
The 2011 AFI Global Policy Forum Report

Taking stock
Setting goals
Moving forward



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The Global Policy Forum - An annual milestone in the policymakers path towards a more inclusive financial sector

AFI members have convened at the annual Global Policy Forum (GPF) on three continents so far - first in 2009 in Kenya, then 2010 in Indonesia, and most recently Mexico in 2011. The GPF has become an important milestone in the development of the network. At each gathering the AFI network gets larger and more interconnected, and the depth and diversity of knowledge about financial inclusion policies that are working for the poor becomes more apparent.

Hosted by CNBV Mexico and SBS Peru, the 2011 GPF provided the AFI network the space to reflect back and take stock of the current state of financial inclusion, to set goals and make concrete commitments on priority areas for action, and to identify paths to move forward towards these commitments and to achieve tangible results.

The GPF 2011 culminated in the Maya Declaration - the AFI member commitment to financial inclusion. This framework helps bind the AFI network in its overall pursuit of financial inclusion, and inspired more than 15 member institutions to respond with concrete national commitments which they intend to achieve in the short term.

In addition to sharing knowledge and finding answers for the advancement of financial inclusion policy and regulation at the national level, the GPF provides an opportunity for AFI members to identify ways to engage with key players in the financial inclusion landscape. Key partners, such as standard setting bodies, research institutes, donors and experts, and the private sector, joined AFI members at the GPF to forge new partnerships for the advancement of financial inclusion together.

AFI members have been able to add their voices to the regional and global policy dialogues on financial inclusion. The G20's Global Partnership for Financial Inclusion (GPFI) held its first meeting back to back with the GPF in Riviera Maya which provided an unprecedented opportunity for non-G20 developing countries in the AFI membership to have their voices heard at this key global initiative for financial inclusion.

The annual AFI members meeting will come full circle and return to the African continent in 2012 when we will gather again. This will be an ideal opportunity to reflect back on progress against our commitments made under the Maya Declaration, but also to take stock of our accomplishments as a network since our first meeting in 2009. This will be a good place to discuss the future of AFI and the future of financial inclusion.

The annual GPF plays an important role in helping to advance two of AFI's key goals - to provide a platform for peers to connect with one another, and to unlock the knowledge gained by developing country policymakers as they implement new and successful solutions for financial inclusion.

We hope you agree that this report is a good reflection of the depth of discussion and exchange, and captures the vibrancy and energy that was so clearly present at the GPF in Riviera Maya.

We hope the information and results contained herein are helpful to you as you take stock, set goals and move forward for financial inclusion.

Guillermo Babatz
President, CNBV Mexico

Daniel Schydrowsky
Superintendent, SBS Peru

Alfred Hannig
Executive Director, AFI

AFI Maya Declaration on Financial Inclusion

At the close of the 2011 AFI Global Policy Forum, members of the Alliance for Financial Inclusion reaffirmed the urgency and importance of financial inclusion by announcing a framework for domestic and collective network commitments to bring more of the world's poor into the formal financial system. This commitment was the Maya Declaration.



We, the Members of the Alliance for Financial Inclusion, a network of central banks, supervisors and other financial regulatory authorities, met in Riviera Maya, Mexico, 28 to 30 September 2011, on the occasion of the Third AFI Global Policy Forum.

Recognize the critical importance of financial inclusion to empowering and transforming the lives of all our people, especially the poor, its role in improving national and global financial stability and integrity, and its essential contribution to strong and inclusive growth in developing and emerging market countries;

Reaffirm the value of peer-to-peer knowledge exchange and learning among financial regulators and policymakers for the design and implementation of innovative financial inclusion policy solutions relevant to the developing world;

Recall our efforts over the last two years to strengthen and expand the AFI network and to identify and explore high-priority areas for financial inclusion policy in the developing world through AFI's working groups;

Commit as a network of developing and emerging market financial regulators and policymakers to:

- a. Putting in place a financial inclusion policy that creates an enabling environment for cost-effective access to financial services that makes full use of appropriate innovative technology and substantially lowers the unit cost of financial services;
- b. Implementing a sound and proportional regulatory framework that achieves the complementary goals of financial inclusion, financial stability, and financial integrity;
- c. Recognizing consumer protection and empowerment as key pillars of financial inclusion efforts to ensure that all people are included in their country's financial sector;
- d. Making evidence-based financial inclusion policy a priority by collecting and analyzing comprehensive data, tracking the changing profile of financial inclusion, and producing comparable indicators in the network.

We remain dedicated to making financial inclusion a reality through concerted domestic and global actions, and actively sharing our knowledge and experience through the AFI network. We commit to delivering concrete financial inclusion outcomes for the developing world to provide sustainable, relevant, cost-effective, and meaningful financial services for the world's financially unserved populations.

Taking stock

Introduction: Taking stock, setting goals, moving forward

The opening ceremony of the 2011 Global Policy Forum was charged with energy as speakers challenged participants to reflect on this year's theme: *Taking stock, setting goals, moving forward.*



Here on the shores of the Mexican Caribbean, in the coming days, policy makers and stakeholders, all leaders who aren't afraid to innovate, will pause from their busy schedules to face the state of financial inclusion in our countries and on the global scene."

Guillermo Babatz, President,
CNBV Mexico

Financial inclusion is gaining traction as a policy priority around the world, in part because of its connection to greater financial stability and integrity of the financial system. Njuguna Ndung'u, Governor of the Central Bank of Kenya and Chair of the AFI Steering Committee, affirmed that financial inclusion is "no longer something that is 'nice to do' but is now an essential part of the global economic development agenda."

Financial inclusion has garnered high-level support in many countries, including Peru, according to Daniel Schydrowsky, Superintendent of the SBS of Peru, who pointed to the new administration's desire for economic growth to be more inclusive. Financial

Inclusion has also found a prominent place on the global agenda through the G20 and the Global Partnership for Financial Inclusion (GPFI).

Taking stock

Despite the many achievements of AFI members over the last two years, there is still much work to be done. 2.5 billion people around the world still lack access to financial services. By leveraging the individual strengths and synergies within the AFI network, and conducting a robust assessment of where we are right now, we can take on this challenge. Opportunities for change and progress lie in the hands of AFI network members.

As Alfred Hannig, Executive Director of AFI, asked, "If we are not doing it, who will?"

Setting goals

Guillermo Babatz, President of Mexico's National Banking and Securities Commission (CNBV), delivered a message that was echoed throughout the three days of the GPF: in order to make progress and build on the momentum of financial inclusion, it is vital to formulate a clear vision and translate this vision into concrete goals. It is also the time to ask tough questions about the progress of the AFI network over the last two years. Solid financial inclusion data can support goal setting and play a vital role in measuring progress.

Moving forward

To move forward, it is important to think critically about how financial inclusion goals might be achieved, both within the network and individual countries. Governor Njuguna Ndung'u of the Central Bank of Kenya (CBK) and Chair of the AFI Steering Committee, challenged members to identify one commitment they would make to financial inclusion when the Maya Declaration was revealed at the end of the 2011 GPF. Governor Ndung'u also noted that we need to find policy solutions that meet the various needs of this "missing market" and challenge the status quo. Governor Babatz in turn emphasized the importance of thinking outside the box to "pioneer new ways to change our system so that it suits more of our people."

Alfred Hannig, Executive Director of AFI, invited members to take full advantage of the Global Policy Forum, an ideas marketplace where the currency is knowledge. The AFI network provides opportunities for its members to solve problems together and to learn from the experiences of others, and these opportunities will help us to extend financial services to those who need them most. The 2011 GPF was a *call to action*.

Taking stock

Keynote address: Governor Agustín Carstens

Governor Carstens of the Banco de Mexico provided encouragement and valuable insights into the benefits of financial inclusion and the role and successes of Mexico's central bank in pursuing this goal.

Given the positive impact financial deepening has had on economic growth in Mexico to date, it is clear that financial exclusion reduces Mexico's growth potential. The Banco de Mexico has taken steps to expand financial inclusion and there has been great progress, particularly in the area of financial infrastructure. The trend toward expanded financial inclusion in Mexico is positive and efforts have continued even in the midst of the global financial crisis.

Price stability is the primary goal of the Banco de Mexico and its key contribution to financial inclusion. In the absence of price stability, people stop using formal intermediation channels, which in turn inhibits financial inclusion. To bring more people into the formal financial system, the Banco de Mexico has defined four types of bank accounts that can be used for mobile payments using a risk-based approach to AML/CFT. Mobile financial services and banking correspondents hold enormous potential for expanding financial inclusion since they significantly reduce both supply and demand costs. The Banco de Mexico has established the terms and conditions of basic accounts and regulates banking fees and commissions to make them more transparent and consistent with competitive market behavior.

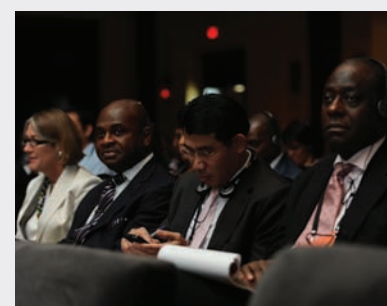
Mexico faces two key challenges as it continues to expand financial inclusion. First, although 95% of the population lives in municipalities with financial infrastructure, providing access to the remaining 5% remains a challenge since these individuals live in isolated rural areas. Mobile banking and banking correspondents address this problem, but it is still too soon to judge the impact of these interventions. The second challenge is promoting access where infrastructure is not a problem, but lack of trust, lack of financial education, high prices, and inadequate services stand in the way of financial inclusion.

At the global level, it is vital that financial inclusion efforts are not sidelined—the global financial crisis has focused attention on financial regulation that focuses on stability. A second global challenge is to ensure that regulation continuously evolves to support technologies and innovations that contribute to financial inclusion. Finally, all financial inclusion efforts must consider financial integrity and, therefore, should ensure adequate AML provisions.



Price stability is the primary goal of the Banco de Mexico and its key contribution to financial inclusion. In the absence of price stability, people stop using formal intermediation channels, which in turn inhibits financial inclusion."

Agustín Carstens, Governor,
Banco de Mexico



Taking stock

Opening Ceremony



“

Only by sharing our ideas, experience and knowledge will new ideas and innovations be sparked that could have major impacts on our ability to extend financial service to those who need them most.”

Alfred Hannig, Executive Director,
Alliance for Financial Inclusion



“

It is vital to formulate a clear vision and translate this vision into concrete goals.”

Guillermo Babatz, President,
CNBV Mexico

“

Financial inclusion is no longer something that is 'nice to do' but is now an essential part of the global economic development agenda. It is a public policy issue that we regulators cannot shy away from.”

Njuguna Ndung'u, Governor,
Central Bank of Kenya



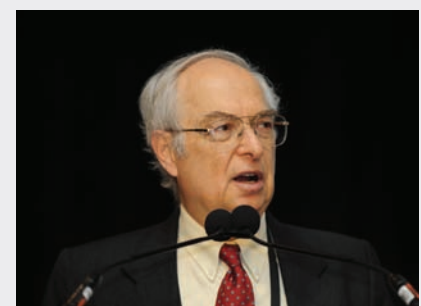
Governor Carstens rings the AFI gong with Steering Committee members to open the GPF 2011.



“

Financial inclusion has the support not only of the regulator, but of the whole Peruvian government writ large.”

Daniel Schydrowsky, Superintendent,
SBS Peru



Taking stock

Annual progress report on the network: From Bali to Riviera Maya

Panelists

Pia Roman Tayag,
Bangko Sentral ng Pilipinas (BSP)

Matu Mugo,
Central Bank of Kenya (CBK)

Raul Hernandez Coss,
CNBV, Mexico

Moderator

Sung-Ah Lee,
AFI



We don't need to reinvent the wheel. If a policy approach has worked in Colombia or Brazil, we in Uganda or Tanzania should learn from our peers and adapt for our own conditions."

Matu Mugo, Central Bank of Kenya



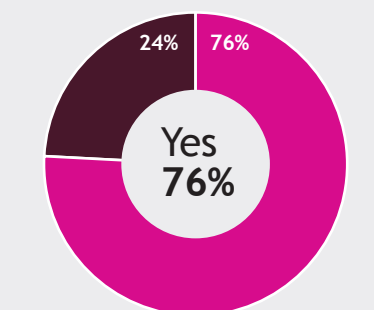
Pia Roman Tayag, BSP.

Context

The 2011 AFI Global Policy Forum began with an update on the network's progress to date. After its inception in Nairobi, Kenya, in 2009, AFI spent the first year building the network and developing the infrastructure for peer learning. In its second year, in 2010, AFI focused on activating the network and delivering services that would allow its members to share experiences and craft smart policies, such as through the working groups and knowledge exchanges. This year, AFI focused on consolidating these services, deepening the network, and meeting the policy demands of its members.

In this session, members representing AFI's three key regions—Africa, Asia, and Latin America—discussed three facets of the network's growth and evolution: an increased priority on financial inclusion policy and concrete commitments, in-country policy reform based on peer learning, and contributions to the global financial inclusion agenda.

Would you be interested in sharing draft regulations via AFI's peer review mechanism?



- Yes, interested and ready to share 76%
- Interested but difficult for my institution to share draft regulations externally 24%
- Not interested 0%

Source: Hand held voting

Summary

Today, AFI's network represents 80% of the world's population and most of the developing world. Its growth is marked by more than increasing membership: policymakers are recognizing financial inclusion as a worthy policy objective that goes beyond something "nice to do" to something leaders "should do" to foster economic development and financial stability. In response, they are broadening their mandates to include financial inclusion policy, setting up specialized units for financial inclusion, crafting strategies, and committing to specific goals.

As policymakers undertake these actions, AFI's knowledge sharing tools and services are helping them to design evidence-based policies that address local challenges. Since 2009, 32 policy grants have been approved, the majority of them to members in Sub-Saharan Africa. Mobile financial services and agent banking were the most popular policy areas (receiving 56% of the grants), demonstrating a commitment to expanding financial access to new populations and leveraging technology to reduce the costs of providing financial services. Grants to support data collection and consumer protection were also popular, highlighting leaders' focus on shaping smart strategies and empowering consumers. Additionally, more than 15 knowledge exchanges throughout the year facilitated peer learning among nations.



Raul Hernandez-Coss, CNBV.

Taking stock

Annual progress report on the network: From Bali to Riviera Maya *continued*

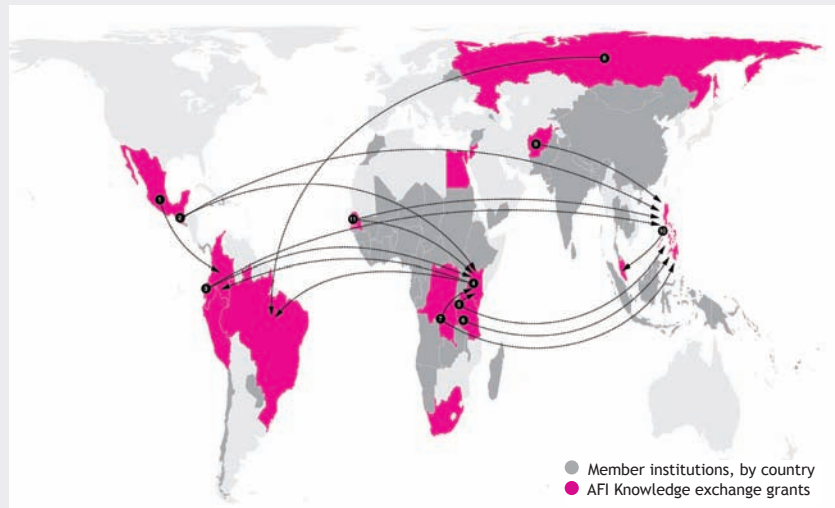
AFI's working groups play an important role in deepening policymaker expertise on specific issues. Today, 60% of members are engaged in one of AFI's five working groups: Financial Inclusion Data, Mobile Financial Services, Financial Integrity and Inclusion, Consumer Empowerment and Market Conduct, and one devoted to financial inclusion in the Pacific Islands. These working groups go beyond peer learning to allow policymakers to collectively address challenges on the horizon and produce concrete outputs, such as policy guideline notes, a core set of financial inclusion indicators, and comment papers to international standard setting bodies. Through their ongoing work and outputs, the working groups deliver on milestones for advancing the network as a whole, and will be instrumental in meeting network and individual commitments under the Maya Declaration.

Policymakers agree that one of the key benefits of working together on financial inclusion is having a unified voice. AFI members point to the ability to collaborate with and influence international standard setting bodies, such as the Financial Access Task Force (FATF), as an important advantage. In fact, 66% of participants agreed that providing input to international standard setting bodies is the best way for AFI to contribute to the global agenda on financial inclusion.

Next steps

AFI is a network for and by its members. The discussions that took place during the GPF, as well as the feedback received from the Member Needs Assessment survey, will guide AFI's direction and future services.

Knowledge exchange grants

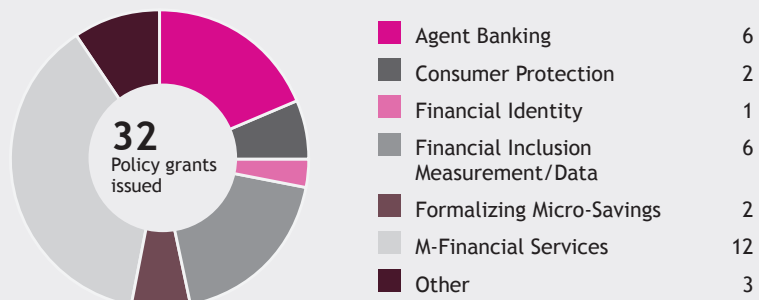


- 1 Comisión Nacional Bancaria y de Valores (CNBV) to Superintendencia Financiera de Colombia
- 2 Superintendencia de Bancos de Guatemala to Central Bank of Kenya and Bangko Sentral ng Pilipinas
- 3 Banco Central del Ecuador to Central Bank of Kenya and Bangko Sentral ng Pilipinas
- 4 Central Bank of Kenya to Banco Central do Brasil and Superintendencia Financiera de Colombia
- 5 Banque de la République du Burundi to Bangko Sentral ng Pilipinas and Central Bank of Kenya
- 6 Bank of Tanzania to Bangko Sentral ng Pilipinas
- 7 Banque Centrale du Congo to Central Bank of Kenya and Bangko Sentral ng Pilipinas
- 8 Ministry of Economic Development and Trade of the Russian Federation to Banco Central do Brasil
- 9 Da Afghanistan Bank to Bangko Sentral ng Pilipinas
- 10 Bangko Sentral ng Pilipinas to Bank Negara Malaysia
- 11 Banque Centrale des Etats de l'Afrique de l'Ouest to Central Bank of Kenya and Bangko Sentral ng Pilipinas

Workshops

- > The Fletcher School of Law and Diplomacy - Nairobi, Kenya
- > Egyptian Financial Supervisory Authority (EFSA) - Cairo, Egypt
- > The Centre for Financial Regulation and Inclusion (CENFRI) - Cape Town, South Africa
- > Finmark - Johannesburg, South Africa
- > Sanabel - Amman, Jordan
- > United Postal Union (UPU) - Bern, Switzerland

Grants by policy area, 2009-2011



Taking stock

Financial inclusion: Identifying key challenges, defining success, making commitments

Part I : Key Challenges

David Porteous,
Managing Director, Bankable
Frontiers Associates (BFA)

Tilman Ehrbeck,
CEO, Consultative Group to Assist
the Poor (CGAP)

Camilla Nestor,
Vice President for Microfinance,
Grameen Foundation

Ignacio Mas,
Independent consultant

Roundtable of stakeholders

Claire Alexandre,
Bill & Melinda Gates Foundation

Roy Sosa,
CEO RevWorldwide

Amar Bhattacharya,
Director of Secretariat, G24

Natasha Bajuk,
Inter-American Development Bank
(IDB)

“

There is still so much about financial inclusion that we do not know. The data just isn't there, or we have been asking the wrong questions.”

David Porteous, Managing Director,
Bankable Frontier Associates (BFA)
& AFI Associate

Part II: Defining Success

Gaspard Sindayigaya,
Governor, Banque de la Republique
du Burundi (data)

Antoine Traore,
BCEAO

Halim Alamsyah,
Deputy Governor, Bank Indonesia

Nestor A. Espenilla Jr.,
Deputy Governor, Bangko Sentral
ng Pilipinas (infrastructure)

Moderator

Alfred Hannig,
Executive Director, AFI

Part III: Making Commitments

Caleb Fundanga,
Governor, Bank of Zambia

Kingsley Moghalu,
Deputy Governor, Central Bank
of Nigeria

Benno Ndulu,
Governor, Bank of Tanzania

Perks Ligoya,
Governor, Reserve Bank of Malawi

Daniel Schydrowsky,
Superintendent, SBS, Peru

Guillermo Babatz,
President, CNBV, Mexico

Atiur Rahman,
Governor, Bangladesh Bank

Aloísio Tupinamba Gomes Neto,
Banco Central do Brasil

Moderator

Nestor Espenilla Jr.,
Deputy Governor, Bangko Sentral
ng Pilipinas

Leadership and international attention to financial inclusion are growing, but the challenge of achieving meaningful scale on a global level persists. This year's Global Policy Forum offered the AFI network an opportunity to take stock and critically assess the progress that has been made. With this self-assessment in place, policymakers were able to elaborate their definition of success for financial inclusion. This discussion paved the way for AFI members to establish concrete milestones and formulate a clear commitment to financial inclusion, culminating in the Maya Declaration: a network-wide commitment to pursuing financial inclusion through concrete, agreed principles on data, consumer protection, innovation, and balancing stability, integrity, and financial inclusion.

The Declaration, a symbol of financial inclusion's important position on the agendas of developing countries, was bolstered by national commitments to financial inclusion goals that included concrete objectives and priorities for financial inclusion over the short and medium term.

What is the most urgent priority for regulators?

Data
12%

Channels
34%

Infrastructure
29%

Regulators and supervisors
24%

Source: Hand held voting



Experts discuss the state of financial inclusion.



DG Espenilla moderates talks on making commitments.

Taking stock

Financial inclusion: Identifying key challenges

Challenges

It was important to first identify where financial inclusion has fallen short. Experts identified significant challenges in four areas: data, channels, infrastructure, and the capacity of regulators.

Data: Having the right data to measure financial inclusion has been a challenge to extending access to financial services. Supply side estimates from telcos and financial institutions are often inaccurate, with extrapolations often providing a more reliable snapshot. The main question for policymakers is: “How much does measurement of access matter and how should access be measured?” There may be merits to looking more broadly to identify benefits at the system level, and then drilling down in areas where there has been some traction. It is essential that efforts are more focused and that the right questions are asked to give us meaningful data, and the answers we need as evidence for policymaking. Data collection efforts should be guided not only by a commitment to access, but by the provision of effective services to the poor.

Infrastructure: To date, governments have not met their potential in developing non-traditional infrastructure to serve the bottom of the pyramid (BoP). However, governments have the capacity to develop the financial inclusion ecosystem in their countries in three interesting ways. First, through the provision of infrastructure: the government has a range of physical infrastructures that can be repurposed as financial access points for the “last mile”. The government can also play a role in issuing identification documents, which are vital for access to the formal financial system. Second, governments can proactively set rules and regulations for private sector infrastructure. Decisions on the interoperability of networks and the exclusivity of agents have a major

impact on the development of the financial ecosystem. Third, governments can adapt their payments and social programs (G2P) to make use of emerging financial networks. By becoming early end users of such systems, governments can simultaneously spur the development of the networks and lower transaction costs for all users.

Distribution channels: Current distribution channels and models will need significant improvements to propel a substantial increase in financial services. The current banking norm, with its direct distribution model using proprietary infrastructure, limits outreach. Advisory services are suited to this model, but other services, such as cash-in and cash-out and other information services, would benefit from an indirect model that uses technology such as mobile phones and other self-service channels to lower costs and expand outreach. Viable distribution channels are driven by consumer convenience, consumer trust in the system, and high volume. Interoperability and interconnection can help to create the necessary network or grid effect, but this outcome requires regulator and industry dialogue.

Capacity of regulators: There has been a gap in understanding the unique financial needs of the very poor and the impact of new products on low-income users. Regulators must build capacity to identify and understand the demands of these users and protect their financial security while also enabling innovation. Innovation and proportional regulation require different skills than a “one size fits all” regulation, and this can prove challenging with limited resources.

The private sector, donors, and foundations should assess their inherent advantages and locate their particular niche in the financial inclusion ecosystem, whether it be convening stakeholders, understanding local realities, or enabling innovation. Though many challenges exist, so do the innovations to make financial inclusion a reality. High-level strategic leadership can help to meet these challenges and implement innovations appropriately at the local level.



The secret to getting all the government agencies coordinated was having a clear vision of what we wanted to achieve. And that is a bank account for everyone that wants one that is affordable and easily accessible.”

Guillermo Babatz, President,
CNBV Mexico

Taking stock

Financial Inclusion: Defining success

“

Our vision of success is one that not only includes more of our people into the system, but one that improves the overall income levels, and therefore confidence and character, of the poor.”

Halim Alamsyah, Deputy Governor,
Bank Indonesia

“

The paradox of global finance is upon us. Half the world is talking about the excesses of finance, while the other half is talking about too little finance. We have to ensure the first doesn't contaminate the second- but they need to be connected.”

Amar Bhattacharya, Director
of Secretariat, G24



Amar Bhattacharya, G24.

Defining success

As policymakers took stock of progress in building infrastructure, capacity, data, and channels, they did so with a clear vision of what constitutes success in financial inclusion in their countries. Although progress varies, there was consensus among policymakers on four dimensions of success for financial inclusion: access to quality services, consumer protection, cooperation with stakeholders, and fostering innovation and a diversity of providers.

Access to quality services:

Policymakers agreed on the importance of ensuring financial services address the needs of low-income clients and are looking at a range of ways to improve their understanding of target populations, from household surveys to working with telecommunication companies that have gathered information about clients and how they use services. With better demand side information, policymakers hope to improve the capacity of the supply side to provide affordable and appropriate products adapted to client needs.

Consumer protection: Regulators and policymakers focused on how to ensure that clients are well protected when interacting with financial service providers. Participants noted limitations in the mandates of some central banks to enforce consumer protection, and explored ways to coordinate and enhance accountability for consumer protection across the financial system. Financial education was also seen as integral to protecting clients and promoting consumer trust in the financial system.

Cooperation among stakeholders:

Policymakers recognized that achieving financial inclusion would require a cohesive multistakeholder strategy. Looking beyond the broad need to include providers and support organizations, such a strategy would also involve the various regulatory authorities and policymaking bodies that play a role in advancing financial inclusion.

Fostering innovation and a diversity of providers:

Innovation is an important element of success for financial inclusion and the private sector can be quick to capture opportunities. For example, in Indonesia, private banks have taken the initiative to implement financial inclusion programs. When it comes to fostering innovation, regulators may often be “running after practice” and making decisions on whether to “regulate now or let it grow and regulate later”. The solution offered by participants in this session was to listen to markets and work with stakeholders to ensure that regulatory frameworks create room for innovation while maintaining a level playing field. A key to success is building capacity to deal with technology innovation and effectively supervising its growth.

These dimensions of success will be refined and become the foundation for articulating objectives, designing a strategy, setting goals, and measuring progress. Ultimately, these definitions of success will form the backbone of members' financial inclusion commitments, both nationally and within the network.

Taking stock

Financial Inclusion: Making commitments - The Maya Declaration

The Maya Declaration is a statement by the AFI network that recognizes challenges to date and articulates key definitions of success for moving forward.

The Declaration provides a platform for financial sector policymakers to lead financial inclusion activities at home and spur change. As a member-owned and driven organization, it was fitting that the 2011 GPF culminated in AFI members reaffirming their long-term commitment to financial inclusion and to the AFI network, while committing to concrete, short-term action plans at the country level.

The Maya Declaration emerged from a productive consultation process among AFI members and the steering committee, and three days of deliberations at the GPF. The Declaration captures the network's sense of urgency to advance financial inclusion and provides a framework for its collective commitment to bring more of the world's poor into the formal financial sector. National financial inclusion efforts are becoming more strategic and more data is becoming available. The next step is to make commitments that will help to spur change and measure progress.

Commitments to the AFI network

Seventeen institutions from 17 countries matched AFI's global network pledge with commitments to action in their own countries, announcing specific local priorities and stating concrete goals for pursuing financial inclusion over the short and medium term. These country commitments are intended to meet domestic needs and span a range of financial inclusion policy areas. Some common commitments included:

- increasing access to financial services through a larger number of touch points;
- regulating electronic money;
- collecting data to better understand and monitor progress toward financial inclusion;
- launching and continuing financial literacy education programs; and
- moving toward transparent pricing.

Members will also seek to coordinate their activities across government bodies and adopt national strategies. Some countries took the next step and announced numeric targets for financial inclusion. Another common commitment? To engage with fellow AFI members for support and expertise.

The next step is to make commitments that will help to spur change and measure progress.



DG Espenilla introduces the Maya Declaration.

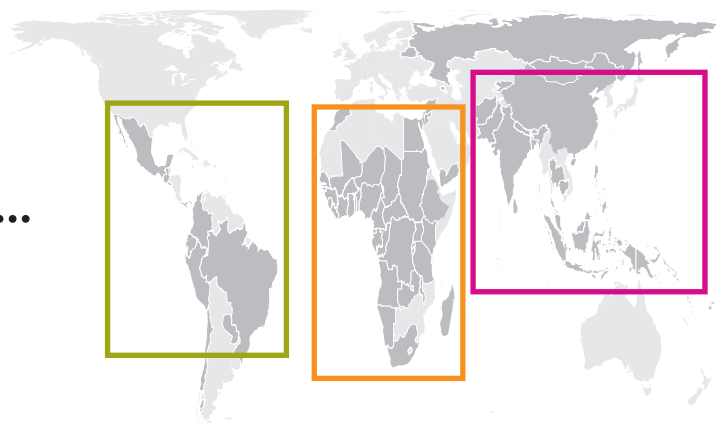


Bank of Uganda is one of 17 to respond with concrete commitments.

Taking stock

Making commitments: The Maya Declaration *continued*

Here are some highlights from the commitments made by 17 AFI members...



CNBV Mexico

We commit to having a banking agent or a banking branch in every municipality by 2014. We commit to having the **three largest retail banks** that together make up more than 50% of assets in the country to **offer interoperable mobile products by 2012.**



SBS Peru

First, we will **enact a law regulating the use of electronic money.** Number two, we will increase access. Third, we're going to **substantially improve transparency of regulations and usage of financial services.**



Banco Central do Brasil

These joint efforts are the basis for our future **national partnership for financial inclusion.**



Banco Central del Paraguay

The Central Bank of Paraguay is **fully committed with financial inclusion** and in that end we shall propose a national strategy with both public and private stakeholders, to help the unbanked and the least favored sectors of our population, **gain access to financial service.**



Banque Centrale de la République de Guinée

[T]he goal of the Central Bank is to **accelerate sector modernization** in order to **extend access to quality financial services to the poor.**



Banque Nationale du Rwanda

The Central Bank is...committed to **having a national financial inclusion strategy by the end of next year.**



Central Bank of Nigeria

Nigeria will develop and pursue a financial inclusion strategy, **reducing the percentage of adult Nigerians that are excluded from financial services, from the current 46.3% to 20%, by the year 2020.**



Banque de la République du Burundi

The Bank of Burundi commits to **accelerating the national survey on financial inclusion** in Burundi in order to get a **baseline measurement** on which we will base our political decision making to increase the access and the quality of financial services for our population.

Taking stock

Making commitments: The Maya Declaration *continued*



At the third Brazil Central Bank (BCB) forum on financial inclusion, we summarized a commitment to work on three pillars:

- diagnosis of the status of financial inclusion in Brazil, and integration of actors, both public and private sector;
- regulatory environment; and
- education and protection of customers and users of financial services.”

Central Bank of Brazil



Today, only about half of our adult population have their own deposit account.”

Bangko Sentral ng Pilipinas



Bank Of Zambia

Bank of Zambia

Zambia is committed to ensuring provision of affordable, and appropriate, financial services, to all 74 districts of the country, by the end of next year.



Central Bank of Kenya

Promote extension of accessible and affordable credit by **expanding the credit information sharing mechanism** beyond the banking sector as a measure towards full file comprehensive credit information sharing.



Bank of Tanzania

Specifically, our goal is to **achieve financial access for 50% of the population by 2015.**



Reserve Bank of Malawi

Increase adult bankable population, from the present 19% to 40%, by 2014.



Bank of Uganda

[C]onducting a study to design and **establish an appropriate financial consumer protection ombudsman**, for the entire financial system in Uganda.



National Bank of Ethiopia

As per the Growth and Transformation Plan of the government for the next five years, the financial sector will be strengthened with the aim of **establishing an accessible, effective, and competitive financial system across the country.**



State Bank of Pakistan

Let's take financial inclusion **beyond the frontier of commitment**, to a way of life.



Bangko Sentral ng Pilipinas

As a basic and concrete goal of financial inclusion, we will **nurture an enabling policy and operating environment that will make it possible for all adults to have a deposit account in an appropriately regulated financial institution as a cornerstone of their relationship with the formal financial system.**



Reserve Bank of Fiji

We commit to undertake a comprehensive data upgrade on financial inclusion, through a **financial competency survey**, by 2012 and to measure the current level of financial competency in Fiji.

Setting goals: The working groups

AFI working groups lead the network's engagement in several priority areas. The commitments laid forth in the Maya Declaration evolved from working group deliberations over the past year and their ambitious workplans for the coming year.

The groups will drive activities in the following priority areas:



Technology and
mobile financial
services



Financial
integrity



Consumer
empowerment
and market
conduct



Financial
inclusion data

At the GPF, the working groups shared their goals, updated the network on their progress to date, and opened discussions to the wider network.

Setting goals: The working groups



Alfred Hannig and Governor Gaspard Sindayigaya of the Banque de la République du Burundi.

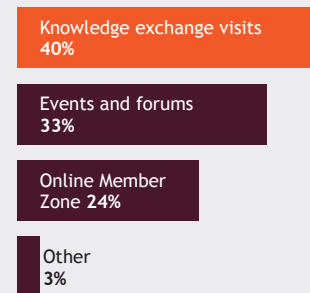


The AFI Global Policy Forum is an ideas marketplace. Its currency is knowledge. Let me advise you just this once to spend your currency and trade it widely! For only by sharing our ideas, experience, and knowledge will new innovations be sparked that could have major impacts on our ability to extend financial service to those who need them most.”

Alfred Hannig, Executive Director, Alliance for Financial Inclusion (AFI)



What is your preferred way to exchange knowledge?



Source: Hand held voting



Setting goals: The working groups

Challenges of mobile financial services: Regulatory responses

Panelists

Raymond O. Estioko,
BSP (MFS-WG co-chair)

Carlos Lopez-Moctezuma,
CNBV (MFS-WG co-chair)

Narda Sotomayor,
SBS Peru

Neil Davidson,
GSMA Mobile Money for the
Unbanked

John Staley,
Equity Bank Kenya

Moderator

David Porteous,
AFI Associate & Managing
Director, Bankable Frontier
Associates



For all its efficiencies and wide reach, M-Pesa and mobile money has not yet significantly impacted financial inclusion. The costs are still too high for poor customers to transact beyond just receiving payments.”

John Staley, Equity Bank Kenya

Fast fact

US \$1.2 billion transferred on the M-pesa platform by 15 million subscribers in the month of August 2011.

Context

When it comes to mobile financial services (MFS), mobile phones are simultaneously a device, channel, and instrument, making this a challenging area to define and regulate. The AFI Mobile Financial Services Working Group (MFS-WG) has delved deep into technical discussions and shared experiences to support member regulators who are developing policies and regulation to help MFS take off and reach scale in their jurisdictions.

The group has taken stock of the MFS regulatory landscape in 18 member countries, created draft guidelines and principles in three priority areas (regulatory reporting, supervision and oversight, and technology risks), conducted peer reviews of regulatory guidelines, and developed a MFS glossary. At the GPF, the discussion widened to include other AFI members and representatives from the private sector, who shared perspectives on MFS and how to create meaningful solutions.

Outcomes

Reaffirming conclusions reached at last year's GPF, 61% of the 2011 GPF audience and panelists asserted that the main constraints to scaling up MFS were not regulatory, but practical. Regulation is a necessary, but not sufficient, condition for MFS to achieve scale. Lack of regulation is no longer the primary constraint, but rather the content of the regulation. Creating an enabling regulatory environment has been a critical pre-condition in the Kenya experience, allowing non-bank service providers to enter the market along with a variety of other service models. In countries with civil law, the simple presence of regulation is significant because it provides legal certainty for prospective investors.

In an audience poll, 44% indicated that MFS uptake in their countries were below their expectations. For example, in Mexico, a flexible regulatory framework for MFS has been in place since 2009. However, regulators there have had to adjust their expectations of private sector uptake because of the time it has taken the private sector to develop adequate business models. In Kenya, industry “second movers” have felt challenged by the regulatory playing field for mobile payments, and for agents and cash merchants. Banks have also been faced with the limitation of depending on telcos to provide mobile phone services. It was noted that the regulator should regulate the service, not the provider—otherwise, this will foster regulatory arbitrage.



MFS Working Group.



MFS Working Group Panelists.

Setting goals: The working groups

Challenges of mobile financial services: Regulatory responses *continued*

To support the creation of regulation and business models, regulators are cautious about overt promotion. Rather, they prefer a more indirect approach of engaging in dialogue with private sector stakeholders to identify views and constraints to deployment. Then, regulators can define a vision for a MFS framework and act to incentivize private sector action. There is also a potential role for the government to support MFS and increase public confidence in the service.

Risk in MFS is a key challenge for regulators and, therefore, for the working group. The working group has prioritized the creation of guidelines on the operational risks of technology because of the widespread use of new technology to expand outreach and the relevance of these technology risks for different models of MFS. The working group will also play a role in identifying and defining the other risks to be addressed by regulators in order to avoid impacting users and slowing the adoption of MFS.

The private sector identified three current challenges in mobile financial services:

- appropriate AML/CFT provisions to encourage scaling-up;
- licensing of agents and cash merchants to ensure viability of the model; and
- coordination across financial and telco regulators to avoid regulatory arbitrage.

The working group will strive to address these challenges. To date, Peru, Philippines, and Mexico have addressed AML/CFT by adjusting KYC norms and attempted to coordinate the efforts of financial and telco regulators in their own jurisdictions.

Strategies and next steps

It was suggested that even in developed MFS markets, there is still work to be done to develop the vision for MFS in financial inclusion, to include expanding access to mobile services, reducing costs, and improving products. Currently, the high cost of providing transactions on mobile platforms is preventing widespread usage, and regulators argued that this necessitates a strategy discussion on the definition of financial inclusion and how to achieve it through MFS.

The working group will continue to share experiences and outcomes on these issues. The next tasks for the working group will be to design indicators for the development of MFS and address consumer protection for MFS through partnerships with other AFI working groups. Through this work plan, the MFS-WG will support network members in putting financial inclusion policies in place that create an enabling environment for cost-effective access to financial services—an environment that makes full use of appropriate innovative technology and substantially lowers the unit cost of financial services.



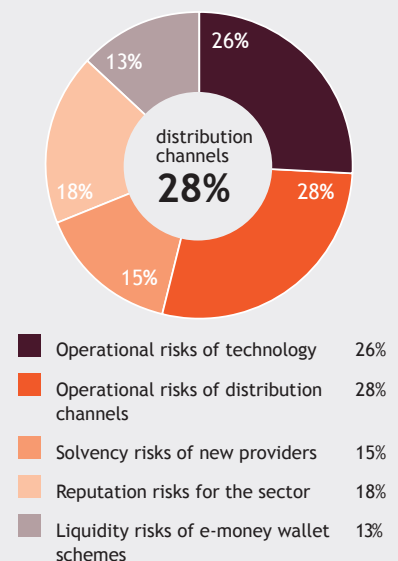
Discussions were rich during networking breaks at GPF 2011.



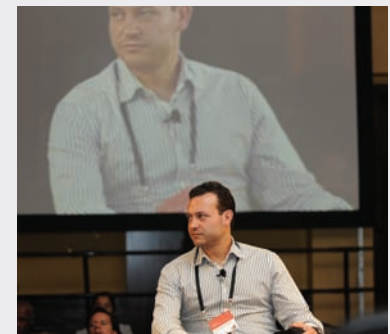
We need to keep in mind with non-banks offering mobile money services that we are regulating a service, not an entity. This is the challenge for the regulator.”

Carlos Lopez-Moctezuma, CNBV Mexico

Which issue should regulators pay the most attention to?



Source: Hand held voting



Carlos López-Moctezuma, CNBV.

Setting goals: The working groups

Striking a balance: AML/CFT risk and proportional response

Panelists

Luis Urrutia Corral,
former President, FATF

Christian Carreon,
Ministry of Finance, Mexico

Alejandro Medina,
SBS Peru

James Manyonge,
Central Bank of Kenya

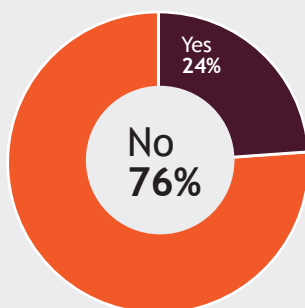
Prudence Kasala,
Bangko Sentral ng Pilipinas

Emiko Todoroki,
World Bank

Moderator

Louis de Koker,
Deakin University Australia

Do you measure the quality of financial services in your country?



Source: Hand held voting



Luis Urrutia Corral.

Context

In March 2011, the Financial Action Task Force (FATF) issued a guidance paper, “Anti-money laundering and terrorist financing measures and financial inclusion”, to support countries in pursuing the complementary objectives of financial inclusion and financial integrity. Members of AFI’s Financial Integrity Working Group (FINTWG) provided input into the guidance paper and, in this session, FINTWG members and the audience offered comments on the usefulness of the paper, lessons learned at the national level, continued challenges, and the path forward.

The FATF standards allow for some flexibility in applying anti-money laundering standards to low-risk individuals. However, regulators often implement the standards in a stringent manner, frequently insisting on uniform criteria in the assessment of risk, unsure of the extent of flexibility. The guidance paper explains which recommendations have relevance for financial inclusion and where flexibility exists in applying relevant recommendations and standards to financial inclusion initiatives, drawing on country experiences as examples.



Louis de Koker, Deakin University, Australia.

Assessment

The guidance paper provides a clear statement, noting that the goals of financial inclusion and financial system integrity are not contradictory. The paper recognizes that financial exclusion is a risk that works against effective AML/CFT policies: individuals outside the formal financial system are untraceable, but once financially enfranchised individuals can be monitored, and their degree of involvement in illicit financial flows can be understood, the risks are mitigated. Some governments, such as the Philippines, have recognized that financial inclusion is an important way to combat money laundering and terrorist financing.

One key strategy for adapting anti-money laundering regulations to financial inclusion realities is the adoption of a risk-based approach that is grounded in a robust risk assessment. The “excluded” population is not inherently low risk. Identifying “low risk” customers, products, and processes requires a rationale for what constitutes “low risk” along with the creation of test and balances to mitigate the risk of abuse and thresholds.

Regulators need to develop robust systems that continually evaluate the potential risk posed by new products and the newly banked populations using them. This is by nature a country-specific endeavor, requiring regulators to have a solid understanding of the main channels through which dirty money flows in their country. Most jurisdictions have not completed a national risk assessment, but this does not mean they cannot assess the risk of the excluded and apply a risk-based approach. India, Mexico, and South Africa were highlighted for successfully implementing a risk-based approach. With this, the guidance paper has successfully moved the discussion to a new phase: a focus on risk assessment.

Setting goals: The working groups

Striking a balance: AML/CFT risk and proportional response *continued*

Panelists identified key steps and challenges they faced in adopting a risk-based approach. Challenges included working collaboratively with a range of stakeholders that include different entities and organizations within government. Close engagement and partnership with private sector actors developing novel financial tools can help to identify risk and safely support the expansion of access as AML/CFT regulations are drafted.

Regulators must develop the institutional capacity to both understand the risks posed by emergent financial tools and draw together stakeholders to understand how the market views the issue of risk. AML/CFT regulations can also increase the cost of doing business, which, if passed back to the consumer, can potentially slow the advancement of the financial inclusion agenda.

These costs can be particularly high where acceptable identification either does not exist or is very limited, but requiring different levels of identification based on risk could help to mitigate this problem. Lower risk customers would require less identification while higher risk customers would require greater due diligence.

Next steps

The guidance paper is just one step in FATF's work to help assure the security of financial inclusion endeavors. AFI members expressed a need to enhance their understanding of the guidance offered in the paper and how "low risk" is defined. FINTWG will continue the dialogue on this topic between AFI members and with FATF, with the belief that financial exclusion works against effective AML/CFT policies and that financial inclusion can be advanced using a risk-based approach grounded in a robust risk assessment. FINTWG will support AFI members in implementing a sound and proportional regulatory framework that achieves the complementary goals of financial inclusion, financial stability, and financial integrity, as per the commitment laid out in the Maya Declaration.

FATF will issue its new and updated standards in February 2012 and the guidance paper will need to be revisited to address new developments. FATF needs to provide focused guidance on unresolved issues, such as registering or licensing agents, enabling new payment methods, and assessing low risk. FINTWG will also engage collaboratively with the FATF and provide a collective voice for AFI members.

FINTWG will continue the dialogue on this topic between AFI members and with FATF, with the belief that financial exclusion works against effective AML/CFT policies and that financial inclusion can be advanced using a risk-based approach grounded in a robust risk assessment.



Panelists discussed how financial inclusion is complementary to stability and integrity.

Setting goals: The working groups

Financial literacy and inclusion

Panelists

Bipin Nair,
Reserve Bank of India (RBI)

Giovanna Priale,
SBS Peru

Flora Lugangira Rutabanzibwa,
Bank of Tanzania (BoT)

Moderator

Ahmed Dermish,
Bankable Frontiers Associates (BFA)

Financial capability was identified as an important goal to keep in mind and was defined as having not only knowledge (literacy), but a whole range of skills, actions, and abilities required to manage financial resources.



CEMC working group members.



Giovanna Priale, SBS Peru.

Context

A number of countries are implementing programs to advance financial literacy, with the dual goals of increasing participation in the financial system and empowering clients to make the best use of financial services.

The role of policymakers in promoting financial literacy varies from country to country, depending on the local context, institutional mandate, and capacity for action.

Using case studies of national financial literacy programs in India, Peru, and Tanzania, small “advisory teams” analyzed and discussed two issues:

- (1) prioritizing and targeting specific market segments for financial literacy; and
- (2) sustainable and cost-effective tools for financial literacy.

Outcomes

A general consensus exists among policymakers that financial illiteracy contributes strongly to financial exclusion. Low levels of financial literacy lead households to depend predominantly on informal financial services and limit the capacity of people to make good decisions and to understand their rights and responsibilities as financial consumers, which further hinders the advancement of quality financial inclusion.

An important distinction was made between financial education and financial literacy, as well as the concept of financial capability. Financial capability was identified as an important goal to keep in mind and was defined as having not only knowledge (literacy), but a whole range of skills, actions, and abilities required to manage financial resources. Financial capability comes closest to capturing the end goal of financial education, which is to change behavior.

As members described the various strategies they have undertaken to improve financial literacy in their countries, a range of roles for policymakers were highlighted, from educating stakeholders about the importance of financial literacy to optimizing resources through coordination and partnership, to establishing mechanisms to measure progress. Even without becoming involved directly in the provision of financial education, policymakers and regulators have an array of tools they can use to incentivize and organize others into action.

Setting goals: The working groups

Financial literacy and inclusion *continued*

The advisory teams identified priorities in terms of both market segments and tools. When it comes to prioritizing market segments for financial literacy, self-employed and private sector employees should be targeted in the short term, whereas long-term financial literacy should begin with students. Beneficiaries of Government to Person payments (G2P) were identified as a group that could be a “quick win” for financial literacy programs. Women and rural areas were also deemed priority market segments.

Television, radio, and comics were identified by the advisory groups as valuable media tools for financial literacy programs. G2P can also be leveraged as a tool through public policy. Two cost-effective interventions for financial literacy were highlighted: (1) conducting teacher training so that schools can teach financial literacy and (2) forming partnerships with the private sector to roll out financial literacy training. Assessment of the effectiveness of these interventions can be gauged through feedback surveys or students’ examination results.

Next steps

Members expressed interest in pursuing a range of next steps, from exploring how to measure financial capability and set appropriate baselines, to developing best practices about long-term and short-term strategies. Questions were also raised about how to determine which population segment to target and how to bring other stakeholders on board, such as Ministries of Education and financial service providers.

The Consumer Empowerment and Market Conduct Working Group (CEMC) will use these insights to both inform its work going forward and to meet its commitment under the Maya Declaration to pursue consumer empowerment as a key pillar of financial inclusion.

Low levels of financial literacy lead people to depend predominantly on informal financial services.



CEMC working group.



Setting goals: The working groups

Improved transparency standards for financial inclusion

Panelists

Antoine Traore,
BCEAO

Maria Belinda Caraan,
Bangko Sentral ng Pilipinas

Hastings Mzoma,
Reserve Bank of Malawi

Katherine McKee,
CGAP

Gaiv Tata,
World Bank

Gabriel Davel,
AFI Associate

Moderator

Shaun Mundy,
AFI

“

It is typical across West Africa for there to be a population density of about 30 people per 100 sq km. We are trying to find the channels that can sustainably reach everyone.”

Antoine Traore, BCEAO



Antoine Traore, BCEAO.

Context

Issues of transparency lie at the intersection of supply and demand for financial services and are key to unlocking the potential of financial inclusion to benefit low-income households. Effective transparency standards ensure that financial services providers do not take advantage of clients and they can also help clients make better decisions about personal finance.

What is the role of regulators in promoting transparency in financial inclusion? In this panel, the participants highlighted the complex nature of transparency, its unique challenges, and practices that make it possible for countries to promote transparency within their financial inclusion strategies.

Defining transparency

There is a need to set standards for transparency that go beyond minimum disclosure requirements and include some consideration of how a client understands their rights and responsibilities in relation to a financial service and provider. If transparency does not lead to comprehension then other benefits will not follow. Three objectives were identified for any good transparency initiative: ensuring client comprehension, enabling clients to compare products, and, in the long term, increasing competition between providers.

What do we need to be transparent about?

Transparency standards should not be limited to the interest rates of loans. Transparency issues surround the full range of financial services, with some areas, such as remittances, having greater disclosure challenges. Additionally, disclosures of product costs might not be the most important to clients. Information on their loan repayment schedule and amounts, as well as conditional fees, might be more important when clients are deciding whether or not to use a financial service. What clients can do to redress grievances is another important piece of information to disclose.

Good practices and opportunities

Panelists identified a number of good practices for promoting transparency. Simplifying and standardizing forms and other written communication, both in terms of language and format, was emphasized strongly. Similarly, having a fact sheet that includes a standardized way of measuring total costs for similar products allows clients to compare services among providers.



Gabriel Davel, AFI Associate.

Setting goals: The working groups

Improved transparency standards for financial inclusion *continued*

It is important to think like the client when designing transparency standards. For example, it was recommended that once clients understand the terms and costs of a financial service, a cooling off period would give clients time to think about their decision. Structuring product costs and obligations in terms that are useful for the client (for example, weekly obligations) instead of those traditionally used by banks (such as annualized rates) can make a big difference.

Challenges

A key challenge for regulators is how to monitor and enforce transparency standards once they have been set. Participants discussed the difficulty of ensuring that even the best-designed transparency standards are followed appropriately in client-provider interactions.

There are also a number of challenges associated with simplifying and standardizing information for clients. Financial illiteracy is an obvious hurdle, while the multitude of languages in some countries can complicate the standardization process further. Even in the absence of such challenges, regulators have found that clients believe there is room for even more simplification of financial services information. The question is, how much can information be simplified?

Next steps

Effective transparency has two components: adequate disclosure and client comprehension. Thus, regulators see financial education as an important next step in efforts to improve transparency in financial inclusion. Additionally, regulators are looking at ways they can leverage the role of consumer associations to promote transparency. Although consumer associations are not strong in many countries, regulators hope that through targeted efforts, consumer associations and clients can be empowered to do more.

With these issues on the table, the CEMC working group will address transparency as part of the Maya Declaration commitment to market conduct and consumer empowerment.

Effective transparency has two components: adequate disclosure and client comprehension. Thus, regulators see financial education as an important next step in efforts to improve transparency in financial inclusion.

“

There are three key components of financial inclusion for us: access, protection, and quality.”

Antoine Traore, BCEAO



Panelists discuss the need for improved transparency standards.



Setting goals: The working groups

Tackling the data challenge: New measurement tools for policymakers by policymakers

Panelists

Raul Hernandez-Coss,
CNBV Mexico

Rochelle Tomas,
Bangko Sentral ng Pilipinas

Diane Bizimana,
Banque de la Republique
du Burundi

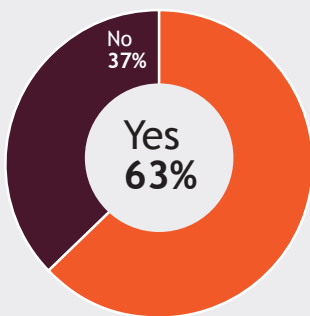
Pirajit Padmasuta,
Bank of Thailand

Moderator

Peer Stein,
International Finance Corporation

Although international data initiatives try to collect similar indicators, this is the only country-led initiative in which countries collect the data themselves, for their own use, instilling a strong sense of ownership.

Do you have the data to report on at least three of the core set of indicators?



Source: Hand held voting

Context

The AFI Financial Inclusion Data Working Group (FIDWG) drives the AFI network's efforts in supporting better country-level data for effective policy design and implementation. This is an area with strong AFI member engagement: 75% of the audience indicated that they collect either demand side or both supply and demand side data on financial inclusion. The FIDWG working group emerged from a strong belief that a country-led approach to gathering financial inclusion data is an effective way of ensuring that data collection forms an integral part of the policymaking process. Data can be used, first, to establish clear, concrete, and ambitious goals, and then to provide countries with the information necessary to measure progress, to continuously improve financial inclusion initiatives.

To support the AFI network in adopting this informed approach, FIDWG is currently developing tools that leverage its collective experience for use by the AFI network. Over the past year, the working group committed to creating a core set of indicators as well as a catalogue of indicators with a focus on access, usage, and quality dimensions of financial inclusion.

Outcomes

The AFI Core Set of Financial Inclusion Indicators has emerged as a foundation for common, standardized indicators for financial inclusion that can serve as a baseline across countries. In determining the Core Set of Indicators, the FIDWG built on indicators that countries were already collecting and carefully balanced consistency with flexibility in order to ensure that information would be both comparable and relevant for policymaking across countries.

Panelists emphasized that the five indicators chosen focus on the access and usage dimension and do not give a complete picture of financial inclusion, especially from the demand side perspective. Rather, they provide an entry point that is feasible for all countries to collect data, and encourage countries to collect other indicators, too.

An audience poll indicated 63% have the data available to measure at least three of the five core indicators. Although international data initiatives try to collect similar indicators, this is the only country-led initiative in which countries collect the data themselves, for their own use, instilling a strong sense of ownership.



FIDWG members discuss data and measurement.



Peer Stein, IFC (moderator).

Setting goals: The working groups

Tackling the data challenge: New measurement tools for policymakers by policymakers *continued*

To provide countries with the tools to measure success in areas of national priority, the FIDWG also introduced their draft catalogue of indicators, which compiles indicators of financial inclusion that have been used by countries or international initiatives before and are relevant for policy. This menu of “road tested” indicators gives countries the opportunity to borrow and adapt indicators they believe are relevant to their local context. In this first stage, the catalogue consists of indicators used by Thailand, Mexico, and Uganda, but it will be expanded to include as many other countries as possible.

Although the FIDWG used existing supply side data rather than wait for costly demand side surveys, they were also careful to emphasize the importance of having demand side information and looking at the quality of financial services to understand how physical access translates into usage of relevant services, including barriers to usage. Only 25% of the audience stated that they currently use some kind of metrics to measure the quality of financial services in their countries. The elements of quality being considered for measurement by the FIDWG are convenience, security, protection, choice, and financial education.

Next steps

The future of financial inclusion data collection efforts looks promising in the AFI network. Thirteen countries have already committed to piloting the Core Set of Indicators. The best way to know whether or not the indicators are appropriate is by testing them in this initial stage. The FIDWG expects to have baseline data for the core set for FIDWG members by the beginning of 2012. The FIDWG calls upon all member countries to commit to data collection by testing the core set and providing formal feedback to improve them. By collecting and analyzing comprehensive data, tracking the changing profile of financial inclusion, and producing comparable indicators in the network, the FIDWG will drive the network’s Maya Declaration commitment to making evidence-based financial inclusion policy a priority.

Additionally, the group hopes that the FIDWG Core Set of Indicators will link to the efforts of the Global Partnership for Financial Inclusion (GPFI) to set country and global targets for financial inclusion. In addition to piloting the core set, the FIDWG aims to have a larger, more refined catalogue of indicators by early next year and will continue to quantify aspects of quality to include in the catalogue.



Our question is: do the services that are provided actually meet the needs of the population, and are they accessing these safely? These are questions related to quality of service, not just provision.”

Diane Bizimana, Banque de la Republique du Burundi

Do you collect data on financial inclusion?

Yes - survey*
18%

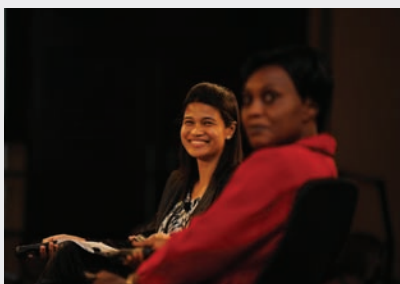
Yes- Supply side
38%

Yes - Supply/
demand 18%

No
26%

* National household surveys

Source: Hand held voting



Rochelle Tomas and Diane Bizimana.



FIDWG group members.



Pirajit Padmasuta, Bank of Thailand.

Setting goals: Injecting new ideas

AFI members are pioneering innovative policies in their own countries and often leveraging the knowledge they gain through the working groups.

The annual GPF provides a platform to share these new experiences and results with the AFI network and to continue to push the financial inclusion frontier.



Governor Perks Ligoya, Reserve Bank of Malawi.



Setting goals: Injecting new ideas



“

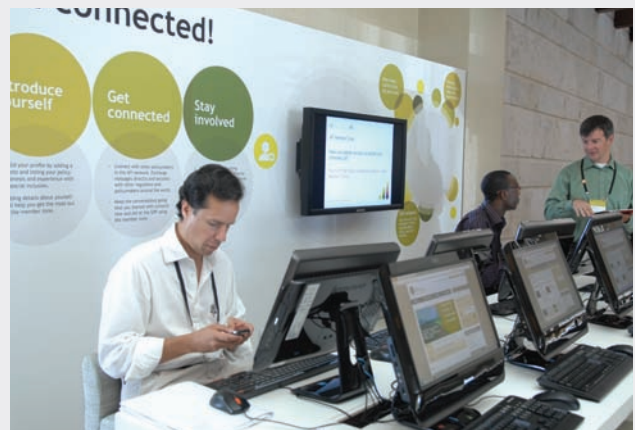
Three years ago we would have said that regulation was a key barrier for us to roll out new and innovative services. Today this is not the case due to the openness of regulators toward financial inclusion.”

Roy Sosa, CEO, RevWorldwide

Roy Sosa, CEO, RevWorldwide.



Participants engage during interactive sessions.



AFI members can keep the conversation alive on the online memberzone.



There was plenty of time for networking and discussions outside of the formal sessions.



Hand held voting by the audience brought a new dimension to panel discussions.

Setting goals: Injecting new ideas

Advancing financial inclusion through innovative G2P payment schemes

Panelists

Irene Espinosa,
Federal Treasury, Mexico

Eliki Boletawa,
Reserve Bank of Fiji

Carlos Moya,
Banca de las Oportunidades,
Colombia

Noor Ahmed,
State Bank of Pakistan

Massimo Cirasino,
World Bank

Moderator

Michael Tarazi,
CGAP

In order for G2P payment schemes to truly drive financial inclusion, it is crucial that policymakers look beyond the simple receipt of payments.



Massimo Cirasino, World Bank.

Context

G2P payments, such as conditional cash transfers (CCTs), pensions, salaries, and social security benefits, are emerging as a promising way to promote microsavings, increase access to financial services, reduce the transfer cost for governments, and improve safety for recipients. G2P payments have become a focus because of their potential to address both supply and demand side challenges related to financial inclusion. On one hand, government payments provide transactions in volume that can help accelerate the extension of financial infrastructure to underserved areas. On the demand side, some G2P payments, specifically CCTs, can also reach unbanked populations and may provide alternative forms of identification, which can be used to simplify account opening.

In order for G2P payment schemes to truly drive financial inclusion, it is crucial that policymakers look beyond the simple receipt of payments. The receipt of payments should be delivered through an account that enables clients to save and have access to other financial services, too. To this end, such a program should reach both the unbanked and the underserved who need more services. Users should be able to use the instrument without any stigma attached to it.

Challenges

Challenges in the development of financially inclusive G2P payment schemes exist at the governmental, operational, and customer levels and may be viewed as sequential.

It can be difficult to gain the buy-in and coordination of all relevant government agencies for G2P payments, particularly since the change to centrally distributed electronic payments can imply loss of authority for some actors, and payments come from many parts of government. High-level commitment is vital to ensure the necessary coordination to move the initiative forward.

Financial infrastructure and the business case for the private sector were highlighted as critical operational factors. Although G2P payment schemes can drive expansion of the financial infrastructure, it is still necessary to ensure that the minimum infrastructure is in place to deliver payments in a convenient, timely, and secure manner to recipients. In the deployment of financial infrastructure, history and cross-country experience indicate that government should assume a leadership role to foster development.

Yet, in order for G2P payment-linked savings accounts to be sustainable, it is important that there be a clear business case for the banks. This may be easier with pensions and salary payments, but making the business case for CCTs continues to be a challenge. Often, providers need to look beyond the float and fees to see the longer term benefits of new clients. To smooth operational challenges, the State Bank of Pakistan is working with the private sector to deliver G2P payments in an effective way and to foster innovation and

Setting goals: Injecting new ideas

Advancing financial inclusion through innovative G2P payment schemes *continued*

appropriate models. In many jurisdictions, policymakers and regulators have also facilitated the creation of simplified accounts and modified KYC requirements.

The customer is also very important to consider when planning for successful implementation. For example, even when a truly financially inclusive product is offered, people may not take advantage of all its features. This is a common case when clients continuously withdraw the entire balance of their savings account for fear that they may not continue to receive the subsidy if they leave money in the account. Issues of trust and familiarity with technology were also highlighted as factors that need to be addressed through consumer education programs before full rollout.

Consumer protection is also critical, particularly since the lapses in consumer protection are both a reputational risk for the government and critical to ensure clients do not lose. Still, the opportunities to improve G2P payments appear to outweigh the challenges.

Next steps

Financial sector policymakers and regulators have an extensive role to play in the development of financially inclusive G2P payment programs. They provide an efficient payments system as well as the regulations for its use, and they can act as a convener, lead in the creation of financial infrastructure, provide support to financial education programs, serve as coordinators, drive the creation of simplified accounts and modified KYC requirements, and engage in dialogue with the private sector to find the right business case(s).



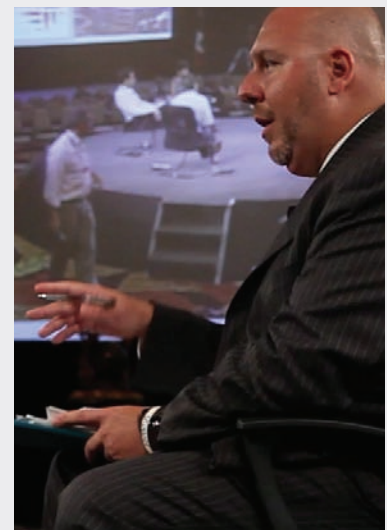
We're benefiting from new regulations that simplified bank accounts. The challenges now are expanding the product range and addressing the needs of clients."

Irene Espinosa, Federal Treasury, Mexico



We did a survey in 2009 and discovered that only 15% had access. That was an eye opener and we have been full force ahead on financial inclusion ever since."

Noor Ahmed, State Bank of Pakistan



Setting goals: Injecting new ideas

Interconnectivity and interoperability

Panelists

Ricardo Mourão,
Banco Central do Brazil

Jaap Cornelius,
ABSA Bank and Payments
Association of South Africa (PASA)

Clarissa Kudowor,
Central Bank of Ghana

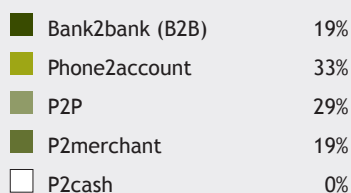
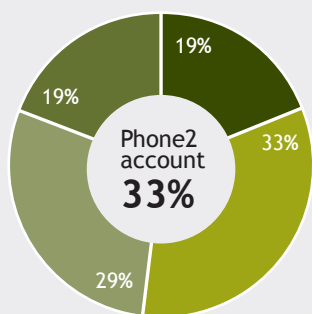
**Emmanuel Chukwuyem
Obaigbona,**
Central Bank of Nigeria

Moderator

Ignacio Mas,
Independent Consultant

In determining how policymakers can promote interoperability, the key question revolved around whether governments should mandate interoperability, or incentivize the private sector to self-regulate.

Which type of interoperability is the highest priority in your country?



Source: Hand held voting

Context

Countries in the AFI network have taken different approaches to interoperability. Regulators' interest in interoperability ranges from bringing financial access points closer to financially remote populations to creating a cashless society. There is a strong link between striving for interoperability and increasing financial inclusion. It is almost always the users of the system who pay for the inefficiencies of a system that is not interoperable. In some countries, interoperable systems are desired in order to facilitate movement toward a cashless society. This has knock-on effects for lowering the cost of financial service provision.

Interconnectivity and interoperability can be achieved through different interfaces. The discussion focused on five areas in which providers could work together to increase the efficiency and reach of their services: Bank2Bank, Phone2Account, Person2Person, Person2Merchant, and Person2Cash. In a poll, the audience highlighted telecom to bank (33%) and person-to-person interoperability (29%) as the predominant challenges they faced. Panelists indicated that their current priorities for interconnection are Person2Cash (e.g. interconnection of ATMs) and P2P (account-to-account transfers, using mobile phones).

Strategies

In determining how policymakers can promote interoperability, the key question revolved around whether governments should mandate interoperability, or incentivize the private sector to self-regulate. Five potential policy approaches were identified to drive outcomes in the industry:

- 1 Consult, craft a solution, and mandate it.
- 2 Try to force an industry-wide solution through moral suasion (a combination of carrots and sticks), but without prescribing a detailed solution.
- 3 Try to put together a coalition of providers who want to move interoperability forward, hoping it will create a critical mass without trying to convince everyone.
- 4 Advocate the benefits of interoperability, but let the market find the way to achieve it.

Country approaches have differed. The Central Bank of Nigeria stressed the importance of central banks acting as both catalysts and enablers, given that the private sector does not have the willingness to incentivize or the ability to ensure that necessary changes occur. Brazil and South Africa expressed a strong preference for, and have a tradition of using, moral suasion and applying a measure of coercive power where necessary. Ghana, on the other hand, adopted a more prescriptive approach with the creation of e-Zwitch as a subsidiary of the central bank, and imposed specific technology (e.g. biometric) and pricing choices. It was suggested that "closed loops do not last", therefore, different providers of financial services, especially non-bank institutions, should feel compelled to cooperate to ensure interoperability.

Setting goals: Injecting new ideas

Interconnectivity and interoperability *continued*

When polled on how regulators should approach interoperability, the audience overwhelmingly supported the moral suasion approach (42%), with a strong minority coming out in favor of consulting, crafting, and mandating interoperability (32%).

Challenges

Banking authorities cannot and should not deal with interconnectivity in isolation. The concerns of the competition authority need to be taken into account since their perspective may be slightly different. Also, as the financial and mobile services domains converge, it is important to develop a strong understanding between the banking and telecom regulators about their respective goals.

There is a risk that overly prescriptive regulation of interconnectivity can stifle innovation. Given that regulation generally follows innovation, regulation must ensure new innovation doesn't bring risk. Rather, it must be tailored in a way that allows new technology and developments to be deployed.

Interconnectivity may come at a cost for users. A central premise behind interconnectivity is the realization of cost savings (by harnessing scale and infrastructure sharing). However, this might not always be the case as costs can ratchet up as multiple players try to impose their own fees.

Next steps

With a strong linkage between striving for interoperability and the goal of increasing financial inclusion, strategic decisions around how to reach interoperability and at which key interfaces are on the radar for many policymakers.

The question is, what is the best approach in any given market to support financial inclusion? Knowledge sharing between countries is key and, to facilitate this, there was a call to AFI, to consider this topic in a working group.

“

My advice is to talk more. Engage heavily with all the stakeholders in the ecosystem: the banks, switch companies, clients, technology providers, and others in order to identify your common interests. Then, ensure the legal infrastructure and let the market go to work for the people.”

Clarissa Kudowor, Bank of Ghana

“

Banking is the last sector that insists on a direct delivery model. It's time to improve distribution by several orders of magnitude.”

Ignacio Mas, Independent Consultant

How should regulators approach interoperability?

Coalition of supporters
42%

Moral suasion
32%

Other
26%

Source: Hand held voting



Setting goals: Injecting new ideas

Simplified account opening

Panelists

Juan Manuel Valle,
Ministry of Finance, Mexico

Roelof Goosen,
National Treasury, South Africa

Alexandre Berthaud,
Universal Postal Union

Anne-Françoise Lefevre,
World Savings Bank Institute

Moderator

Nicola Jentzsch,
AFI Associate

Regulators have the responsibility to enable the market to develop and thrive, but if the need is great enough and products have the right features and price, there should be a business case for the private sector to deliver these services.



Nicola Jentzsch, AFI Associate.

Context

The notion that financial integrity is strengthened when more people join the formal financial system has generated interest from policymakers applying a risk-based approach to account opening requirements. Simplified account opening does not end with greater flexibility in KYC requirements, however.

It is also important to consider geographic outreach, efficiency of opening procedures, customer needs, and service quality.

By considering the interaction of all these factors, regulators will set the stage for private sector participants to find innovative ways to reach the unbanked with new services.

Strategies

Panelists emphasized that, in order for simplified account opening efforts to be successful, it is vital for government agencies to coordinate closely and to strike a careful balance between principles of simplification and financial integrity, as well as product affordability and profitability.

A variety of approaches were identified to balance identification and verification with the objective of financial inclusion. Remote account opening can be feasible if a client's identification is verified against information held in national databases (when available). Beneficiary cards for recipients of government subsidies can be used as an alternative form of identification. Some banks have also established an automated opening process by taking a photograph and then verifying identification, which accelerates the process while still complying with KYC requirements. Panelists also emphasized that regulators should not overestimate the risks of identification fraud with alternative means since physical identification can also be falsified. The goals of financial inclusion should encourage flexibility through a risk-based approach.

Infrastructure and the participation of private sector players are critical drivers of simplified account opening. It is important that there is a business case for banks to open these accounts, while at the same time ensuring that price does not become a barrier to access for clients. The business case for banks is based on volume, and the use of alternative distribution channels, such as retailers, which have minimal incremental costs to add services, can be viable alternatives to traditional bank channels for opening accounts.

Setting goals: Injecting new ideas

Simplified account opening *continued*

It is also important that product design, procedures, and distribution channels in simplified account opening initiatives be responsive to the needs of low-income clients. For example, European and US-style anonymous low-risk accounts were not feasible in one market, since receiving remittances was an important feature demanded by clients and this would not be feasible without having an identity linked to the account. Other panelists mentioned that consumer education is also vital to ensure that clients understand the different functionalities of the account. Issues of service quality, especially trust and convenience, must also be considered to ensure success.

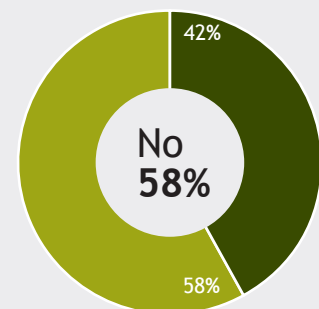
Next steps

Regulators have the responsibility to enable the market to develop and thrive, but if the need is great enough and products have the right features and price, there should be a business case for the private sector to deliver these services. In order to reach this point, coordination between different government actors and the private sector is critical.

All authorities should participate in the analysis and should be aware from the start of the risks associated with a simplified account opening scheme. Once account opening has been simplified, it is vital to monitor carefully to ensure that financial system integrity has not been compromised and that previously unbanked individuals are in fact gaining access to services.

AFI is a network of developing country policymakers. But there is opportunity to learn from and share our lessons with our peers in more developed economies.

Should the AFI network be expanded to include developed countries?



■ Yes 42%
■ No 58%

Source: Hand held voting



Moving forward: Practical next steps

Developing and implementing successful financial inclusion policies require both vision and a pragmatic approach.

On the third day of the GPF, the AFI network turned its attention to practical plans and inspiration for making financial inclusion a reality.



Moving forward: Practical next steps

Organizing for financial inclusion: A strategic approach

Panelists

Denton Rarawa,
Governor, Central Bank of Solomon Islands

Pia Roman Tayag,
Bangko Sentral ng Pilipinas

Rodrigo Pereira Porto,
Banco Central do Brasil

Emma Haiyambo,
Bank of Namibia

Paul Eluhaiwe,
Central Bank of Nigeria

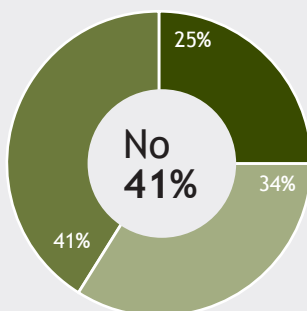
Sebastián Echeverría,
Ministerio de Planificación de Chile

Moderator

Till Bruett,
Pacific Financial Inclusion Program

A few countries have already taken a more strategic approach to financial inclusion and they overwhelmingly agree that a strategy has been useful for their financial inclusion efforts.

Does your country have a national strategy for financial inclusion?



■ Yes 25%
■ Partial 34%
■ No 41%

Source: Hand held voting

Context

Financial inclusion is increasingly being pursued by central banks because of its link to overall financial stability. Given the inherent complexities in setting priorities, synchronizing the efforts of multiple stakeholders, and ensuring sustainability, defining a financial inclusion strategy can provide critical guidance and clear objectives for the central bank and other actors.

A few countries have already taken a more strategic approach to financial inclusion and they overwhelmingly agree that a strategy has been useful for their financial inclusion efforts.

Countries looking to align current efforts in a strategy can draw from lessons learned, adapt them to their local contexts, and formulate practical next steps to move the financial inclusion agenda forward at home. It is important that strategies be viewed from a mindset of opportunity in order to achieve financial inclusion goals.



Till Bruett, Pacific Financial Inclusion Program.



Governor Denton Rarawa sharing experiences from the Pacific region.

Challenges

Despite critical differences in country context, in terms of population size and density and levels of financial inclusion, all six countries seemed to generally share the same set of challenges in the development and implementation of financial inclusion strategies.

Coordination is a great challenge but is also a critical factor for success. Greater coordination can be achieved when there is a shared vision between different public and private sector players as well as within an institution, and when there are clear objectives and data to measure progress. A participatory approach to strategy development that includes all units, institutions, and private sector players can facilitate the development of this shared vision, buy-in, and ownership by these different actors and units. Within institutions such as the central bank, policy silos may also exist with multiple units working on financial inclusion issues, such as agricultural finance, SMEs, and microfinance. Though coordination is important, the specialized expertise and supervisory functions are of great value for sound implementation and should be respected.

Given the multiplicity of government actors involved in financial inclusion policy, having a single coordinating body is very helpful to avoid duplicating efforts and setting a common direction. It is recommended that this body have the respect of other government agencies and, if possible, that it have greater political independence. Although countries have taken different approaches, a common choice is for the central bank to take the leadership role in coordination, often by chairing a council that unites private and public stakeholders.

Moving forward: Practical next steps

Organizing for financial inclusion: A strategic approach *continued*

Regardless of who assumes this role, whether it is an individual agency or a council, it is critical that this group have high-level support and leadership to ensure that financial inclusion is on the domestic agenda, and that there is the necessary convening power to bring all relevant government and private sector players to the table. To achieve this, it is important to understand the mandates and limitations of each stakeholder and provide opportunities for joint goal setting.

Having continuous open dialogue with different market players and providers is also a key to success. By creating forums where providers can share experiences, regulators can ensure that agency policies enable the private sector to achieve its plans related to financial inclusion. Regulators should take a test-and-learn approach to avoid stifling innovation. In order to ensure buy-in from stakeholder groups in the national strategy, it is also important for the coordinating body to continuously motivate the different actors.

In organizing for financial inclusion and implementing financial inclusion strategies, it is important to evaluate available resources and be realistic when defining goals. Participants noted that within the overarching goals of a strategy, it can be valuable to have shorter action plans that can help demonstrate progress early and keep players motivated. To ensure more permanent efforts, certain measures can be institutionalized through a legal mandate or championed through a lesser political body, such as the central bank or a council.

Next steps

With 93% of the audience pursuing a financial inclusion strategy, voting that they have found it “very helpful” and the remaining 7% indicating that it is “somewhat helpful”, there seems to be considerable support for developing strategies for financial inclusion.

Strategies for financial inclusion emerged as a recurring theme in country commitments toward the end of the GPF, and this dialogue will be ongoing as many countries in the AFI network take their next steps in developing a strategy.



For financial inclusion to be achieved, some predominant paradigms must be revisited or changed. For this to happen it is important that top leadership be involved, that there is a clear and agreed vision for where we are going, and that there is a mechanism for adjusting based on lessons learned along the way.”

Pia Roman Tayag, Bangko Sentral ng Pilipinas (BSP)



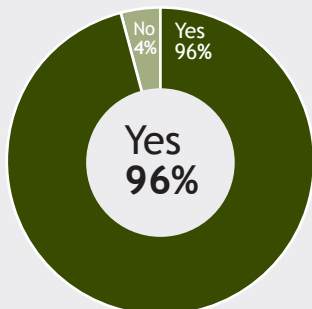
In Chile there are 16 million people and 70% are banked. But reaching that last 30% is extremely hard due to socio-geographical barriers. We are ramping up our efforts to try to reach this vulnerable segment. We joined AFI just two months ago as a part of our efforts to expand our understanding of how to best do this.”

Sebastián Echeverría, Ministerio de Planificación de Chile

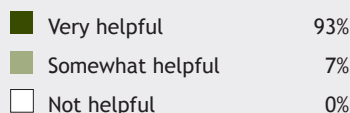
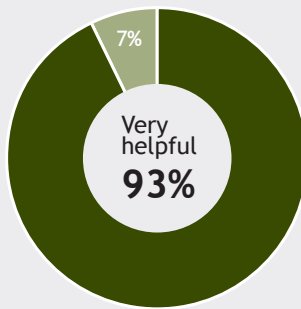


Sebastián Echeverría.

Do you think national strategies are a good idea?



For those who have one, do you think they are helpful?



Source: Hand held voting

Keynote Address

Driving an inclusive, stable and responsible financial sector: H.R.H. Princess Máxima of the Netherlands, UNSG's Special Advocate for Inclusive Finance for Development



“

We have so much to learn from each other. Three days once a year is probably not enough. I encourage you to document your experiences. Then, be outspoken in sharing these lessons and best practices.”

In combining their traditional responsibilities with a new role of encouraging the spread of financial services to both poor individuals and SMEs, financial sector policymakers find themselves at the forefront of policy innovation and even leapfrogging the banking sector developments of the developed world.

Maintaining a sound and safe financial system is a core responsibility of the regulator, and financial inclusion supports this pursuit as financial inclusion and financial stability are mutually reinforcing. Financial inclusion contributes to financial stability by having a broader savings base and a diversified loan portfolio. Financial stability supports financial inclusion by delivering services through diverse, strong, and stable institutions.

Accessible financial systems should also be responsible. Recent crises show us that the expansion of financial services must be accompanied by internal governance or external supervision of rapidly growing institutions that keep pace. The new systems that serve the poor should grow visibly on regulators' radar screens, and in a way that every product is provided responsibly and actually improves people's lives.

Financial inclusion and stability both demand good data, and the innovations and technologies we are using to expand access can provide real-time, consolidated, electronic data that help identify patterns and risk. Finally, regulators do not work alone. Central bankers can focus on their core business of financial system regulation and supervision, while the leadership of governments and the private sector have critical roles to play in making financial inclusion a reality.



Moving Forward: Practical next steps

AFI as a learning network: the peer-sharing model in action

Panelists

Mikhail Mamuta,
Russian Microfinance Center

Lucy Kinunda,
Bank of Tanzania

Ricardo Estrada,
Superintendencia de
Bancos de Guatemala

Moderator

Kimanthi Mutua,
AFI Associate

Regulators have the responsibility to enable the market to develop and thrive, but if the need is great enough and products have the right features and price, there should be a business case for the private sector to deliver these services.

Context

The business of regulating financial institutions can be a lonely one, with little opportunity to get out of the box and learn from others. Peer-to-peer learning across different countries can greatly assist in the development of sound, applicable policy on financial inclusion. Even if all lessons are not completely applicable, it at the very least gives those involved an opportunity to see innovative solutions to issues the regulator will very likely face.

The Russian Microfinance Center, the Bank of Tanzania, and the Superintendencia de Bancos de Guatemala have been actively engaged with the AFI network and services for peer-to-peer learning. In this session, they describe how these interactions have had a meaningful impact on their regulatory journey and produced desired outcomes.

Mikhail Mamuta, **Russian Microfinance Center**

Great differences in access to formal financial service exist across Russia. Despite excellent banking penetration in some areas, the poor and rural population still suffer from a dearth of financial options. In 2009, Russia began developing a regulatory regime for agent or correspondent banking. Along this journey, the Ministry of Economic Development has benefited from three of AFI's main initiatives. Knowing the Banco Central do Brasil was one of the most experienced regulators in enabling a vast network of agents, AFI supported a team of relevant regulators to visit Brazil and Mexico to see this first hand.



Better one time to see it rather than 100 times to hear it."

The delegation found the experience invaluable; they were inspired and more proactive in implementing a similar approach in Russia. Second, Russia has benefited from the AFI working groups and network approach, in particular the Mobile Financial Services Working Group, to harness the "collective brain" of AFI members to solve complex matters of financial inclusion.

Finally, a long-term AFI grant supported Russia to develop and implement smart regulations for agent banking using the learning and input from the knowledge exchange and network activities.



From left to right: Mikhail Mamuta, Ricardo Estrada, Lucy Kinunda, Kimanthi Mutua.

Moving Forward: Practical next steps

AFI as a learning network: the peer-sharing model in action *continued*

Lucy Kinunda, Bank of Tanzania

“

AFI is a unique and credible institution because it starts with the good ideas and experiences that are already out there in the network and then they match these ideas to our questions and help us get the knowledge and answers we need.”

As the Bank of Tanzania worked to develop proper regulation for mobile finance, it found a need to address issues of supervision and create indicators for early mover deployments such as M-Pesa. Simply asking telecommunications companies for various statistics was not enough. As an AFI member, the BoT decided to use the network to its advantage to see how fellow regulators in other countries had solved these problems. With AFI assistance, a delegation from the Payments department of the BoT embarked on a knowledge exchange program to the Philippines to understand mobile money regulation in that country. The team came home with ideas and very motivated to begin drafting regulations.

The BoT asked the AFI Mobile Financial Services Working Group to facilitate a peer review of the regulations by its members. The document came back with a lot of criticism, but the critique was ultimately considered constructive and very credible. With the peer review came a great deal of learning—a result of the diverse backgrounds contributing to the review process.

BoT concluded that the feedback enhanced and enriched the document greatly. The peer review approach was also appealing to a large number in the audience, with 76% expressing their interest in a peer review and readiness to share.

Ricardo Estrada, Superintendencia de Bancos de Guatemala

In 2010, SIB Guatemala was working to develop draft regulations for mobile financial services and recognized the value that would be added by an AFI-sponsored knowledge exchange. Their journey included a visit to the Bangko Sentral ng Pilipinas, where they had a chance to use e-money and to understand how the regulator supported its introduction.

“

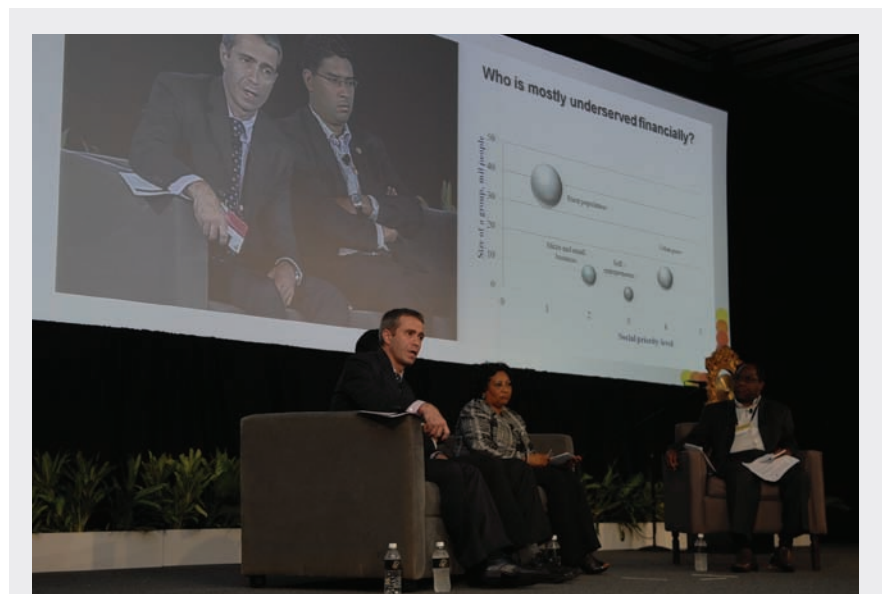
Our journey towards enabling mobile financial services at home has been enriched by learning first hand from our peers abroad.”

As an outcome of the knowledge exchange, SIB Guatemala issued its first mobile financial services regulations in early October 2011.

Next steps

The AFI network is a platform for regulators to share experiences with fellow regulators dealing with similar issues in financial inclusion policy and to support them in development and implementation. AFI supports this exchange of knowledge through network connections, country visits, working groups, events, and online platforms. AFI grants further support the development and implementation of policies for financial inclusion.

With AFI members proactively seeking to connect with their peers on topics of mutual interest, AFI will continue to encourage and support members to make the best use of peer-to-peer learning tools and platforms.



Panelists exchange lessons from the AFI network.

Moving Forward: Practical next steps Peru: Good practices in financial inclusion

Panelists

Narda Sotomayor,
SBS Peru

Ruben Mendiola,
SBS Peru

Giovanna Priale,
SBS Peru

Alejandro Medina,
SBS Peru

Milla Guillen,
SBS Peru

Moderator

Beatriz Marulanda,
AFI Associate



In 2000, the SBS crafted a strategy for financial inclusion that included the following four interconnected pillars: regulation, transparency and user orientation, consumer protection, and financial literacy.

Context

Peru is seen as a beacon in Latin America for supervision and regulation on financial inclusion and a country from which AFI network members can gain practical insights.

Despite the nation's unique challenges, including the fact that 50% of the nation has a population density of less than 15 people per sq km, its leaders have championed smart policies to promote financial inclusion for over a decade.

In this session, participants from the Peruvian Superintendency of Banks (SBS) presented the policies that the SBS has enacted since 1997 and the impact they have had on financial inclusion.



Financial inclusion has the support not only of the regulator, but of the whole Peruvian government writ large.”

Daniel Schydrowsky, Superintendent,
SBS Peru

Strategies

Peru's policymakers define financial inclusion as access to and usage of a complete offering of financial services. Guided by this vision, in 2000, the SBS crafted a strategy for financial inclusion that included the following four interconnected pillars: regulation, transparency and user orientation, consumer protection, and financial literacy.

The SBS works to promote financial inclusion by constructing an enabling regulatory framework, which it defines as promoting the stability of and competition within the financial system, while generating incentives to promote financial inclusion. The SBS is well-positioned to do this because its authority governs the full range of financial services providers (banks, insurance and pension providers, etc.).

Peru's policymakers take an innovative approach to building an enabling regulatory framework by first identifying barriers and then developing smart regulation to tackle them. For example, in the 1990s the SBS realized that 75% of businesses in Peru were informal and without access to credit. In 1997, new microcredit regulation was approved to address



Peruvian regulators break down barriers for the poor.

Moving Forward: Practical next steps

Peru: Good practices in financial inclusion *continued*

the needs of these businesses. Instead of regulating microfinance institutions, the SBS focused the regulation on microfinance activities in general. It recognized that all actors who provide microcredit face the same risk regardless of their legal entity. Since then there has been a sustained growth in credit: loans and borrowers have increased by an average of 28% and 19% respectively, over the past eight years.

A similar approach was used to build an enabling regulatory environment to increase the outreach of other financial services. Regulation of retail agents in 2005 resulted in an increase in the number of access points for every 100,000 adults, from 16 in 2001 to 103 in 2011. Similarly, simplified procedures for microinsurance have resulted in a significant increase in policyholders.

The SBS also works to improve client protection, transparency, and financial literacy. Although a separate consumer protection body is responsible for handling clients' complaints, the SBS focuses on preventing harm to clients by building awareness and providing information through channels like the mass media and decentralized information points for consumers. To promote transparency and ease the comparison of products, the SBS publishes the effective cost of loans and similar comparable information on the cost of other services, such as savings and insurance. As the first country in the region to make financial education obligatory in all school curricula, Peru is also breaking ground in financial literacy.

Next steps

The SBS will continue applying risk-based regulation to promote financial inclusion. New mobile banking regulation is currently being developed that aims to increase the potential of mobile phones to expand financial access in Peru.

The government is also making significant efforts to collect and leverage financial inclusion data. By the end of the year, the SBS plans to have demand side indicators and information that can supplement its existing supply side data on access and usage. A similar effort is underway with respect to financial education. SBS is working to gather information that will allow it to establish a baseline from which to track changes in national levels of financial literacy.



Narda Sotomayor, SBS Peru.



Beatriz Marulanda, AFI Associate.



Our vision of financial inclusion is one of access and usage of a complete offering of financial services. It is easier for SBS to achieve this vision since the banks, insurance companies, pension providers, and others are underneath our regulatory authority.”

Narda Sotomayor, SBS Peru



For agent banking, the advantage Peru had was that it was able to learn from the experiences of other countries. With any kind of regulation, it is important to understand the reason why the regulator wants to focus on this issue. In the case of Peru, agent banking regulation was developed with the specific objective of increasing financial inclusion.”

Ruben Mendiola, SBS Peru



Daniel Schydrowsky, Superintendent, SBS Peru.

Moving Forward: Practical next steps

The Mexican experience in financial inclusion

Panelists

Guillermo Babatz,
President, CNBV

Gerardo Rodriguez,
SHCP

David Margolin,
Central Bank of Mexico

Irene Espinosa,
Federal Treasury, Mexico

Jose Alberto Balbuena,
Mexican Financial Intelligence Unit

Luis Pazos,
Condusef

Moderator

Gabriela Frías,
CNN Dinero and GPF
Master of Ceremonies



The vision of what Mexico wanted to achieve initially was to make it possible for everyone in the country to have a simple banking transaction account to make a range of payments through multiple channels.

Context

The Mexican experience in financial inclusion is instructive for any country trying to pursue this agenda at home. Financial inclusion, as it relates to economic growth and stability, is a national priority in Mexico. The Comisión Nacional Bancaria y de Valores (CNBV) has spearheaded a number of pioneering efforts in the realm of financial inclusion by coordinating with other government agencies and by actively engaging the private sector.

Mexico is a unique country given that it has a very sophisticated financial system but still faces a number of basic challenges in reaching unbanked populations with formal services, particularly in remote areas. To date, Mexico has made a large investment in preserving its macroeconomic security and stability, and this has created room for policy action on stability issues, such as financial inclusion. In a relatively short period of time, regulators have applied a risk-based approach to account opening and have focused on technology as a way to reach the previously unbanked through agents and mobile phones. Six government agencies, CNBV, SHCP, Central Bank of Mexico, Mexican Treasury, Condusef, and the Mexican Financial Intelligence Unit, shared their keys to success, the initiatives they have implemented, and current financial inclusion priorities.

Strategies

A common vision for financial inclusion was instrumental in ensuring an enabling environment. The vision of what Mexico wanted to achieve initially was to make it possible for everyone in the country to have a simple banking transaction account to make a range of payments through multiple channels. This vision ensured an account for everyone who wanted it. Because of the different powers of Mexico's banking authorities, coordination became essential.

Measurement and coordination were highlighted as two key factors of Mexico's success in pushing financial inclusion forward. With clear data and an understanding of vulnerabilities, it was much easier to coordinate efforts with interested actors. Collaboration between agencies has been vital since decision-making power is not always housed in the body leading financial inclusion efforts. Having a clear vision and incorporating financial inclusion in individual mandates eased this coordination. Despite these successes, panelists emphasized that although there has been private sector participation, financial inclusion initiatives could be strengthened with a mechanism to facilitate collaboration.

Mobile technology, simplified account opening, and the use of agents are among the priority initiatives that have been pushed forward in Mexico in recent years. Policymakers and regulators have enabled the new simplified account opening scheme by pushing the boundaries of AML/CFT restriction through a careful process of identifying vulnerabilities and calculating risk to ensure that the unbanked gain access to bank accounts. The accounts hold particular promise because they are bank accounts that are regulated and supervised.



Mexican financial sector leaders coordinate for financial inclusion.

Moving Forward: Practical next steps

The Mexican experience in financial inclusion *continued*

Supporting pieces have also been put in place. The Central Bank has created the necessary infrastructure in the form of a well-functioning payments system that can facilitate the use of these new technologies for reaching the unbanked. Furthermore, the associated fees and charges for the use of this infrastructure have been lowered through moral suasion. With rules and necessary infrastructure, all of the conditions have been created for accelerated uptake.

Customer satisfaction is a necessary driver of financial inclusion once all of the regulatory pieces are in place. It is important that products, services, and delivery be designed to take customer needs into account, and that the first experience clients have with new technology or redesigned products be a positive one to ensure continued usage and uptake.

Next steps

As Mexico looks forward, focus will be placed on three areas: creating the conditions for a broader and more adequate portfolio of financial services for unbanked populations, finding ways to encourage alternative delivery channels to reach isolated populations through pilots, and ensuring that consumer protection and building trust in the system forms a critical part of all initiatives.

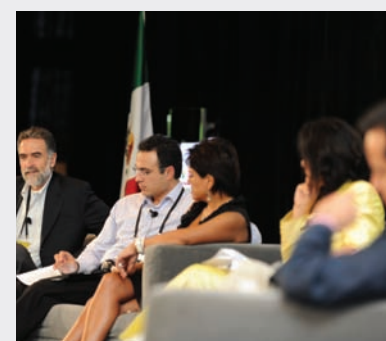
With all the infrastructure, regulatory, and policy pieces in place, it is expected that in the first quarter of 2012 there will be an explosion of simplified account opening through the commercial banks. Continuous monitoring and data collection is vital in order to evaluate the impact of new policy on goals.

Mexico takes on the G20 Presidency next year and financial inclusion will be a core part of the agenda. Not only does it link the financial and development aspects of the G20, but it is also the type of issue that brings people together and around which consensus can be established. Furthermore, it is an issue of interest to both developed and developing economies. Under the Mexican presidency, the G20 will serve as a valuable forum to push the financial inclusion agenda forward, with practical benefits for the rest of AFI's member countries.

“

We were able to coordinate agencies by starting with a clear vision of what we wanted to achieve. Our goal was that everyone in the country have access to a simplified account and be able to do a variety of transactions through a range of channels.”

Guillermo Babatz, CNBV Mexico



Fast fact

80 million debit cards issued in Mexico but only 35 million of them are used.

Mr. Felipe Calderón Hinojosa President of the United Mexican States



“

México ha dado el paso que la AFI promueve en todo el mundo, brindando más y mejores oportunidades a las familias mexicanas. La inclusión financiera se considera un instrumento, un vehículo para vivir mejor.”

In his closing remarks closing the AFI Global Policy Forum, and opening the G20 Global Partnership for Financial Inclusion (GPFI) Forum, President Felipe Calderón announced the launch of Mexico's new "National Council on Financial Inclusion."

On the occasion of the closing ceremony of the 2011 AFI Global Policy Forum, President Felipe Calderón signed the agreement to create a National Council for Financial Inclusion for Mexico.

Mexico has shared AFI members' commitment to promote financial inclusion, with significant and dedicated efforts to financial inclusion over the years. These were accelerated by holding the 2011 AFI Global Policy Forum and the meeting of the G20 Global Partnership for Financial Inclusion in Mexico.

To continue to advance these initiatives and consistently improve the design of financial inclusion public policies, Mexico has recognized the need for the creation of an entity to bring together the views and

responsibilities of officials responsible for Mexico's financial sector, together with the views of the private sector.

The Council will strengthen Mexico's existing financial inclusion efforts. The Council shall be responsible for proposing measures for the planning, preparation, implementation, execution and follow up of a financial inclusion national policy. The Council will make recommendations for changes to the architecture of the Mexican financial system and suggest regulatory reforms to further financial inclusion. The Council will also coordinate government efforts in the critical area of financial education of new and potential users of the financial system. Finally, the Council will approve or regulate the statistical instruments used to accurately measure the country's progress in regards to financial inclusion.

With the launch of the Council, Mexico takes a fundamental step forward.



President Calderón officially creates Mexico's national council for Financial Inclusion.

Global Partnership
for Financial Inclusion

Closing of the GPF and opening of the GPF

AFI was honored to assist the Secretaría de Hacienda y Crédito Público or SHCP (Mexico's finance ministry) in organizing the first meeting of the G20's Global Partnership for Financial Inclusion (GPF) in Riviera Maya, Mexico immediately following the GPF on October 1st.

“

That we are here closing the AFI forum and opening the first G20 GPF forum is quite an achievement. That these two fora are being held back to back is evidence of the growing national and global attention to financial inclusion, something we should all be very proud of.”

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.



AFI was honored to assist the Secretaría de Hacienda y Crédito Público or SHCP (Mexico's finance ministry) in organizing the first meeting of the G20's Global Partnership for Financial Inclusion (GPF) in Riviera Maya, Mexico immediately following the GPF on October 1st. Delegates from the GPF and the GPF joined together on the afternoon of September 30th to discuss the importance of financial inclusion on the global finance and development agenda. This coordination provided an unprecedented opportunity for non-G20 developing countries in the AFI membership to have their voices heard at this key global initiative for financial inclusion.

H.R.H Princess Máxima of the Netherlands, the UN Secretary General's Special Advocate for Inclusive Finance for Development, who in 2011 also became Honorary Patron of the GPF, addressed the delegates from both forums. In her remarks she expressed that she was energized by many exciting developments in the field, such as the use of mobile technology, regulations overcoming long standing hurdles like identification, data initiatives that look at both supply and demand, and financial literacy and consumer protection being advanced.

She reflected that the meeting of delegates from both the GPF and GPF was a reflection of the renewed commitment of so many people around the world—in government, the private sector, financial institutions and non-profits—to increasing access to financial services. She opined that the Maya Declaration embodied that commitment, and was thrilled to see the continued recognition the G20 leaders have given to the importance of financial inclusion through the establishment and prioritization of the GPF.

President Felipe Calderón of Mexico issued a powerful statement of Mexico's commitment to financial inclusion as a key pillar for development. In his speech, Calderón announced the launch of Mexico's groundbreaking National Council on Financial Inclusion (NCFI), a body that brings together for the first time all the different Mexican public authorities with an interest in financial inclusion to work towards a coordinated and mutually agreed policy agenda.

Closing of the GPF and opening of the GPFI

continued

“

We are planning to put financial inclusion at the core of not only our domestic agenda but the global agenda as we take over the chair of the G20. It brings people and countries together, and it applies to developed and developing economies.”

David Margolin, Deputy Governor,
Central Bank of Mexico

“

The potential of this promise is yet to be captured by all of us in this room.”

Tilman Ehrbeck, CEO, CGAP

“

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

H.E. Felipe Calderón Hinojosa,
President of the United Mexican States

The President looked ahead to Mexico's hosting the G20 summit in 2012 and insisted that the Global Partnership for Financial Inclusion will remain a part of the central agenda. Since it would be the first time that a developing country would be the venue for the leading global economies to meet, he would ensure the agenda reflected global priorities including the current economic crisis but also the human and economic development of all the world's citizens.

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 wellbeing and progress for everyone.” He noted that financial inclusion was finally taking a priority on global development and financial sector agendas and that this was very timely since by opening the doors of credit, savings and insurance to more people, we are providing more certainty to the present and more capacity to build a better future.

At the conclusion of his remarks, President Calderón declared the sessions of the third annual Global Policy Forum closed, and officially declared the first G20 Global Partnership for Financial Inclusion forum open.

This was the first annual forum of the GPFI since its launch in Seoul in December 2010, and it included GPFI co-chairs Mexico, France, and Korea, over 80 participants from both G20 and non-G20 countries, a wide range of stakeholders from organizations committed to promoting financial inclusion, as well as GPFI Implementing Partners AFI, CGAP and IFC. The forum offered opportunity for stakeholders to exchange ideas on the challenges and opportunities confronted by policymakers in making financial inclusion a reality in their countries, as well as the role of the global partnership in helping to catalyze progress towards this goal. It also foreshadowed the kind of commitment to the financial inclusion agenda that's anticipated from Mexico as it prepares to take over the presidency of the G20 following the Cannes Leaders Summit in November 2011.



President Calderón and HRH Princess Máxima close the GPF and open the GPFI.

Closing of the GPF and opening of the GPFI

continued

At the GPFI forum, AFI Executive Director Alfred Hannig and Nestor Espenilla, Deputy Governor of Bangko Sentral ng Pilipinas, participated in a roundtable discussion on the global vision for financial inclusion with the GPFI co-chairs and implementing partners.

CNBV President Guillermo Babatz and Daniel Schydrowsky, Superintendent of SBS Peru, informed the attendees of the AFI member commitment to financial inclusion through the Maya Declaration and the individual commitments made by 17 AFI member countries.

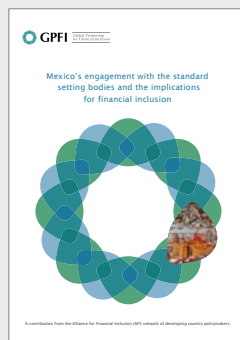
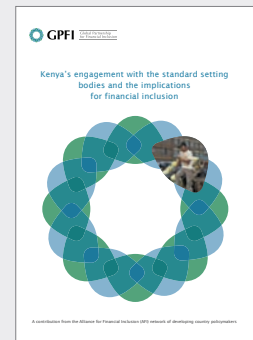
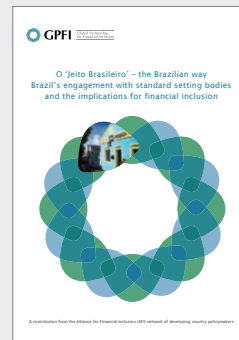
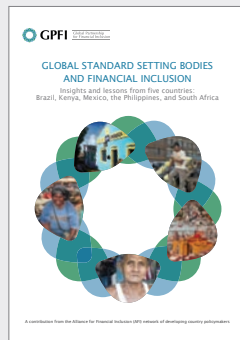
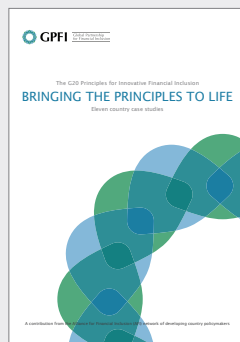
AFI member institutions Bank Indonesia, Russian Microfinance Center, and Central Bank of Nigeria, also participated in a panel discussion on how the G20 Principles for Innovative Financial Inclusion such as Leadership and Innovation are being implemented in practice.



GPFI delegates interact in Riviera Maya.

Over a dozen AFI members contributed their experiences in the form of case studies published in seven documents illustrating how the G20 Principles for Innovative Financial Inclusion can be implemented, and how policymakers have engaged with Standard Setting Bodies for the advancement of financial inclusion.

For more information visit www.gpfi.org



Moving forward

Making Concrete Goals for Financial Inclusion: Moving Forward with the Maya Declaration



“
Regulation is not a one-off event but a continuous cycle of innovation.”

H.R.H. Princess Máxima

“
The drive toward financial inclusion in the developing world has been resilient to the financial crisis—it moves forward not despite, but because of it.”

Agustin Carstens, Governor,
Central Bank of Mexico

“
What we need is a financial ecosystem that serves the base of the pyramid. It would include many points of access, a transaction backbone, and well-regulated providers of capital.”

Tilman Ehrbeck, CEO, CGAP

Critical self-assessment and focused discussions with a deeper technical understanding characterized member discussions at the 2011 Global Policy Forum. With the Maya Declaration, this year’s GPF mobilized institutions and their leadership to take serious steps toward making concrete goals for financial inclusion.

We expect action points covered in the Declaration to dominate the network and individual country agendas for the coming year.



AFI members look to each other for fresh ideas on financial inclusion.

In particular, the following areas will be the site of much action:

Banking beyond branches

Regulators and policymakers are still contending with the advanced challenges of enabling MFS in their jurisdictions, in particular, the challenge of reaching scale and client uptake with these new technology-driven distribution channels.

There are policy decisions to be made at both the strategic and implementation levels, with the recognition that these services are part of a large and diverse financial ecosystem that will collectively meet the needs of those at the bottom of the pyramid.

What to watch for in 2012

A renewed interest by members in building large agent networks and increasing the number of touch points to support mobile financial services, perhaps through the introduction of new players. A shift toward thinking intensely about client needs and experience to maintain a focus on financial inclusion benefits. Interoperability and interconnection as it is relevant to these pursuits will be addressed in many jurisdictions.

Organizing for financial inclusion

Financial inclusion initiatives are growing in number and many regulators and policymakers want to inject more ownership, direction, coordination, and high-level support for these activities to ensure objectives are pursued and met.

Moving forward

continued

What to watch for in 2012

Regulators and policymakers will take the necessary practical steps to focus and institutionalize their work in financial inclusion by creating financial inclusion units, task teams, and coordinating bodies. Many will even embark on creating a strategy for financial inclusion and/or action plans to provide common direction, with broad support for efforts in financial inclusion and even catalyze change.

A risk-based approach to AML/CFT

There is a shared realization that financial inclusion supports effective AML/CFT policies and that a risk-based approach is the key to safely enabling outreach. Mobile financial services and simplified account opening can greatly benefit from this approach.

What to watch for in 2012

To adopt a risk-based approach, countries will ground their work in robust risk assessments tailored to their domestic markets. Using their collective voice, they will collaborate with FATF and their peers to clarify the flexibility available in the updated recommendations.

Access with quality

Consumer empowerment and market conduct is a continued priority area for all AFI members. Regulators and policymakers continue to take an active role in ensuring balanced access to financial services within their existing mandates, both on the supply and demand side.

What to watch for in 2012

Regulators will focus on understanding quality pitfalls and client needs through data and other avenues. With regard to consumer protection and financial literacy, there will be an emphasis on designing the right interventions to ensure these needs are being met and client rights upheld.

Refined data

Collecting data to better understand and monitor progress toward financial inclusion has been a trend since AFI's inception, but there is a growing understanding that data need to be collected with a purpose, to answer the right policy questions.

What to watch for in 2012

Refining the data needed to diagnose and monitor the state of financial inclusion at the country level. This will include deeper thinking about the measurement of specific policy areas such as MFS and the quality or user dimension of financial services.

The Maya Declaration

AFI members reaffirmed their commitment to financial inclusion and acknowledged the importance of peer-to-peer knowledge exchange to help develop and implement innovative and relevant policy solutions. Following the Declaration, 17 AFI members made concrete commitments to pursue financial inclusion at home.

What to watch for in 2012

AFI working groups will be instrumental in meeting the commitments of the Maya Declaration by continuing to provide a platform to think collectively and critically to further member policy initiatives in financial inclusion. Look for progress updates from members who have already made commitments, and expect additional institutions to bring new commitments to the table.



The Philippines and Tanzania were among the 17 AFI members who announced their commitments.

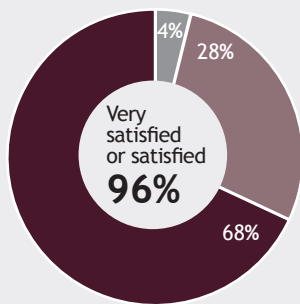
Get involved

Institutions that want to add their commitment to the Declaration should email AFI Executive Director Alfred Hannig at:
alfred.hannig@afi-global.org

Feedback and souvenirs

What did you like most about the Forum?

Overall satisfaction with the GPF 2011



Very satisfied	68%
Satisfied	28%
Neutral	4%

Participants' favourite sessions

Challenges on mobile financial services	47
The current state of FI	34
Tackling the data challenge	34
Organizing for financial inclusion (FI)	34
Striving to bring FI to scale	29
Interconnectivity and interoperability	28
Peer sharing model in action	26
Toward a more inclusive financial future	26
AFI progress report	25
Transparency and competence	23

What did you like most about the Forum?

“Interaction with peers and exchange of knowledge and experiences.”

“Hearing progress from other working groups and experiences from other member countries.”

“Was very interactive and inclusive to all members.”

“Hearing practical experiences and challenges from other member countries.”

“It really provides a good platform for policymakers to share, learn, and exchange ideas ready to contextualize in their local environment.”

Over the last three years, we've seen a growing and consistently high level of satisfaction with the GPF. In the GPF participant evaluation survey, 96% indicated that they were either “satisfied” or “very satisfied” with the GPF overall.

Participants were also asked to identify their three favorite sessions at the GPF. Challenges in M-Financial Services session received the most votes, followed by a three-way tie between the Current State of Financial Inclusion: A Critical Stocktaking, Tackling the Data Challenge, and Organizing for Financial Inclusion. The fourth most popular session was Interconnectivity and Interoperability. Participants wrote postcards to themselves noting their “ideas, lessons and plans”, which will be mailed back to them as a reminder of their commitments to financial inclusion. Responses ranged from appreciation of AFI and commitments to work more closely with AFI, to broad reflections on financial inclusion and concrete next steps.

Once again, the GPF made an extremely strong contribution to the global financial inclusion arena. The GPF continues to be one of AFI's most important tools. The GPF proved its ability to mobilize institutions and their leadership to take serious steps toward concrete goals for financial inclusion. AFI now has the opportunity to build on the trust and enthusiasm generated over the years to make the interactions among members even more meaningful and to truly deliver the services that our members need to achieve their goals in financial inclusion.

See you in South Africa in 2012!

Feedback and souvenirs Putting plans on a postcard

Of the 95 postcards returned by individuals



63 stated some kind of commitment or concrete next step



15 mentioned national strategies



15 mentioned mobile financial services



9 mentioned financial inclusion data



7 mentioned financial literacy

My ideas, lessons and plans after three days of sharing, learning and interacting at the GPF 2011 are:

This has been an exciting three day journey of knowledge and experience sharing among key policymakers committed to improving the lives of millions of people.

Your name and address:

Mexico

The AFI Global Policy Forum
Riviera Maya, Mexico
28-30 September 2011
Doing more - Setting goals - Moving forward

AFI post

My ideas, lessons and plans after three days of sharing, learning and interacting at the GPF 2011 are:

To write papers on MFS and financial inclusion, to keep working hard with MFSWG, to support our new MFS regulation.

Your name and address:

Guatemala

The AFI Global Policy Forum
Riviera Maya, Mexico
28-30 September 2011
Doing more - Setting goals - Moving forward

AFI post

My ideas, lessons and plans after three days of sharing, learning and interacting at the GPF 2011 are:

Review the experiences of Mexico, the Philippines, Kenya, Brazil in financial inclusion.

Your name and address:

BCEAO

The AFI Global Policy Forum
Riviera Maya, Mexico
28-30 September 2011
Doing more - Setting goals - Moving forward

AFI post

My ideas, lessons and plans after three days of sharing, learning and interacting at the GPF 2011 are:

To have our comprehensive National Financial Inclusion Strategy developed and launched and implemented in 2012.

Your name and address:

Uganda

The AFI Global Policy Forum
Riviera Maya, Mexico
28-30 September 2011
Doing more - Setting goals - Moving forward

AFI post

My ideas, lessons and plans after three days of sharing, learning and interacting at the GPF 2011 are:

To complete the demand survey by March 2012.

Your name and address:

Malaysia

The AFI Global Policy Forum
Riviera Maya, Mexico
28-30 September 2011
Doing more - Setting goals - Moving forward

AFI post

My ideas, lessons and plans after three days of sharing, learning and interacting at the GPF 2011 are:

After three days of sharing experiences, my country must be a member of different working groups. Establish a financial literacy strategy, financial inclusion strategy, and a task force of financial inclusion. Move from 20% access to financial services to 80% by 2017.

Your name and address:

Rwanda

The AFI Global Policy Forum
Riviera Maya, Mexico
28-30 September 2011
Doing more - Setting goals - Moving forward

AFI post

Moving forward

Commitments to the future: The last word....

“

AFI members are change agents in their countries. Let's relax and reflect on the growth of our network and understand where we've come from in order to understand where we're going and to forge a common path.”

Ute Klamert, Director General for Asia Pacific and Latin America and Caribbean, GIZ (German International Cooperation)



“

The world understands the power of finance, but how much has finance actually empowered the poor? How can we use the power of finance to lift people out of poverty?”

Kingsley Moghalu, Deputy Governor, Central Bank of Nigeria and AFI Steering Committee member



AFI Steering Committee vice chair Nestor Espenilla, along with GPF 2011 co-hosts and fellow steering committee members Daniel Schydrowsky and Guillermo Babatz pass the gong to Roelof Goosen from the National Treasury, South Africa, host of the 2012 GPF in South Africa.

The 2012 AFI GPF

● AFI Member institutions, by country





Alliance for Financial Inclusion

AFI, 399 Interchange Building, 24th floor, Sukhumvit Road, Klongtoey - Nua, Wattana, Bangkok 10110, Thailand
t +66 (0)2 401 9370 f +66 (0)2 402 1122 e info@afi-global.org www.afi-global.org

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