



FIRST PLENARY MEETING OF THE GLOBAL PARTNERSHIP FOR FINANCIAL INCLUSION

3-4 February 2022
(Virtual Meeting)

CO-CHAIRS' SUMMARY



On 3-4 February 2022, the Global Partnership for Financial Inclusion (GPII) met virtually for the first time under the Indonesian G20 Presidency.

At the opening session, the Co-Chairs introduced the Plenary acknowledging the positive results achieved by the GPII under the Italian Presidency in 2021, provided an overview of the work-plan for 2022 and welcomed India as a new member of the Troika for the 2022-24 period.

In the same session, Yunita Resmi Sari and Adi Budiarmo of the Indonesian delegation outlined the Presidency's priorities, developed in coherence with the G20 2020 Financial Inclusion Action Plan (FIAP). Under the headlines "Recover Together, Recover Stronger", the efforts of the GPII community will be directed towards the further promotion of financial inclusion through digitalization with the aim to sustain recovery, enhance productivity and increase resilience and stability for the years to come. They also informed GPII community about the succession of main and parallel events planned throughout 2022.

The Plenary agenda focused on three topics: (i) Digital Financial Inclusion; (ii) SME Finance; and (iii) the OECD review of the G20 High-Level Principles on Financial Consumer Protection.

In the first session, devoted to SME Finance, Houn Thy (IFC-SMEFF) presented the outline of the deliverable on "Innovative Financial Products and Services Beyond Credit Products for MSMEs". The deliverable will aim at building a living database of successful case studies to favor MSMEs access to a host of (digital) financial services beyond bank credit. Countries will be invited to contribute to data collection. A more comprehensive description of the project and a more specific call for contribution will be the focus of a dedicated international workshop that will take place on the 2nd of March. A final summary is expected to be realized to draw the main conclusions and policy implications of this analysis. The Co-Chairs underlined that a broad participation in both the workshop and the realization of the deliverable would be paramount to deepen the prospective relevance of the living database. The ISDB offered its help in organizing the workshop and gathering practical use cases from its affiliated countries.

In the same session, Robin Newnham (AFI) presented the outline of the "MSMEs Digital Financial Services Regulatory Diagnostic Toolkit". The deliverable will aim at offering countries a practical guidance on how to favor MSMEs financial inclusion. It will build on the existing body of knowledge products and recommendations, as well as on practical examples, from both G20



and non-G20 countries. The final deliverable will be a combination of desk research and deep dive interviews with selected countries, while also leveraging on the expertise gained, and the work implemented, by the AFI SME Finance Working Group.

The outlines of the two deliverables have been both very well received by GPII member countries and IPs, with a general appreciation of their focus and format. There was a broad consensus on the idea to produce innovative, useful and practical tools, capable of helping countries in advancing in the financial inclusion of MSMEs. GPII members expressed their willingness to contribute to the deliverables with practical examples. Some countries recalled the necessity to aim at short, clear and to-the-point documents; others asked to keep the focus on developing countries and vulnerable groups, including forcibly displaced persons, women and youth. UNGSGA welcomed the agile and innovative approach to the deliverables and advised IPs to give more information on the engagement strategy of relevant stakeholders, which appears to be crucial to reach the stated objectives. Clarifications were asked to the G20 Indonesian Presidency on how the IPs deliverables outlined in the GPII work-plan would be submitted for approval to the FMCBGs since the documents will not be finalized by July and there is no Communiqué envisaged for the fall. On this, the Presidency suggested the possibility to accelerate the work of the IPs and referred to a possible note not included in the work-plan.

In the second session, dedicated to "Progressing the Agenda on MSMEs Data Harmonization Framework", Magda Bianco emphasized in her presentation that the collection of cross-country comparable information on MSMEs financial inclusion could be a leap forward for the GPII – as it was the case with the Global Findex database – and that different methods to collect this type of data should be considered, based on both demand- and supply-side approaches (i.e., depending on whether the data are provided directly by firms or indirectly by national authorities or financial intermediaries). Specifically on the demand-side, it was highlighted that different options could be taken into account, e.g. introducing a new business survey or leveraging on well-established projects (e.g., the World Bank Enterprise surveys or the Global Findex database). In the following intervention, Matthew Gamser and Minerva Kotei (IFC-SMEFF) pointed out the opportunities offered by the supply-side approach that could broaden the scope of the OECD SME Scoreboard or the Women's Entrepreneurship Finance Code (We-Fi Code).



In the discussion on this topic, several countries underscored the importance of data harmonization for MSMEs financial inclusion and stressed that this high-level project should be developed with a multi-year approach. Some members emphasized the need to explore financial inclusion in the informal sector as well, and to explore opportunities on both the demand- and supply- side. At the end of the session, and also in the closing remarks of the Plenary, both Co-Chairs acknowledged the difficulties and costs involved in establishing a global database and the importance of developing this project with a long-term approach and perspective. They are determined to explore the various methods of data collection and will present more concrete proposals in the coming months.

In the third session, focused on the “Implementation Framework for the G20 High Level Principles on Digital Financial Inclusion”, Anna Zelentsova underlined the importance of the tool not only as an important stocktaking exercise, but also as a building block for the Global Report to be completed in 2023. In the following intervention, Mahesh Uttamchandani (World Bank Group) provided more details about this deliverable, which will be a joint effort of different IPs. The aim is to produce a very practical implementation guide for each of the high-level principles able to leverage on the standards developed within the GPIFI community. The presentation was also the occasion to announce two important developments: (i) the release of the new Findex data in late June 2022, with new indicators on digital financial inclusion, G2P payments and financial well-being; and (ii) the publication of the World Development Report.

GPIFI members showed their appreciation for the outline of the project. The implementation framework should be a practical and useful tool to perform the countries’ self-assessments, which is foreseen by the G20 2020 FIAP to be realized in 2023; in this vein, some members asked to develop an on-line tool. Several participants underlined the importance of taking into account all assessments and guidelines produced by past Presidencies and the relevant international principles, in order to avoid duplication of work and unproductive overlapping.

In the fourth session, Flore-Anne Messy (OECD) presented the main features of the “Review of the G20 High-Level Principles on Financial Consumer Protection”. It was pointed out that the accelerated digitalization has increased the relevance of consumer protection frameworks, and that the revision of the principles – the first one in many years – would



represent an important occasion to adjust them to the new needs and to take into due account increasingly relevant cross-cutting issues like financial well-being and sustainable finance. The work will be conducted in strict collaboration with the G20/OECD Task Force on Financial Consumer Protection. GPII members agreed on the importance and timeliness of the work, and the Indonesian G20 Presidency welcomed the on-going review.

The Meeting represented also an occasion for the Co-Chairs to update members on the relationship of the GPII with Standard Setting Bodies (SSBs) under the “enhanced collaboration agreement”. Members underlined the importance of the role played by GPII Co-Chairs in bringing forward financial inclusion in the SSBs agenda. In this vein, the Co-Chairs proposed to invite representatives of the BIS and the FSB in one of the next Plenaries to present their work (e.g. on the role of platforms for financial inclusion).

At the end of the second day of meeting, the Co-chairs and the representatives of Indonesian G20 Presidency thanked all GPII members and IPs for their work, continuous support and active participation, which are indeed necessary for a successful completion of the 2022 work-plan. Through the whole Plenary, and within individual sessions, members raised many relevant points of attention, which will be adequately taken into account going forward in the implementation of the work plan. GPII IPs are expecting to receive written comments from member countries immediately after the Plenary to ameliorate their concept notes, an updated version of which will be again transmitted to members for a final approval. The Co-Chairs emphasized again the need to avoid duplications and to be meaningful, in order to accomplish products that really support countries in their difficult path towards greater financial inclusion.

GPII Co-chairs - Magda Bianco and Anna Zelentsova