



GPI

Global Partnership
for Financial Inclusion

THE FIRST G20 GLOBAL PARTNERSHIP FOR FINANCIAL INCLUSION (GPI) FORUM

Forum Report, 1 October 2011



*A contribution from the Alliance
for Financial Inclusion (AFI) network of
developing country policymakers*

ACKNOWLEDGEMENTS

This report was produced on behalf of the G20's Global Partnership for Financial Inclusion (GPII) by the Alliance for Financial Inclusion (AFI) in its capacity as an Implementing Partner of the GPII.

This report was supported by a grant from Australian Agency for International Development (AusAID).



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The Global Partnership for Financial Inclusion (GPFI)

In recent years, the G20 has recognized the critical importance of financial inclusion, both as a pillar of development and a driving force of economic and financial stability. G20 leaders discussed financial inclusion extensively at the Pittsburgh Summit in September 2009, where they established a Financial Inclusion Experts Group (FIEG), and again at the Toronto Summit in June 2010, where they defined nine Principles for Innovative Financial Inclusion.¹ At both summits it was considered critically important that financial inclusion be addressed in a systematic way with the support of top-level political leadership. This commitment was solidified at the Seoul Summit in November 2010, where G20 leaders officially recognized financial inclusion as one of the nine key pillars of the global development agenda.

Given that more than two billion adults are excluded from financial services and millions of micro-, small-, and medium-sized enterprises (MSMEs) face serious obstacles in accessing financial services, financial inclusion is fundamental to improving the livelihoods of the poor and supporting MSMEs — engines of economic growth and job creation in the developing world. The Seoul Summit endorsed a multi-year Financial Inclusion Action Plan that included a set of key actions to scale up financial inclusion.² The **Global Partnership for Financial Inclusion (GPFI)** was launched in Seoul one month later to “provide a systematic structure for implementing” the Action Plan and to bring together G20 leaders with expertise and access to the networks of the three key implementing partners: the Alliance for Financial Inclusion (AFI), the Consultative Group to Assist the Poor (CGAP), and the International Finance Corporation (IFC). Co-chaired by the former, current, and future G20 Presidencies, the GPFI has been designed to operate as an inclusive platform for all G20 countries, interested non-G20 countries, and other stakeholders, including the private sector. Their shared objective is to advance a vision of **universal access to and use of financial services**.

The GPFI established three sub-groups to carry out its core agenda:

- G20 Principles for Innovative Financial Inclusion and engagement with the Standard-Setting Bodies (SSBs) (co-chaired by Korea and Indonesia);
- SME Finance (co-chaired by Germany, the US, the UK, and Turkey); and
- Data and Measurement (co-chaired by Mexico, France, and South Africa).



GPFI co-chair Alain Damais



Juan Manuel Valle Pereña, GPFI co-chair

Each sub-group also engaged with non-G20 country representatives. Kenya, Peru, Nigeria, and the Philippines assisted with the work of the Principles and SSBs sub-group. The SME Finance sub-group was supported by Malaysia and the Netherlands, which, together with Thailand, also lent assistance to the Data and Measurement sub-group.

¹ The Principles for Innovative Financial Inclusion are: leadership, diversity, innovation, protection, empowerment, cooperation, knowledge, proportionality, and framework. More detailed information at: www.gpfi.org/knowledge-bank/publications/g20-principles-innovative-financial-inclusion

² <http://gpfi.org/our-work/work-plans/g20-financial-inclusion-action-plan>

The first GPFI Forum



Peer Stein, Head of Access to Finance, International Finance Corporation (IFC)



Yongbeom Kim, GPFI Co-Chair

The first Forum of the GPFI was held in Riviera Maya, Mexico, on 1 October 2011 immediately following the Alliance for Financial Inclusion (AFI) Global Policy Forum (GPF), which was held at the same venue over the preceding three days. The GPFI Forum brought together senior representatives from 23 G20 and non-G20 countries, key implementing partners of the GPFI,³ representatives of the private sector, and a wide range of organizations involved in promoting financial inclusion. In total, more than 80 participants gathered to discuss a range of key issues.

The GPFI Forum was the first full gathering of the partnership since its launch in Seoul almost a year earlier and was considered an opportunity to:

- achieve consensus on a vision for financial inclusion and the role of the GPFI in helping to fulfil it;
- showcase successful practices by countries already implementing financial inclusion strategies and announce commitments by those ready to follow suit; and
- identify practical, concrete steps to be taken on the key technical issues addressed by the GPFI sub-groups.

Held ahead of the G20 Cannes Summit in November 2011, the Forum was also a chance for GPFI members to engage with a large and representative group of stakeholders before making its first report to G20

leaders and laying the foundation for Mexico's G20 Presidency in 2012.

In his opening remarks, Korean co-chair of the GPFI, Yongbeom Kim, reminded participants, "When the G20 launched the GPFI in Seoul last December, we made a promise to hold this annual Forum...the fact that we are holding this meeting today demonstrates that the G20's commitment to financial inclusion and the GPFI actually deliver; it is not just warm words but real, tangible, achievements that help to advance financial inclusion".

Yongbeom Kim went on to highlight two key roles for the GPFI: a "key implementing mechanism" to channel the work of the GPFI's sub-groups and a "partnership marketplace" to facilitate the exchange of ideas with non-G20 countries and private and non-profit sectors on cutting-edge financial inclusion issues. The GPFI launched a website at the Forum to help advance this work and reach a wider audience.⁴

The GPFI Forum succeeded in conveying a powerful message: that financial inclusion is an urgent part of the global development agenda because it builds strong and sustainable financial systems. It also revealed burgeoning support for financial inclusion from both developed and developing countries. The Forum's constructive and insightful discussions reflected the seriousness and deep commitment with which the global community is engaging in financial inclusion.

³ The work of the GPFI is supported by three implementing partners: the Alliance for Financial Inclusion (AFI), Consultative Group to Assist the Poor (CGAP), and the International Finance Corporation (IFC). In 2012, the World Bank joined the GPFI as a fourth implementing partner.

⁴ www.gpfi.org

Mexico's vision for financial inclusion



H.E. Felipe Calderón Hinojosa, President of Mexico, officially closes the AFI Global Policy Forum and opens the GPF Forum

In advancing financial inclusion, international cooperation and the exchange of ideas and proposals are crucial. For that reason, Mexico will continue fostering debates on such topics, in its capacity as an AFI member and as chair of the G20.

H.E. Felipe Calderón Hinojosa
President of Mexico

The GPF Forum was opened by H.E. President Felipe Calderón Hinojosa of Mexico. The Forum's hosts expressed a deep and unwavering commitment to tackle financial exclusion in Mexico, to work closely with stakeholders at a global level to achieve the GPF's

vision for financial inclusion, and to provide leadership on global financial inclusion efforts within the G20 and GPF. This commitment was evident in President Calderón's speech, which marked the close of the AFI GPF and the launch of the GPF Forum. Pointing out that two of every three family members in developing countries such as Mexico are excluded from the formal financial system, the President reaffirmed Mexico's commitment to global efforts aimed at "transforming the world's vision on the financial exclusion problem" and "stepping up the pace towards access to financial services for all sectors of the society".

President Calderón emphasized that financial inclusion is not just about providing access to financial services and improving customer usage; it is "a means to reach greater social justice". This perspective is guiding Mexico's commitment to financial inclusion at both national and global levels. In Mexico, the commitment is evident in recent measures aimed at creating a more robust policy and legal environment, as well as institutional innovations that support financial inclusion. The President also identified financial consumer protection as a key dimension of financial inclusion.



President Calderón and H.R.H. Princess Máxima of the Netherlands, UNSG's Special Advocate for Inclusive Finance for Development and Honorary Patron of the G20 Global Partnership for Financial Inclusion, at the opening of the GPFI Forum

In his speech, President Calderón announced the **launch of Mexico's National Council on Financial Inclusion (NCFI)**, a body that brings together all Mexican public authorities with an interest in financial inclusion in order to work toward a coordinated and mutually agreed policy agenda. The Council "shall be responsible for measures for the planning, preparation, implementation, execution, and follow-up of a national policy on financial inclusion". In addition, it will coordinate financial education efforts and consider whether the country's financial infrastructure needs to be altered. Acknowledging the critical importance of financial inclusion data in developing policy, the Council will also approve or regulate the statistical instruments used to measure Mexico's progress in financial inclusion.

Looking to the global agenda and the role of the G20, the President applauded forums such as the GPF and GPFI, saying, "I know these are privileged spaces for the exchange of knowledge and experiences, which will allow for the strengthening of the financial inclusion policies in our countries and building a future of greater well-being and progress for everyone". He noted that financial inclusion now holds a prominent place on global development and financial sector agendas, and that opening doors to credit, savings, and insurance to more people creates more economic stability today and a more equal and prosperous future.

The President looked ahead to Mexico hosting the G20 summit in 2012 and affirmed that the GPFI will remain part of the central agenda. Since it will be the first time that a developing country hosts this meeting of leading global economies, he will ensure the agenda reflects global priorities — not only the current economic crisis, but the social and economic development of all the world's citizens. He concluded by assuring Forum participants that "the global

The global financial community may count on the commitment and effort undertaken by Mexico to continue promoting financial inclusion all over the world.

H.E. Felipe Calderón Hinojosa
President of Mexico

community may count on the commitment and effort undertaken by Mexico to continue promoting financial inclusion all over the world".

In his address to Forum participants, Mexico's Deputy Finance Minister, Gerardo Rodríguez Regordosa, reinforced President Calderón's view on financial inclusion and Mexico's commitment to national and global efforts. The Minister viewed financial inclusion as "essential for development" and highlighted the key role of data in driving financial inclusion strategies. The Minister also emphasized the importance of ensuring effective cooperation among stakeholders and urged countries to form coordinating mechanisms such as Mexico's new National Council on Financial Inclusion.

GPFI Forum participants noted the inspiring and energizing effect that Mexico's leadership could have on encouraging countries to make commitments to financial inclusion. Following the President's speech, 17 AFI member countries took the stage to make their own financial inclusion commitments under the Maya Declaration.

Address of H.R.H. Princess Máxima of the Netherlands, the UN Secretary-General’s Special Advocate for Inclusive Finance for Development and Honorary Patron of the GPFI



H.R.H. Princess Máxima of the Netherlands, the UN Secretary-General’s Special Advocate for Inclusive Finance for Development (UNSGSA), provides keynote addresses at the conclusion of the AFI Global Policy Forum and opening of the GPFI Forum

Inclusion now matters to whole financial systems and to equitable, sustained growth... [It is] about providing everyone with a tool that helps you fulfill your basic needs... And the good news is: we are making it happen.

H.R.H. Princess Máxima of the Netherlands, UNSG’s Special Advocate for Inclusive Finance for Development and Honorary Patron of the G20 Global Partnership for Financial Inclusion (GPFI)

H.R.H. Princess Máxima of the Netherlands, the UN Secretary-General’s Special Advocate for Inclusive Finance for Development (UNSGSA), who also became Honorary Patron of the GPFI in 2011, spoke of the

notable growth in recognition that financial inclusion “is essential to development and economic goals”, including financial stability. H.R.H. Princess Máxima also noted that the G20, in establishing the FIEG and GPFI, should be proud of its role in elevating financial inclusion on global agendas. “That I am speaking to you as both the UN Secretary General’s Special Advocate and the Honorary Patron of the G20 GPFI is also evidence of how development and financial conversations are becoming more closely integrated”.

H.R.H. Princess Máxima pointed to Mexico’s leadership in financial inclusion, noting that the Consejo Nacional de Inclusion Financiera (National Council on Financial Inclusion) will provide the leadership, agenda setting, and coordination necessary to accelerate progress while ensuring that financial services are delivered through competitive business models. Although the challenges of financial exclusion differ from country to country, H.R.H. Princess Máxima noted that common challenges include identifying successful business models for financial inclusion. National mechanisms such as Mexico’s National Council on Financial Inclusion “are very well poised to tackle these issues”.

Roundtable on Global Vision for Financial Inclusion

Chair: **Yongbeom Kim**, GPF Co-chair

Roundtable participants:

- **Alain Damais**, GPF co-chair
- **Juan Manuel Valle Pereña**, GPF co-chair
- **Nestor Espenilla Jr.**, Deputy Governor, Bangko Sentral ng Pilipinas (BSP)
- **Alfred Hannig**, Executive Director, Alliance for Financial Inclusion (AFI)
- **Tilman Ehrbeck**, CEO, Consultative Group to Assist the Poor (CGAP)
- **Peer Stein**, Head of Access to Finance, International Finance Corporation (IFC)

As an inclusive platform for both G20 and non-G20 countries, the GPF Forum featured a roundtable discussion with the three GPF co-chairs (Yongbeom Kim of Korea, Alain Damais of France, and Juan Manuel Valle Pereña of Mexico), implementing partners of the GPF (AFI Executive Director Alfred Hannig, CGAP CEO Tilman Ehrbeck, and IFC Head of Access to Finance Peer Stein), and Nestor Espenilla Jr., Deputy Governor of Bangko Sentral ng Pilipinas (BSP).

The roundtable discussion on a global vision for financial inclusion was rich and comprehensive, with participants articulating a shared vision of financial inclusion and the role of the GPF in achieving it. The discussion served to open dialogue on what each group of stakeholders can do to advance global financial inclusion, remind participants of why the GPF was created and deliberate on the GPF's achievements to date, and identify areas in which to focus efforts moving forward.

Discussion focused on four key questions:

- How can we sustain momentum behind financial inclusion in the midst of a global financial crisis and the prospect of a decade of instability, contraction, and turbulence in the global economy?
- What is the global vision for financial inclusion and where do we want to be in 10 years?
- What are the steps to achieving this vision and what role should the G20 and GPF play in moving it forward?
- What is the role of each GPF partner — developing countries, donors, the private sector, and others — in advancing the global vision? What commitment does each of the partners in the GPF need to make?

Maintaining momentum for financial inclusion when the G20 is focused on the financial crisis was recognized as a challenge, but Peer Stein of the IFC pointed to an opportunity: “the crisis itself should provide the opportunity to bring to the fore how close financial inclusion and financial stability really are”. Namely, that financial inclusion contributes to financial stability, which in turn facilitates economic growth and development. Financial inclusion helps to mitigate shocks and create jobs, which are a major pathway out of poverty. One participant argued that there is sufficient research to demonstrate the positive contribution financial inclusion makes to reducing financial shocks and improving welfare at the household level. Another participant pointed to the importance of access to finance for small businesses, citing research that shows small firms of 100 employees or less account for the largest share of employment in developing countries.⁵ More importantly, they create jobs even when economic conditions are unfavorable.

Participants agreed that financial inclusion not only provides access to financial services for excluded and underserved populations; it also promotes inclusive economic growth and social justice. In other words, **financial inclusion is a tool for addressing critical issues of persistent poverty and underdevelopment.**



From left to right: Juan Manuel Valle Pereña, GPF co-chair; Alfred Hannig, Executive Director, Alliance for Financial Inclusion (AFI); and Alain Damais, GPF co-chair

⁵ See OECD, “Small Businesses, Job Creation and Growth: Facts, Obstacles and Best Practices”, http://www.oecd.org/LongAbstract/0,3425,en_2649_34197_2090732_1_1_1_1,00.html

Financial inclusion has a three-pronged impact on development: at the individual, household, and macro levels. A financial system that reaches all citizens allows social policies for education and health to be implemented far more effectively and efficiently and, ultimately, have a more positive impact on people's lives. Access to financial products and services that are appropriate and delivered responsibly helps to improve household welfare and business prospects. Economies with high levels of financial inclusion tend to have stronger growth and less inequality. At every level, financial inclusion plays an important role in reducing socioeconomic inequalities and promoting human development.

Many participants stressed that **financial inclusion is not an issue confined to developing countries.** Developed countries also experience financial inclusion challenges, although the gravity of the problems may differ. A representative of the US Treasury noted that "there are a lot of mature economies that have underserved populations but don't realize they have underserved populations". When the United Kingdom established a dedicated Financial Inclusion Taskforce in 2005, it was found that more than 10% of the population were financially excluded. Another key point was that full financial inclusion is about more than just access to financial services. Appropriate and effective usage is also critical, with financial education and consumer protection playing a key role.

A global vision for financial inclusion

The discussion on a global vision for financial inclusion revealed a range of diverse views. Deputy Governor Espenilla Jr. articulated the vision of the Philippines, spelled out in the recently adopted Philippine Development Plan: *To make the right kind of financial services universally available to the population within six years, with products designed to be responsive to the requirements of the poor and those with low incomes.*

The Philippines' perspective triggered a very productive discussion. There was consensus that universal financial inclusion is a long-term issue that cannot be achieved in two or three years. It is necessary to first build financial infrastructure, tackle the problem of missing or malfunctioning markets, and reshape and improve regulatory systems to allow financial inclusion to thrive. This work is essential to making financial inclusion sustainable over the long-term.

It was agreed that achieving universal financial inclusion requires patience, but that concrete deadlines must also be set. Ten years was considered a realistic goal in most developing countries given the rapid pace of technological development. Much progress has been achieved in the last few years. Yongbeom Kim noted that, five to 10 years ago, discussion focused mainly on microfinance, whereas today the focus has shifted to broader and more complex issues of financial inclusion. A representative of the Gates Foundation acknowledged that 10 years is a reasonable goal, but given what countries such as Mexico have already accomplished, we should not underestimate what could be achieved in the next six to 12 months, especially with the GPFIs' convening power and country leadership.

The roles of the G20 and the GPFIs

The roundtable also deliberated on ways to achieve the GPFIs' collective vision of universal financial inclusion and the roles that the G20 and GPFIs should play in facilitating this work.

These discussions produced an array of constructive suggestions. A recurring theme was the importance of political support and leadership at both global and national levels, echoing H.R.H. Princess Máxima's contention that "we need the governments to make financial inclusion a reality". It is also essential that inclusion stays on the agendas of SSBs, private sector stakeholders, and civil society. Alfred Hannig of AFI pointed out that although financial inclusion is a priority in many countries, garnering widespread political support remains a challenge. Given this, participants decided that the GPFIs' role would be to present well-crafted and ambitious recommendations to political leaders that would make a difference on the ground in both the short- and long-term.

Global political support is key to broadening the impact of all our efforts, and it can hold open the windows created by new technologies, experiments, and innovations.

Alain Damais, GPFIs co-chair



The objective is to enable everyone in the world to be an economic citizen, who can capture their full potential. If there is no access to financial services, a big ingredient is missing... We can do this in our lifetime.

Tilman Ehrbeck, CEO, CGAP

Supporting national commitments. Participants concurred that the GPF’s vision for financial inclusion would ultimately be achieved at the country level, but that the GPF could play a key role in supporting national commitments. **The G20 and GPF are uniquely placed to provide support in three areas:**

- keeping financial inclusion in the global spotlight and lending political legitimacy to the issue (this is important for national leaders to do as well);
- shaping the global regulatory environment through engagement with SSBs; and
- continuing to support and bolster promising efforts at the country level.

Getting the story out. Generating and sustaining political momentum requires the GPF to be proactive in explaining how financial inclusion contributes to growth and development. There is a compelling story to tell about why financial inclusion matters to development: it does not entail the trade-offs inherent in many other development initiatives and, as Deputy Governor Espenilla Jr. explained, “financial inclusion is good economics, good politics, and good business”.

Involving the private sector. It was acknowledged that full financial inclusion cannot be achieved through central banks alone; the private sector also needs to be involved. One participant noted the importance of translating financial inclusion policy into business models since governments do not provide financial services as effectively or efficiently. The role of government and central banks should instead be creating an enabling environment for the private sector to develop products and services that meet the diverse needs of the financially excluded.

Setting concrete and ambitious targets. Juan Manuel Valle Pereña proposed that the GPF should ensure at least five countries have full financial inclusion within five years. This was considered feasible given the leadership and commitment in countries such as Mexico and Indonesia. However, participants urged caution: too much optimism could obscure or underestimate the challenges ahead.

It was also suggested that some countries become role models, showcasing best practices to others. Perhaps inspired by President Calderón’s speech, one participant suggested that statements of commitment by world leaders could bolster interest in financial inclusion and prompt additional initiatives.

Encouraging national strategies. It was agreed that the GPF should continue to provide support to countries that are improving or developing national financial inclusion strategies. Data from a poll taken at the AFI GPF indicated that although 96% of member countries think national strategies are a good idea, only 25% currently have one, with a further 34% having partial strategies. The GPF needs to take advantage of this interest, but recognize that different countries will require different kinds of assistance. An OECD representative pointed out that it is critical to have a national strategy not only for financial inclusion, but for financial education as well.

Influencing national agendas. Participants suggested a range of strategies to advance financial inclusion at the country level. Deputy Governor Espenilla Jr. noted that an important first step is to make financial inclusion a key policy objective of institutions like central banks. Positioning financial inclusion high on national agendas would be a major step since the policy focus is typically on price stability and financial stability.

Making financial inclusion routine. Financial inclusion could become a collective responsibility and shared commitment if it was part of everyone’s day-to-day business. As one participant explained, “Put financial inclusion in everyone’s agenda as part of what they should be thinking...when they do anything related to the financial sector”.

Widening the circle. Other suggestions included expanding the GPF stakeholder groups to include UN organizations involved in financial inclusion and making a concerted effort to get more participation from ministries of finance. It was also suggested that the GPF should pay particular attention to financial inclusion as a tool to empower women.

Challenges ahead

A discussion on the challenges of financial inclusion ranged from the risk of policy reversal with changes in political leadership to enthusiasm clouding decisions about good and bad interventions. It was agreed that it is important to continually challenge financial inclusion interventions, conduct research, and build knowledge to make interventions more sustainable. Identifying what works and what is sustainable is essential, with evidence-based policy critical to the analysis. Another challenge is how to raise collective aspirations while respecting local circumstances and national leadership. Amar Bhattacharya of the G24 cautioned the GPFi against undermining ownership and accountability at the country level. Other challenges included infrastructure constraints, limited capacity of regulators, lack of uptake of new technology, and inadequate data.

The roundtable discussion produced agreement on a number of important issues. First, to achieve full financial inclusion, concerted action at both country and global levels is critical. There was consensus that this ambitious vision is achievable if momentum can be maintained and accelerated, and the GPFi has an important role to play in focusing and galvanizing its partners to translate this vision into reality.



As a community we need to help create five success stories; five countries that in five years' time actually have full financial inclusion.

Juan Manuel Valle Pareña, GPFi co-chair

G20 Principles for Innovative Financial Inclusion

Panelists:

- **Paul N Eluhaiwe**, Director, Central Bank of Nigeria
- **Suhaedi**, Deputy Director, Bank of Indonesia
- **Mikhail Mamuta**, President, Russian Microfinance Center
- **Brian Pomeroy**, former Chair, UK Financial Inclusion Taskforce

Moderator: **Alfred Hannig**, Executive Director, Alliance for Financial Inclusion

Diverse demographics, regulatory environments, and varying stages of development in the formal financial system mean there is not a one-size-fits-all solution for countries seeking to advance financial inclusion. Recognizing this, the G20's Financial Inclusion Experts Group (FIEG) identified nine principles for success based on the experiences of countries that have promoted financial inclusion effectively. These principles were endorsed by G20 leaders at the Toronto Summit in June 2010 and underpinned the creation of the GPFi. As AFI's Executive Director Alfred Hannig explained, these principles are not rigid prescriptions, nor are they similar to the Basel Core Principles; they are deliberately broad and intended to provide guidance to countries implementing financial inclusion initiatives.



Panelists discuss the G20 Principles for Innovative Financial Inclusion

This panel discussion was dedicated to exploring how the G20 Principles have been implemented in various countries. The panel also discussed how the principles can contribute to achieving the G20's vision of universal financial inclusion. Panelists presented the experiences of four countries: the UK, Nigeria, Russia, and Indonesia. An 11 country case study report, “**Bringing the Principles to Life**” (produced by AFI on behalf of the G20 and published in conjunction with the G20 Forum), was distributed to participants.⁶

United Kingdom: Using financial inclusion as a tool for social justice

The experience of the UK is unique because it was perhaps the first country to systematically apply the language of financial inclusion (laid out in a 1999 government report) to establish a dedicated Financial Inclusion Taskforce. Although the G20 Principles were not yet published when the Taskforce was established in 2005, the Taskforce priorities closely mirrored the Principles. Brian Pomeroy, former Chair of the Financial Inclusion Taskforce, focused on two principles in particular: **leadership** and **empowerment**.

To realize all the Principles, every country needs a comprehensive national strategy.

Mikhail Mamuta, President of the Russian Microfinance Center

Leadership: Strong political commitment propelled the launch of the Taskforce: the UK government established a financial inclusion fund of GBP 250 million (\$400 million) over five years and reached a voluntary agreement with the banks to reduce the number of unbanked people in the UK by half. To help achieve this target, the banks rolled out a basic bank account and eased barriers such as identification requirements for opening accounts.

It was noted that one of the main barriers was cultural – bank staff had to change their approach to be more welcoming to members of poorer communities who were not their typical customer base. The government also created a cross-sector taskforce with a strong private sector presence that included prominent senior bankers as well as consumer activists and researchers. Leadership on financial inclusion in the UK was delegated, at least in part, to this trusted expert taskforce.

⁶ www.g20.org/knowledge-bank/case-studies/g20-principles-innovative-financial-inclusion-bringing-principles-life



GPMI delegates

Empowerment: Although banks eased barriers, high levels of self-exclusion persisted due to a lack of awareness, trust in banks, and self-confidence to use banking services. These challenges were systematically addressed through a targeted consumer awareness campaign working in partnership with trusted intermediaries such as housing associations, post offices, and charities, organizations in day-to-day contact with the financially excluded, to provide advice and information tailored to their financial circumstances and needs.

Nigeria: Fostering cooperation through strong leadership

In Nigeria in 2005, financial exclusion was extensive, with only 5% of the population having access to formal financial services. Paul Eluhaibe of the Central Bank of Nigeria (CBN) explained that since then the Government has reaffirmed its commitment to tackling this exclusion and the Central Bank of Nigeria (CBN) has taken on the responsibility for driving increases in financial inclusion across the country. It has introduced a new, stronger regulatory framework and focused on increasing cooperation and collaboration amongst stakeholders. The government focused first on providing financial services to farmers, who were found to be the most excluded group. The central bank took a leadership role, incorporating financial inclusion as a pillar within the “Financial System Strategy 2020”.

Russia: Integrating agents, education and e-money

In Russia, where more than 60 million people do not have access to formal financial services, political leaders have directed the government and the central bank to address this challenge. Financial inclusion forms an important element of a long-term social economic development strategy toward 2020. However, financial inclusion has only been recognized as an important policy issue in Russia since the Toronto Summit in 2010, where G20 leaders first emphasized the importance of national leadership to tackle financial exclusion. Mikhail Mamuta, President of the Russian Microfinance Center, stressed that **leadership has been the most important G20 principle** in Russia and that it has been the foundation for all the other principles to succeed. Russia’s strategy has been led by the Ministry for Economic Development working collaboratively with other ministries, agencies and partners and with the unequivocal backing of the President. **Consumer empowerment** has also received a great deal of emphasis because of the risks and problems that can arise when financial inclusion is not accompanied by sufficient consumer education, information, and avenues for help and redress, such as over-indebtedness.

The Principles themselves will evolve. Keep them broad, but within each build up a library of good practice.

Brian Pomeroy, former Chair, UK Financial Inclusion Taskforce

What does a...model of interaction among the various partners look like? Could GPII provide a methodology that helps the different partners, the private sector, and others to interact?

Alfred Hannig, Executive Director of AFI

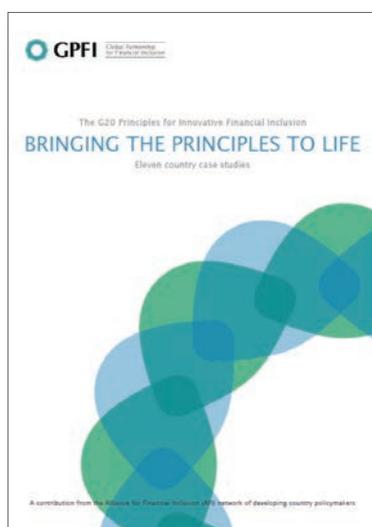
Indonesia: Creating a national financial inclusion strategy

In Indonesia, principles of leadership, empowerment, and innovation have been high on the financial inclusion agenda. The Indonesian government has introduced a new National Strategy for Financial Inclusion, with the Vice-President's Office coordinating national policy initiatives with other agencies and working closely with

Bank Indonesia to devise policy and ensure high-level backing. One key focus of the government has been incentives that encourage diversity and innovation in products and services, including changes in the law and government-backed initiatives. This has led to the development of new savings products and financial products that comply with Sharia principles and meet the needs of many more Indonesians.

Participants reached consensus on how the G20 Principles will be used in the future. Many consider the Principles a key part of achieving GPII's vision. "We need to see the Principles in a continuous way," said Alfred Hannig of AFI. The Principles themselves will evolve over time so they must remain sufficiently broad to accommodate and respect country diversity. The participants were certain that the G20 Principles would remain relevant as countries continue to advance their financial inclusion goals. One participant suggested that the GPII build a library of good practices and case studies for countries to use as they move forward. Mikhail Mamuta highlighted the importance of a national plan for financial inclusion for achieving better and more systematic results. It was also suggested that the GPII develop a system for financial inclusion partners to work together and cooperate more effectively. Perhaps taking a cue from the Russian experience, the session chair concluded by emphasizing the importance of global leadership in reinforcing national leadership.

GPII recommendations for implementing the G20 Principles



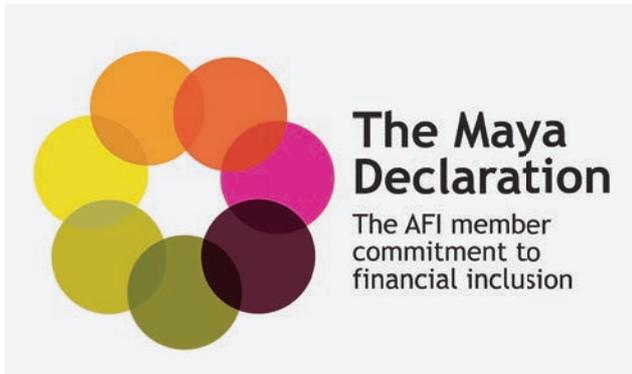
The GPII's report, "Bringing the Principles to Life," showcases how 11 countries have implemented the G20 Principles for Innovative Financial Inclusion and makes recommendations based on these experiences. Yongbeom Kim, co-chair of the GPII sub-group on Principles and Standard-Setting Bodies (SSBs), reported these recommendations:

- **Organize for financial inclusion.** With respect to **leadership** and **cooperation**, it is necessary to harness both political and regulatory leadership, collaborate across institutions to build financial inclusion strategies, and

identify appropriate linkages between financial inclusion and other strategies for growth, financial stability, and development.

- **Create an enabling environment for financial inclusion.** With respect to **innovation** and **diversity**, it is important to use a range of channels to deliver financial services (such as bank branches, agents, or e-money) and harness commercial opportunities to drive innovation. It is also important to identify where and how the government might intervene in the event of market failure and have appropriate exit strategies in place.
- **Promote financial inclusion, integrity, and stability at the same time.** With respect to **proportionality** and **framework**, the case studies demonstrate that a tailored regulatory approach is key to extending access, with specific KYC and other requirements for small-value transactions. Ongoing review of financial regulation is necessary to ensure there is an enabling environment for financial inclusion and that initiatives are keeping pace with technology.
- **Safeguard consumers.** To move consumer empowerment and protection forward, it is important to integrate demand-side policies within a financial inclusion strategy and complement initiatives to boost access with financial education projects and consumer protection frameworks.
- **Learn about financial inclusion.** With respect to knowledge, it is important to have a clear base of evidence with which to draft financial inclusion policies. This will also encourage more sophisticated dialogue among policymakers, the private sector, and other stakeholders.

The Maya Declaration and AFI Member Commitments to Financial Inclusion



The Maya Declaration was adopted at the AFI 2011 Global Policy Forum in Riviera Maya, Mexico, on 30 September 2011. In keeping with the global vision for financial inclusion set out earlier in the day, and in the spirit of the G20 Principles for Innovative Financial Inclusion, the AFI network reaffirmed the importance and urgency of financial inclusion and announced a framework for their commitment to bring more of the world's poor into the formal financial sector.

The co-hosts of the GPF, Guillermo Babatz, President, Comisión Nacional Bancaria y de Valores (CNBV), Mexico, and Daniel Schydrowsky, Superintendent, Superintendencia de Banca, Seguros Y AFP (SBS), Peru, updated GPF participants on the announcement of the Maya Declaration and the individual commitments made by AFI member countries.

The Maya Declaration underscores the importance of peer-to-peer knowledge exchange and learning among financial regulators and policymakers. This learning and collaboration helps to develop and implement innovative and relevant policy solutions to accelerate financial inclusion. The Maya Declaration commits the AFI network to four concrete actions to increase access to and use of financial services:

- Create an enabling environment to harness new technology that increases access and lowers the costs of financial services.
- Implement a proportional framework that advances collaborations in financial inclusion, financial integrity, and financial stability.
- Integrate consumer protection and empowerment as a key pillar of financial inclusion.
- Utilize data for informed policymaking and tracking results.



Following up on the commitments is central, making sure that next time we meet, everybody reports on what they've been able to achieve, and in the interim we stay in touch with each other, to help each other do what we've committed to do.

Daniel Schydrowsky, Superintendent, Superintendencia de Banca, Seguros Y AFP (SBS), Peru



We are talking here about the most basic type of inclusion. Technology, and the success of some countries, shows a way to pull literally millions of people into the payment system. This is a big paradigm shift.

Guillermo Babatz, President, Comisión Nacional Bancaria y de Valores (CNBV), Mexico

The AFI network collectively represents institutions from more than 80 developing and emerging countries. **Seventeen AFI member countries announced commitments to financial inclusion, which will be monitored by a network of peers.** Ten of the 17 were from Africa, an indication of the continent's leadership in promoting financial inclusion, particularly in embracing new technology and delivery mechanisms.⁷ Progress on the commitments will be reported at the fourth AFI GPF, scheduled to take place in Cape Town, South Africa, 26-28 September 2012.

Highlights from Maya Declaration commitments made in the spirit of the G20 Principles for Innovative Financial Inclusion

The Maya Declaration commitments were made in the spirit of the G20 Principles for Financial Inclusion and illustrate the impact that the GPF and its sub-groups are having in diverse countries and regions.

G20 Principles: Leadership and Cooperation

- Nigeria: Develop and pursue a financial inclusion strategy with clear targets for reducing the number of unbanked by 2020.
- Brazil: Launch a National Partnership for Financial Inclusion.
- Rwanda: Establish a national financial inclusion taskforce.

G20 Principles: Innovation and Diversity

- Mexico: Have a banking agent or banking branch in every municipality by 2014 and offer interoperable mobile products by 2012 through the three largest retail banks.

G20 Principles: Proportionality and Framework

- Peru: Introduce a new law regulating the use of e-money.
- Philippines: Create an enabling policy and operating environment for every adult to have a deposit account.

G20 Principles: Protection and Empowerment

- Uganda: Conduct a study to design and establish a financial consumer protection ombudsman for the entire financial system.

G20 Principles: Knowledge

- Fiji: Undertake a comprehensive financial competency survey by 2012 and align its existing data with the AFI core set of indicators to ensure consistency.

In many cases, these commitments have been accompanied by specific, measurable, and ambitious goals to put policies and regulations in place that extend access to financial services while also safeguarding consumers. They highlight how the G20 Principles are being brought to life through leadership in developing countries across Asia, Africa, and Latin America.⁸

⁷ At the time of publication an additional 8 countries, making a total of 25, had made commitments under the Maya Declaration.

⁸ Find more information on the Maya Declaration at www.afi-global.org/gpf/maya-declaration

Data and measurement



Members of the GPFi Data and Measurement sub-group present their findings from the past 11 months

Panelists:

- **David Porteous**, Managing Director, Bankable Frontier Associates
- **Peer Stein**, Head of Access to Finance, International Finance Corporation (IFC)
- **Maya Makanjee**, CEO, Finmark Trust
- **Raul Hernandez-Coss**, Comisión Nacional Bancaria y de Valores (CNBV), Mexico, and sub-group co-chair

Moderator: **Alberto Chaia**, McKinsey & Company

High-quality data is essential for evidence-based policies. However, the quality of financial inclusion data is often insufficient. As Deputy Governor Espenilla Jr. said, “You can feel it, you can see it, but there are just no hard numbers about it”. The GPFi Data and Measurement sub-group was established in order to improve the quantity and quality of financial inclusion data and measurement.

In this workshop, the Data and Measurement sub-group presented the work it had completed over the previous 11 months. This work included:

- taking stock of existing measurement initiatives;
- defining components and key performance indicators (KPIs) of financial inclusion;
- implementing measurement initiatives in volunteer countries; and
- setting national targets to inform global targets.

The group's achievements are impressive:

- identification and definition of the broad dimensions of financial inclusion;
- completion of a stock-taking exercise and gap analysis of existing data measurement initiatives; and
- preparation of a draft framework for setting national targets.

Next steps include reaching consensus on KPIs for financial inclusion and the best approach for setting national targets, supporting countries in piloting KPIs and setting targets, and making recommendations to the 2012 G20 Mexico Summit on setting a global target.



Raul Hernandez-Coss, CNBV Mexico and Roelof Goosen, National Treasury of South Africa

Not surprisingly, the sub-group has observed a great deal of variation between countries in the availability, quality, consistency, and comparability of data. A considerable amount of work will be needed to develop data collection methodologies and define and coordinate national data collection efforts in a systematic way. The sub-group will be following up on national targets and country commitments made under the Maya Declaration, being mindful that progress will be determined by the challenges and circumstances unique to each country. One of the sub-group's priorities is piloting KPI measurements, and it has identified 15 developed and developing countries to participate, using the AFI Financial Inclusion Data Working Group's (FIDWG) Core Indicators of Financial Inclusion.

The sub-group noted, and workshop participants concurred, that setting targets at national and global levels is the most controversial and complex part of the entire work program. The group presented its plan for this task:

- develop principles that countries should consider when setting national targets;
- develop a set of recommendations for the G20 on initial approaches to setting national targets;
- assist countries in setting national financial inclusion targets; and
- compile the national targets and provide an analysis on a possible global target.

The sub-group expected to make recommendations to the G20 ahead of the Mexico Summit in 2012.

The sub-group's presentation was followed by a lively discussion on a number of significant issues, including the international comparability of data. Although comparability was recognized as important for a variety of reasons, it was argued that it might not mean much if it does not help to formulate national policies. The key takeaway from the presentation was that **data must drive policy**.

The sub-group has found the **Core Indicators of Financial Inclusion** developed by the AFI FIDWG to be very useful and has been using these indicators to harmonize global data collection efforts. While the core indicators are a major step in the right direction, it was noted that an important SME dimension is missing because the data apply to adults, not businesses. The sub-group and workshop participants strongly recommended that the core set of indicators be adopted, but that more work is needed to improve them. The group also recognized the need to incorporate data on women entrepreneurs in its own indicators.

The sub-group noted the progress made by the IMF in collecting data and engaging with financial inclusion issues and the sub-group itself. This is an encouraging development because only a few years ago the IMF was not addressing financial inclusion at all. The group acknowledged H.R.H. Princess Máxima's contribution to bringing the IMF into the dialogue.



Representatives of Bank of Thailand and Bank Negara Malaysia participate in the GPFi Data and Measurement Subgroup’s discussions

The participants commended the sub-group for its achievements and raised some additional issues. One was **the role of the private sector in data and measurement** and how the private sector should be engaged. Another question was, “Who owns the data?” There are private sector entities actively engaged in collecting financial inclusion data, which raises the question of whether more data is always better than less.

The discussion also touched on target-setting, which prompted many questions. What is the most appropriate target for a country? How do we decide this? A common view was that national targets must be meaningful and tailored appropriately to national contexts to derive maximum benefits. **Demand-side data is therefore crucial to the target-setting process.** There was clear consensus that countries must come up with national targets on their own while the GPFi can assist by providing countries with a target-setting toolkit.

The G20 has identified setting a specific global target as a key action item. The question is, is setting a global target desirable? Some think that a global target may help to raise awareness, inspire national efforts, and provide incentives to allocate resources. However, other participants had reservations about setting a global target in absolute terms and thought it would be better to express it as a percentage change.

Participants pointed to the importance of identifying “financial exclusion pockets”, or groups that are particularly hard to reach. This may require countries to adopt innovative approaches to data collection because “official data” do not necessarily provide a complete picture.

Another discussion point was the lack of systematic data on the informal financial sector. It was noted that there are no hard data to answer questions such as what drives people in most countries to use the informal sector. Also, how does the degree of reliance on the informal sector change over time? What are the links between the formal and informal sectors? To answer these and many other questions, reliable data are needed on the informal financial sector.

The sub-group made two major recommendations to be included in the GPFi’s report to G20 leaders ahead of the Cannes Summit:

- The IMF should strengthen its supply-side data collection efforts with the support of CGAP and the IFC.
- Countries should develop and use data sources that help to inform and monitor policy success.



Ruth Goodwin-Groen, Adviser, Financial Inclusion at AusAID

Dialogue with the Standard-Setting Bodies (SSBs)



Left to right: Luis Urrutia Corral, former President, FATF; Matu Mugo, Central Bank of Kenya (CBK); Rodrigo Porto, Banco Central do Brasil (BCB); and Timothy Lyman, Consultative Group to Assist the Poor (CGAP)

Panelists:

- **Luis Urrutia Corral**, former President of the Financial Action Task Force (FATF)
- **Pia Roman Tayag**, Bangko Sentral ng Pilipinas (BSP)
- **Matu Mugo**, Central Bank of Kenya (CBK)
- **Rodrigo Porto**, Banco Central do Brasil (BCB)

Moderator: **Timothy Lyman**, Consultative Group to Assist the Poor (CGAP)



Many participants considered GPFi's engagement with the Standard-Setting Bodies (SSBs) to be a success story and a model to follow. As Deputy Governor Espenilla Jr. noted in the roundtable discussion, when the standards were developed, they did not always take into account the innovations needed to reach the unbanked in developing countries, such as mobile and electronic money. Engagement with the SSBs at the G20 level was considered key to creating policy space for proportionate regulations that comply with global standards

and facilitate innovations to reach the unbanked. Everyone considered it a significant achievement that SSBs have explicitly acknowledged the risks of financial exclusion and embraced the principle of proportionality. However, standards still need to be translated into core mandates for country evaluation processes. Providing support for country-level financial inclusion initiatives is critically important because of the resource constraints some countries face. As H.R.H. Princess Máxima of the Netherlands pointed out in her opening remarks, success is measured by progress at the country level.



Timothy Lyman, Consultative Group to Assist the Poor (CGAP)



Kimanthi Mutua, AFI Associate

To facilitate ongoing engagement, the GPFI sub-group has focused on integrating financial inclusion in the mandate of five key SSBs:

- Basel Committee on Banking Supervision (BCBS)
- Financial Action Task Force (FATF)
- Committee on Payment and Settlement Systems (CPSS)
- International Association of Insurance Supervisors (IAIS)
- International Association of Deposit Insurers (IADI)

These SSBs have already taken steps to ensure an enabling environment for financial inclusion. To advance the dialogue even more, the GPFI sub-group has published a number of new reports that were released at the Forum:

- a white paper by CGAP, “Global Standard-Setting Bodies and Financial Inclusion for the Poor”;⁹ and
- a set of five country case studies prepared by AFI that detail how Brazil, Kenya, Mexico, the Philippines, and South Africa have sought to balance financial inclusion, stability, and integrity.¹⁰

Based on the analysis in the white paper and country case studies, the sub-group has developed a comprehensive set of recommendations for the SSBs.

These are collective and SSB-specific recommendations for taking developing country contexts into account and using innovative approaches to extend access to the financial system. These recommendations will form the basis of the GPFI’s dialogue with the SSBs and address a range of outstanding financial inclusion issues.

Timothy Lyman of CGAP presented the sub-group’s first year of work, focusing on key themes

and recommendations of the white paper and country case studies, country-level applications of SSB standards and guidance, and the proposed engagement strategy with the SSBs.

The white paper and case studies demonstrate that financial inclusion carries both risks and benefits within the SSB’s spheres of influence. For example, existing financial products, services, and delivery channels may not be suitable for poor customers entering the formal financial system for the first time and certain innovations may be required to reach them. However, these risks could be offset by the benefits of financial inclusion, such as economic growth, efficiency, and improved household welfare. The key is correctly applying the principle of proportionality, which balances risks and benefits against the costs of regulation and supervision. This assessment will inevitably vary across SSBs and the range of products, services, and providers that promote financial inclusion.

Participants concurred that the last 18 months have been highly productive in terms of engagement with SSBs, thanks in part to the G20’s endorsement of financial inclusion. The challenge now is to sustain momentum over the next 18 months. Participants agreed to focus part of the GPFI’s immediate work plan on two of the five SSBs: FATF and the Basel Committee. Both are currently reforming and revising their standards and FATF is also revising its evaluation methodology.

Finally, participants agreed that the GPFI could add particular value by addressing cross-cutting issues in the mandates of more than one SSB. One example is the innovations taking place in mobile phone banking, where the blurring of the line between payments and deposits cuts across the work of FATF, the Basel Committee, and the Committee on Payment and Settlement Systems. Financial consumer protection is another issue in the mandates of several SSBs.

⁹ www.gpfi.org/knowledge-bank/publications/global-standard-setting-bodies-and-financial-inclusion-poor

¹⁰ www.gpfi.org/knowledge-bank/case-studies/global-standard-setting-bodies-and-financial-inclusion

SME Finance

Report on the sub-group work plan:

GPFI sub-group co-chairs **Susanne Dorasil** (Germany), **Anuradha Bajaj** (UK), and **Hossein Rostrami** (Canada)

Workshop participants:

- **Nestor Espenilla Jr**, Deputy Governor, Bangko Sentral ng Pilipinas (BSP)
- **Aysen Kulakoglu**, Undersecretariat of Treasury, Turkey, and sub-group co-chair
- **Phil Beavers**, Small Business Finance Center of Excellence (CFE)

Moderator: **Leonardo Martinez-Diaz**, United States Treasury



Leonardo Martinez-Diaz, United States Treasury

Access to finance for SMEs is recognized as a critical part of global economic growth and job creation, but the challenge is formidable — the co-chairs of the SME Finance sub-group pointed out that the SME credit gap worldwide is in excess of \$2 trillion and that more than 200 million SMEs, both formal and informal, do not have access to financial services.

Access to finance for SMEs has been a key issue for the G20 since the launch of the SME Finance Challenge at the Pittsburgh Summit in 2009. The Challenge showcased innovative models for improving access to finance, both technology- and equity-based, which could be brought to scale. Fourteen winners were selected and a fund was established to disburse grant funding to the winning proposals.

The sub-group reported on their year’s work, which built on the SME Finance Challenge as well as a stock-taking exercise and policy recommendations. In 2011, the sub-group engaged in extensive consultations at the United Nations Conference on Least Developed Countries in Istanbul and at the “Making Finance Work for Africa” conferences in Kampala (agricultural finance) and Addis Ababa (partnership forum). The sub-group then prepared three reports ahead of the Cannes Summit that incorporated the outcomes of these events:

- **“SME Finance Policy Guide”**: a reference for governments and regulators developing financial inclusion strategies and SME Finance Action Plans;



Deputy Governor Nestor Espenilla, Jr., Bangko Sentral ng Pilipinas, interacts with GPFI delegates

- **“Strengthening Access to Finance for Women-owned SMEs in Developing Countries”**; and
- **“Scaling-up Access to Finance for Agricultural SMEs”**: a study of approaches to scaling up access to finance based on a stock-taking exercise and featuring 60 case studies.¹¹

The sub-group also planned to launch the SME Finance Forum as a platform for pooling and sharing knowledge, data and products, and have developed a proposal for an SME Compact — a framework that countries can use to take action.

¹¹ <http://www.gpfi.org/knowledge-bank/publications>

The workshop focused on the role of the GPFi in addressing market failure and facilitating lending to SMEs. Participants concurred that its key roles should be coordination and convening power to support national leadership.

Participants reached consensus on several key points. First, that a baseline assessment is needed to allow benchmarking across countries. Second, that the SME Finance Challenge should be leveraged to develop effective models for public-private partnerships and reduce the gap between the private sector and policymakers. Third, that leadership must come from within countries and the GPFi should turn its attention

to assisting with implementation at the national level and finding an appropriate way to make this transition.

The sub-group made several recommendations to be included in the GPFi's report to G20 leaders:

- launch the SME Finance Forum as a knowledge sharing platform;
- welcome the publication of the SME policy guide and reports on women-owned and agricultural SMEs; and
- acknowledge the progress that has been made in disbursing capital to the winners of the SME Finance Challenge.

Conclusion



GPFi co-chairs and delegates close the first GPFi Forum

We will push this topic to the leaders' agenda, and together with the creation of national financial inclusion commissions in other countries we will try to include financial education and consumer protection in a work stream that results in concrete proposals that can be widely adopted.

Juan Manuel Valle Pareña, GPFi co-chair

Our meeting was a success, first and foremost, because so many deep, experience-based insights were provided and developed, allowing us to leave this Forum bursting with ideas...to help us shape the future of this group.

Alain Damais, GPFi co-chair

The co-chairs closed the first GPFI Forum by reflecting on the experiences and perspectives shared during the day and looking ahead to the convening of G20 leaders at the Cannes Summit and Mexico's presidency of the G20 in 2012. The key theme of the Forum was the importance of a shared vision and partnership to achieve universal access to financial services and empowering consumers to use these services confidently, effectively, and wisely. It was agreed that governments, SSBs, the private

sector, and civil society all have a vital role to play in achieving this vision.

The co-chairs thanked the participants for their contributions to lively discussions, the implementing partners for their support in moving the GPFI's work program forward, and H.R.H. Princess Máxima of the Netherlands for her inspirational leadership and guidance in her roles as UNSGSA and Honorary Patron of the G20 GPFI.

Next steps

The GPFI issued a report ahead of the Cannes Summit with five recommendations for G20 leaders to endorse:¹²

1. In order to further anchor the GPFI vision on universal access to and usage of financial services, encourage developed and developing countries to commit to further implementation of the nine Principles for Innovative Financial Inclusion, building on lessons learned from successful experiences and the policy recommendations emerging from the case studies.
2. Call upon the main Standard-Setting Bodies (SSBs), including BCBS, CPSS, FATF, IADI and IAIS, to jointly explore the complementarities among their work and that of the GPFI, and encourage the SSBs to consider the recommendations and lessons learned from the GPFI white paper and five country case studies on financial inclusion and the standards and guidance of the SSBs.
3. Launch the SME Finance Forum as a platform, hosted by IFC, to leverage experience on SME Finance; welcome the SME Finance Policy Guide developed by the GPFI, laying down together with the Financial Inclusion Principles the foundation for future engagement at the country level; and acknowledge access to finance for women-owned businesses as well as for SME in the agricultural sector as critical for job creation and sustainable growth.
4. Welcome the progress made in meeting the G20's commitment to establishing a finance framework that mobilizes grant and risk capital for winning proposals from the SME Finance Challenge and for scaling up successful SME financing models.
5. Request that the IMF continue and strengthen its supply-side data collection effort with the support of the IFC and CGAP and encourage countries to develop and use data sources that are relevant for informing and monitoring policy success, leveraging other complementary supply-side and demand-side data.

The Riviera Maya Forum was an opportunity to review the achievements of the GPFI and initiate a broader dialogue on paths to a shared vision of financial inclusion. In 2012, the GPFI committed to moving its work plan forward and engaging proactively with private sector financial services providers to reach the financially excluded.

At the Cannes Summit, G20 leaders commended the work of the GPFI to date, endorsed the five recommendations, and committed to continuing their efforts to promote financial inclusion under the Mexican Presidency.

¹² GPFI Report to the G-20 Leaders, November 2011, <http://www.gpfi.org/knowledge-bank/publications/gpfi-report-g-20-leaders>



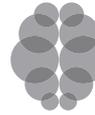
GPFI

Global Partnership
for Financial Inclusion

Global Partnership for Financial Inclusion

www.gpfi.org

The Global Partnership for Financial Inclusion (GPFI) is the main platform for implementation of the G20 Financial Inclusion Action Plan. The group engages partners from G20 and non-G20 countries, private sector, civil society, and others. It is chaired by the G20 troika countries, currently Korea, France, and Mexico. The GPFI is supported by three implementing partners: the Alliance for Financial Inclusion (AFI), the Consultative Group to Assist the Poor (CGAP), and the International Finance Corporation (IFC).



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AFI is a global network of central banks and other financial inclusion policymaking bodies in developing countries. AFI has been given the mandate to foster the participation of non-G20 developing countries in the G20's Global Partnership for Financial Inclusion as an implementing partner.

Alliance for Financial Inclusion

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AFI is funded by the Bill & Melinda Gates
Foundation and administered by
GIZ (German International Cooperation)