



GPI Subgroup on Financial Consumer Protection and Financial Literacy

Terms of Reference¹

1. Background

Subgroup's areas of focus

The Subgroup focuses on two action areas under the 2017 FIAP: (1) Improve the capacity of public authorities and other relevant stakeholders to develop, implement, and rigorously evaluate financial literacy and consumer protection initiatives and policies; (2) Promote consumer protection and financial education effective practices for financial products and services, including existing and emerging technologies, with emphasis on underserved and vulnerable groups.

Key achievements over the past years

The Subgroup focused on improving the capacity of public authorities to develop and implement consumer protection and financial literacy measures and promoting effective practices on consumer protection and financial literacy for digitally delivered financial products and services. By the end of 2017, main outputs of the subgroup include a *Global Mapping of Financial Consumer Protection & Financial Literacy Initiatives*, a report on *Digital Financial Solutions to Advance Women's Economic Participation*, and several reports from OECD/INFE. These outputs contributed to the outcome that six developing countries have implemented consumer protection systems broadly consistent with G20 and World Bank standards. Furthermore, 11 developing countries have implemented or adopted National Financial Education strategies in line with OECD/INFE standards. The subgroup also participated in the drafting of the *G20 High-Level Principles for Digital Financial Inclusion* from a financial consumer protection and financial literacy point of view.

What we want to achieve in the next 3-5 years

The objective of the Subgroup for the next 3-5 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 to encourage and support efforts to improve financial education, increase financial literacy, and promote effective consumer protection measures for the poor, with emphasis on vulnerable groups, including women, youth, migrants, the elderly, people living in rural and remote areas, and forcibly displaced persons.

¹ GPI Subgroup Terms of Reference define the content of Subgroup work in relation to the G20 FIAP. Note that the Subgroup Terms of Reference are focused on content, and therefore related to the G20 FIAP, whereas the GPI Terms of Reference focus on GPI organization and processes, including the work of the GPI Subgroups. See in particular Sections 3.4, 3.6, 4.2.3, and 4.2.5 of the GPI Terms of Reference for the functioning of GPI Subgroups.

2. Scope of Work

2.1. Goal and Action Areas of the Subgroup

The Financial Consumer Protection and Financial Literacy Subgroup takes forward G20 Leaders commitments on financial literacy and financial consumer protection in the financial inclusion context. It also supports and complements the existing Subgroups activities specifically related to consumer protection and financial literacy in their work programs.

Action Area	Indicators	Expected Results
<p>Action Area 5: Improve the capacity of public authorities and other relevant stakeholders to develop, implement, and rigorously evaluate financial literacy and consumer protection initiatives and policies.</p>	<p><i>Number of developing countries which have implemented consumer protection systems broadly consistent with G20 High Level Principles on Financial Consumer Protection, WB Good Practices on Financial Consumer Protection</i></p>	<p>Evidence of the effectiveness of ongoing country-level technical assistance and capacity building to support financial consumer protection and financial literacy programs in emerging economies and developing countries especially for underserved and/or vulnerable groups</p>
	<p><i>Number of developing countries which have implemented or adopted National Financial Education strategies in line with the OECD/INFE High-level Principles on National Strategies for Financial Education approved by G20 Leaders in 2012</i></p>	<p>GPIFI and its implementing partners promote and support activities/publications on data harmonization used to measure financial literacy.</p> <p>The GPIFI and its implementing partners encourage public-private sector collaborations in advancement of responsible finance, financial inclusion, and financial literacy.</p>
	<p><i>Number, relevance and depth of Financial Literacy and Consumer Protection surveys, maps and best practices, which are developed and disseminated</i></p>	<p>GPIFI and its implementing partners scale-up their engagement in financial literacy initiatives, including using digital platforms to complement and support safe and beneficial use of innovative (digital) financial products by consumers, including micro and/or small businesses.</p>
<p>Action Area 6: Promote consumer protection and financial education good practices for financial products and services, including existing</p>	<p><i>Number of public and private sector good practices and emerging solutions for responsible digital finance identified and disseminated</i></p>	<p>The GPIFI supports targeted and practical guidance for consumer finance policies and financial literacy initiatives.</p>
		<p>The GPIFI and its implementing partners promote the collection of gender disaggregated data to conduct evaluation and dissemination of findings including gender differences on financial literacy</p>

and emerging technologies, with emphasis on underserved and vulnerable groups.		and consumer protection. The GPFi supports the use of suitable financial technologies and platforms to increase financial wellbeing of MSMEs and vulnerable consumers.
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2.2. The Subgroups contribution to the Cross-cutting Issues of the GPFi

GPFi's cross-cutting issues	Expected contribution by Subgroup
1) Enable innovation to increase digitization	The Subgroup supports the use of safe and suitable financial technologies and platforms to increase financial wellbeing of MSMEs and vulnerable consumers.
2) Engagement with the private sector	The Subgroup encourages public-private sector collaborations in advancement of responsible finance, financial inclusion, and financial literacy.
3) Achieve data harmonization	The Subgroup promotes the development of data, rigorous evaluation, and dissemination of findings supporting financial literacy and consumer protection policies and initiatives.
4) Target underserved and vulnerable groups	The Subgroup produces evidence of the effectiveness of ongoing country-level technical assistance and capacity building to support financial consumer protection and financial literacy programs in emerging economies and developing countries focused on the unique financial challenges of underserved and/or vulnerable groups.
5) Advance women's economic empowerment	The Subgroup scales-up engagement in financial literacy initiatives, including using digital platforms to complement and support safe and beneficial use of innovative digital financial products by female consumers, including women-owned micro and/or small businesses.

2.3. The Subgroups contribution to the four Principles of the 2030 Agenda for Sustainable Development

Addressing the 2030 Agenda's Sustainable Development Principles	Expected contribution by Subgroup
1) Balancing the social, economic, and environmental dimensions of sustainable development	The Subgroup encourages and support efforts to improve financial education, increase financial literacy, and promote effective consumer protection measures for the poor, with emphasis on vulnerable groups, including women, youth, migrants, the elderly, people living in rural and remote areas, and forcibly displaced persons.
2) Universality	The Subgroup identifies best practices in consumer protection and financial education policies applicable to G20 and non-G20 countries, as well as the minimum standards for data protection.
3) Integrated and cross-sectoral financial	The Subgroup creates synergies with the education , telecom , and financial technology sectors to ensure currency on latest

inclusion approaches and activities	sector efforts to support sound financial consumer protection practices and encourage financial literacy for digital financial services).
4) Transformative multi-stakeholder partnerships	The Subgroup, in collaboration with its implementing partners and affiliated partners, provide direct inputs to other GPFI Subgroups considering policy options affecting consumers and MSMEs in consumer financial markets (such as payment services). The Subgroup also coordinates with various multilateral organizations, including other G20 task forces, completing research on relevant fields (such as the G20/OECD Task Force on financial consumer protection).

3. Membership²

The participants in the Subgroup include G20 Member Countries, participating non-G20 countries, Implementing Partners and Affiliated Partners, as defined in the GPFI Term of References. The current Co-chairs are China, Russia and the United States. Other countries currently participating in the Subgroup’s work are Argentina, Australia, Brazil, Chile, France, Germany, Italy, Mexico, Saudi Arabia and South Korea.

Implementing Partners are Alliance for Financial Inclusion (AFI), Consultative Group to Assist the Poor (CGAP), International Finance Corporation (IFC), OECD and World Bank. Affiliated Partners are Child and Youth Finance International, FinCoNet and Microinsurance Network.

New members including non-G20 countries are welcome.

In addition, the Subgroup 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.

4. Communication and Reporting

All approved Subgroup publications according to section 5 of the GPFI Terms of Reference and other documents are disseminated through www.GPFI.org, as are those materials from Subgroup gatherings that are intended for public consumption. At the same time, the Subgroup also recognizes that issues arise in its work that benefit from close-door discussion pursuant to the Chatham House rule.

The Subgroup is responsible for producing an annual work plan and an annual progress report to the Leaders and reviews of the FIAP and the Term of References.

5. Outputs and Timeline

The specific outputs of the Subgroup, and when outputs will be achieved, will be set out in the Subgroup’s annual work plan at the beginning of each year.

² Membership conditions are described in Section 2 (overall membership) and Section 3.5 (Subgroup membership) of the GPFI Terms of Reference