June (TBC)	Consultations with SSBs	Basel, Switzerland	Consultations on follow-up activities from White Paper, SSB 2016 activities, and preparations for Third GPFI Conference on SSBs and Financial Inclusion
14-15 March	G20/OECD Task Force on financial consumer protection	Paris, France	The task force met to discuss the implementation of G20 Principles on FCP in countries, to discuss its future programme of work and provide contribution to the G20 on the elaboration of High-level Principles on Digital Financial inclusion
20 March	Global Money Week supported by CYFI and OECD	Around the world	
21 March	AFI-CGAP Building Behavioral Skills for Consumer Protection Policy	Dilijan, Armenia	

Date	Event	Location	Activities
22-25 March	AFI Consumer Empowerment & Market Conduct 11th Working Group Meeting	Dilijan, Armenia	
19-21 April	INFE technical Committee and OECD/Netherlands High-level Global Conference on Financial Resilience throughout life	Amsterdam, Netherlands	The INFE technical committee will further develop the core competency on financial literacy for adults as well as review the first results of the global OECD/INFE survey on financial literacy, advances the report on the implications of DFS for financial literacy and report on financial education for MSMEs
28 April	AFI and Bank of Tanzania high-level conference: Integrating policies for the financial inclusion of women into national financial inclusion strategies	Dar Es Salaam, Tanzania	Outreach for non-G20 AFI member on frameworks and policies for support of women owned SMEs
19-20 May	The DFI Working Group meeting on SME Finance	Rome, Italy	Agenda to be provided by co-hosts, IFAD and SMEFF
24-25 May	GPFI Workshop: Conduct Supervision, Financial Consumer Protection and Financial Literacy	Xi'an China	
26 May	Responsible Finance Forum VII	Xi'an, China	RFF Team and G20 Chinese Presidency to be featured
24-26 May	AFI SME Finance Working Group (SMEFWG)	Mongolia	Outreach for non-G20 AFI members for SME Finance Compact
1-2 June	OECD/OJK Seminar on financial education for MSMEs	Jakarta, Indonesia	Regional seminar in Asia to advance the work on the report on financial education for MSMEs
18-19 July	GPFI Forum: Digital Financial Inclusion	Chengdu, China	

Date	Event	Location	Activities
20 July	GPFI Plenary	Chengdu, China	
6 September	AFI Consumer Empowerment & Market Conduct 12th Working Group Meeting/ Global Policy Forum	Nadi, Fiji	
7-9 September	AFI Global Policy Forum (GPF) (<i>Building the Pillars of Sustainable Inclusion</i>)	Nadi, Fiji	Engagement with the LDICs for SME Finance Compact
19-20 September	SME Finance Forum , Annual Leaders Meeting	Beijing, China	
10-14 October	INFE technical Committee and OECD/Netherlands international Conference on Financial Literacy	Auckland, New Zealand	The results of the OECD/INFE survey on financial literacy will be released
26-27 October	Third GPFI Conference on SSBs and Financial Inclusion	Basel, Switzerland	Focus on frontier issues in supervision and oversight triggered by digital financial inclusion
November	FinCoNet Meeting	Indonesia	