

Working Groups Annual Report 2014

Communities of Practice on Financial Inclusion Policy



Contents

Foreword	1
Introduction	2
AFI Working Groups	2
Working Group Members	4
AFI Member Zone	5
Consumer Empowerment and Market Conduct (CEMC) Working Group	6
Financial Inclusion Data Working Group (FIDWG)	12
Financial Inclusion Strategy Peer Learning Group (FISPLG)	19
Global Standards Proportionality Working Group (GSPWG)	30
Mobile Financial Services Working Group (MFSWG)	36
Pacific Islands Working Group (PIWG)	43
SME Finance Working Group (SMEFWG)	50

Foreword

It is with great pleasure that we present to you the first Annual Report of the Alliance for Financial Inclusion (AFI) Working Groups. This report showcases the achievements and the many activities carried out by the committed members of the working groups.

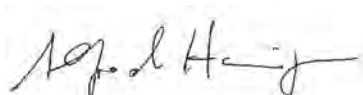
The working groups represent the thematic financial inclusion policy areas that AFI actively promotes: consumer empowerment and market conduct (CEMC WG), financial inclusion strategy (FISPLG), financial inclusion data (FIDWG), proportionate application of global standards (GSPWG), mobile financial services (MFSWG) and SME finance (SMEFWG). In addition to these thematic working groups, the Pacific Islands Working Group (PIWG) has pioneered a regional approach within the AFI Network.

The working groups have grown considerably in number and size since the first meeting was held in 2010. They have conducted surveys of their members to share knowledge; held peer reviews to facilitate practical feedback on members' policies, regulations and strategies; published guideline notes identifying best practices in their areas of expertise; and contributed to policy reforms across the network by supporting members in implementing their commitments to the Maya Declaration.

Working groups are the key source of policy developments and trends in financial inclusion and serve as 'communities of practice' on key financial inclusion issues. They are the primary mechanism for generating and incubating knowledge in the AFI Network and provide a platform for knowledge exchange and peer learning to allow policymakers to share, deliberate and deepen knowledge and understanding on key financial inclusion issues.

This report highlights the origins, objectives, past achievements and future pursuits of AFI's working groups and reveals the unique and powerful impact they are having on bringing smart policies to life.

I thank the working group members, chairs and the professional team of working group managers for their dedication.



Dr. Alfred Hannig
Executive Director
Alliance for Financial Inclusion (AFI)



Introduction

The Alliance for Financial Inclusion (AFI) was founded in 2008 to advance smart financial inclusion policies in developing and emerging countries.

With a mission to encourage the adoption of inclusive financial services and policies, the AFI Network contributes to the empowerment of the world's 2.5 billion adults who are unbanked.

Its ever-growing member base, now 119 member institutions from 95 countries, makes AFI the largest organization of financial policymakers from developing and emerging countries.

To advance its mission, the AFI Network has established seven working groups that serve as 'communities of practice' on key financial inclusion issues and help to facilitate discussions and knowledge sharing among AFI members.

The working groups are central to the strategic focus of AFI and the majority of its events. Working group members and chairs are the trailblazers of the AFI Network, providing a platform for policymakers to identify policy developments and trends, contribute to the annual Global Policy Forum (GPF) and participate in AFI's online Member Zone.

AFI Working Groups

The working groups are organized and led by chairs and co-chairs elected by members from the AFI Network and supported by working group managers.

Part of this effort involves bringing members together at semi-annual meetings to exchange knowledge, develop smart policy solutions and highlight accomplishments in financial inclusion. Working group managers meet on a regular basis to ensure effective and efficient working group management and coordination.

When regulatory institutions come together as equals, they can create policies that are right for their specific needs and circumstances.

WORKING GROUP MANAGERS



Eliki Boletawa
Working Group Manager
and Policy Adviser



Charles Marwa
Working Group Manager
and Senior M&E Specialist



Robin Newnham
Working Group Manager and
Financial Inclusion Policy Adviser



Hayder Al-Bagdadi
Working Group Manager
and Policy Manager



AFI Working Groups



CONSUMER EMPOWERMENT AND MARKET CONDUCT (CEMC) WORKING GROUP

The CEMC Working Group examines how consumer empowerment and protection can help secure access to financial services and improve the quality of these services. The CEMC WG serves as a learning platform for members to share experiences on consumer empowerment and market conduct initiatives. The working group has two primary aims: to develop a shared understanding of good practices and cost-effective policy tools, and to promote policy adoption at national and international levels.

→ For more information go to page 6



FINANCIAL INCLUSION DATA WORKING GROUP (FIDWG)

The FIDWG explores the area of financial inclusion data and shares expertise in data collection and measurement to build capacity across the AFI Network. FIDWG members are data practitioners and policymakers from countries where data initiatives are in various stages of development.

→ For more information go to page 12



FINANCIAL INCLUSION STRATEGY PEER LEARNING GROUP (FISPLG)

This AFI member platform promotes the development and implementation of national financial inclusion strategies. The group provides support to AFI members in fulfilling commitments to develop national financial inclusion strategies, whether to the Maya Declaration or the G20 Financial Inclusion Peer Learning Program.

→ For more information go to page 19



GLOBAL STANDARDS PROPORTIONALITY WORKING GROUP (GSPWG)

The GSPWG discusses the issues policymakers and regulators face in achieving a balance between financial integrity, stability and inclusion, and examines the proportionate implementation of global standards set by the global standard-setting bodies (SSBs). The GSPWG was formed in June 2014 as the successor to the successful Financial Integrity Working Group (FINTWG). The FINTWG had focused on financial integrity issues of proportionate regulation and risk-based approaches to meeting anti-money laundering and combating the financing of terrorism (AML/CFT) requirements. The group has helped members to ensure financial sector integrity and adhere to global financial sector regulations while still fostering a domestic environment that promotes greater financial inclusion.

→ For more information go to page 30



MOBILE FINANCIAL SERVICES WORKING GROUP (MFSWG)

The MFSWG promotes the broad use of mobile and other digital financial services as key solutions for greater financial inclusion in developing countries. It encourages discussion and knowledge exchange to identify the risks associated with MFS business models and determines appropriate solutions to formulating suitable regulatory and supervisory practices.

→ For more information go to page 36



PACIFIC ISLANDS WORKING GROUP (PIWG)

The PIWG addresses the unique constraints to expanding financial inclusion in the Pacific region, including small island states, which have some of the highest unbanked rates in the world. The PIWG is a venue for members from the Pacific region to discuss global innovations and strategies for financial inclusion and to tailor these tools to other island nations.

→ For more information go to page 43



SME FINANCE WORKING GROUP (SMEFWG)

The objective of the SMEFWG is to advance knowledge of how access to financial services impacts the development of small and medium enterprises (SMEs) in the developing world. The SMEFWG will focus on identifying policy frameworks and interventions that enable and improve the sustainability of SMEs, particularly financial sector policy.

→ For more information go to page 50

Working Group Members

The working group membership provides financial inclusion policymakers a platform to share, discuss and deliberate relevant and emerging financial inclusion policy topics.

While emphasizing and balancing financial safety and stability, members have initiated some of the most innovative policy approaches to extending the reach of financial systems within all AFI member countries.

AFI member institutions help to set the network's agenda, which focuses on policy solutions and creating effective modes of cooperation. Being a member institution offers affiliation with the full range of strategic partners in the AFI Network, such as technical experts, research institutions, donors and members of the private sector.

Members are eligible to apply for AFI grants aimed at developing and implementing innovative financial inclusion policies, and they can participate in peer-to-peer learning and knowledge exchange opportunities. Members also have access to the online Member Zone – a virtual platform used by financial policymakers to share, discuss and generate valuable resources and knowledge.

As members of AFI, policymakers have a platform for sharing their findings on successful financial inclusion policy solutions, including at semi-annual working group meetings. Working group members are invited to participate in the annual Global Policy Forum (GPF and AFI's regional and global financial inclusion policy events (AMPI and GPF)), as well as play a role in the AFI Steering Committee.

Members commit to certain roles and responsibilities, including adhering to the shared values and principles of the AFI Network, as well as a commitment to preventing dishonest practices. This commitment includes endorsing the Maya Declaration and incorporating it into the organizational norms and practices of their institutions. Members are also encouraged to participate in policy discussions and network activities, to circulate findings about policy solutions through publications such as policy briefs, national reports and research papers, and to provide access to financial data.

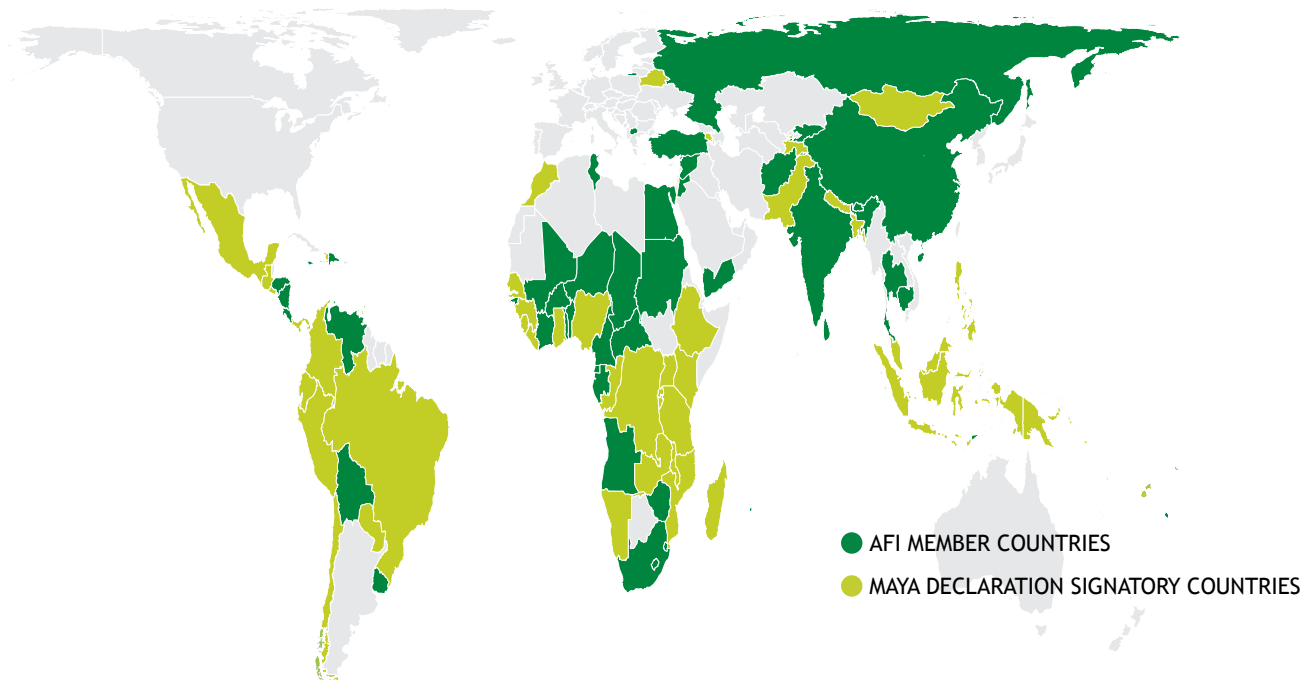
THE MAYA DECLARATION

The Maya Declaration is the first global and measurable set of commitments by developing and emerging country governments to unlock the economic and social potential of the world's 2.5 billion 'unbanked' people through greater financial inclusion. AFI members, representing over 75% of the world's unbanked population, support this Declaration.



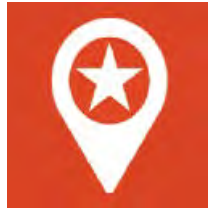
The Maya Declaration

Commitments you can bank on



AFI Member Zone

The AFI Member Zone is a vibrant interactive online platform that connects AFI members on financial inclusion across geographical barriers and promotes knowledge sharing.



MEMBER ZONE AMBASSADOR

Member Zone Ambassadors are selected individuals who, based on Yammer statistics, are the most active users of the AFI Member Zone and regularly make important contributions by sharing information and engaging others.

To recognize them, AFI provides a Member Zone Ambassador icon that is included in their profile picture. The role of Member Zone Ambassadors is to:

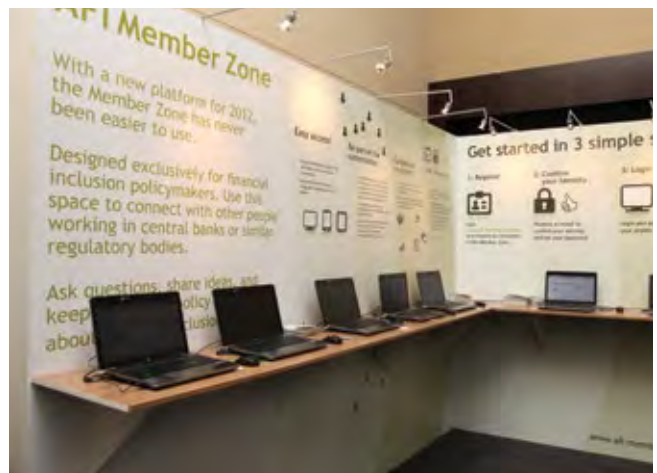
- > guide others in signing up and using the Member Zone to support online community building
- > participate in the 'Member Zone Ambassadors' private group to discuss how we can best use the Member Zone for exchanging knowledge and sharing information on financial inclusion between peers.

AFI'S 13 MEMBER ZONE AMBASSADORS

- > **Md. Ashraful Alam**
Deputy General Manager, Bangladesh Bank
- > **Sameer Chand**
Policy Analyst, Reserve Bank of Fiji
- > **Hernan Colman**
Superintendent of Banks, Central Bank of Paraguay
- > **Ricardo Estrada**
Financial Regulation Specialist, Currently Head of the Statistical Information Management Unit Department of Economic Analysis and Supervision Standards, Superintendencia de Bancos de Guatemala
- > **Aboubacar Keita**
Inspecteur institutions de microfinance, Banque Centrale de la République de Guinée
- > **Lanna Lome-Ileremia**
Manager, Financial System Development, Central Bank of Samoa
- > **Khumbo Mtalika**
Chief Examiner, AML/CFT, Reserve Bank of Malawi
- > **Tiana Ramparany**
Deputy Coordinator, Coordination Nationale de la Microfinance Madagascar
- > **Mohanad Salous**
Senior, Financial Inclusion and Complaints Handling, Palestine Monetary Authority
- > **George Ben Sije**
NPS Legal Counsel, Bank of Tanzania
- > **Iskra Andreeva Aleksoska**
Grant Manager, Alliance for Financial Inclusion (AFI)
- > **Eliki Boletawa**
Policy Manager, Alliance for Financial Inclusion (AFI)
- > **Merle Wangerin**
Senior Network Manager, Alliance for Financial Inclusion (AFI)



Member Zone, GPF 2013, Malaysia



Member Zone, GPF 2012, South Africa



Consumer Empowerment and Market Conduct (CEMC) Working Group

43 Member Countries



49 Member Institutions



2.8 billion

People are represented by regulators in the CEMC WG's 43 member countries



CEMC WG 7th meeting, Belarus, 2014



CEMC WG 5th meeting, Peru, 2013



CEMC WG 5th meeting, Peru, 2013



CEMC WG 3rd meeting, Thailand, 2012



CEMC WG 3rd meeting, Thailand, 2012

The Consumer Empowerment and Market Conduct (CEMC) Working Group was launched in April 2011 to examine how consumer empowerment and protection can help to secure access to financial services and improve the quality of these services.

The CEMC Working Group serves as a learning platform for its members to share experiences of consumer empowerment and market conduct initiatives. Through general meetings and subgroups, CEMC members help each other to improve the quality of access to financial services and to ensure that the benefits of financial inclusion are sustainable over the long term.

Billions of people use financial services, with 150 million new customers added every year. However, as more and more people enter the formal financial system, the security of individual financial assets and the soundness of the financial system as a whole can be put at risk. Challenges and constraints include a lack of understanding about financial options, products and services, information gaps and lack of consumer power, and inadequate redress mechanisms.

Since there are no global standards or formal requirements for consumer empowerment, CEMC WG members guide each other in developing effective policy initiatives by adopting and adapting the best practices of their peers to improve their regulations and guidelines on consumer protection and market conduct.

The goal of the CEMC Working Group is to reduce the imbalance and risk of financial services for new or less experienced customers in member countries, which tend to also be the poorest and least able to afford the risk. By participating in the CEMC WG, members hope to foster capable, aware and protected consumers who will contribute to the stability and efficiency of microfinance sectors and the financial system as a whole, while at the same time promoting competition and innovation in the financial sector.

Knowledge exchange about consumer empowerment and market conduct cuts across sectors (for example, by taking

stock of the experience of the insurance sector), but the focus remains on policy initiatives designed to increase access to banking services through different channels and improve the quality of those services.

As AFI and the CEMC WG have grown in standing, external partners have sought to participate in CEMC meetings and share their points of view with members. Most recently, at the seventh CEMC Working Group meeting in Belarus in March 2014, representatives from the World Bank and CGAP delivered presentations on the global regulatory environment and standards of fair treatment and suitability. This demonstrates the power of AFI's peer-to-peer learning approach to leverage global recognition and interest, as well as the growing importance of consumer empowerment issues for developing and emerging countries.

CONSUMER EMPOWERMENT INCLUDES:

- > Financial literacy, capability and awareness initiatives
- > Prevention of over-indebtedness
- > Avenues for redress and recourse

MARKET CONDUCT INCLUDES:

- > Standards of practice for providers (e.g. to enhance transparency and suitability)
- > Regulatory and supervisory techniques
- > Codes of conduct

OBJECTIVES

- > Promote transparency and disclosure.
- > Encourage effective sales and marketing practices.
- > Promote harmonized international initiatives.
- > Create avenues for help and redress.
- > Champion the benefits of financial literacy, capability and awareness.

LEADERSHIP TEAM

Chair: Ma Belinda Caraan

Bangko Sentral ng Pilipinas (2012-present)

Ms. Ma Belinda Caraan is the Director of the Integrated Supervision Department at the Bangko Sentral ng Pilipinas. Ms. Caraan was elected chair of the CEMC WG in 2012, AFI's longest serving working group chair. She has been an active AFI member and represented AFI at various international conferences. As chair, Ms. Caraan has led the working group in developing and publishing four guideline notes: "National Strategies for Financial Education," "Avenues for Help and Redress," "Transparency and Disclosure" and "Sales and Marketing Practices." Ms. Caraan is a Certified Public Accountant with a Master's Degree in Public Administration.

Co-chair: Armenuhi Mkrtchyan

Central Bank of Armenia (2012-present)

Ms. Armenuhi Mkrtchyan is the Head of Consumer Protection at the Central Bank of Armenia and leads its Consumer Protection and Financial Education Center, an authority responsible for supervising all types of financial institutions. She is responsible for the design of regulatory and supervisory policy for financial consumer protection in Armenia, supervision of the market conduct of financial institutions and financial literacy policies. Elected as co-chair in 2012, she has actively contributed to working group meetings, the development of knowledge products and represented AFI at international conferences. Before joining the Central Bank's Consumer Protection Division, Ms. Mkrtchyan spent 10 years designing and implementing reforms in various sectors of the financial system: banking, non-bank finance, insurance and securities.



Ma Belinda Caraan



Armenuhi Mkrtchyan



Saeed Ahmed

Co-chair: Saeed Ahmed

State Bank of Pakistan (2012-present)

Dr. Saeed Ahmed is the Director of the Agricultural Credit and Microfinance Department at the State Bank of Pakistan. An economist with substantial expertise in financial inclusion, business taxation, applied economic analysis and public finance, he was elected CEMC WG co-chair in 2012. Dr. Ahmed has led the CEMC Subgroup on Financial Education and Literacy, during which time he actively contributed to the development of the guideline note on national strategies for financial education.

ACHIEVING THE OBJECTIVES

The two primary aims of the CEMC Working Group are: 1) to develop a shared understanding of good practices and cost-effective policy tools, and 2) to promote policy adoption at national and international levels.

It has worked to achieve these objectives by:

- > Conducting a survey of its members to gain a better understanding of their experiences, current plans and challenges ahead;
- > Publishing a discussion paper on the unique perspectives of developing country regulators on international guidelines and standards for consumer protection;

CEMC WORKING GROUP MEETINGS

2011

April: Launch of the inaugural meeting of the CEMC Working Group, co-hosted by Bank Negara Malaysia in Kuala Lumpur, Malaysia

September: Second CEMC WG meeting held at the 2011 GPF in Riviera Maya, Mexico, co-hosted by the Comisión Nacional Bancaria y de Valores (CNBV)

2012

January: Third CEMC WG meeting co-hosted by the Bank of Thailand in Bangkok, Thailand

September: Fourth CEMC WG meeting held at the 2012 GPF in Cape Town, South Africa, co-hosted by the South African National Treasury

2013

March: Fifth CEMC WG meeting co-hosted by the Superintendencia de Banca, Seguros y AFP (SBS) del Perú in Lima, Peru

September: Sixth CEMC WG meeting held at the 2013 GPF in Kuala Lumpur, Malaysia, co-hosted by Bank Negara Malaysia

2014

March: Seventh CEMC WG meeting co-hosted by the National Bank of the Republic of Belarus (NBRB) in Minsk, Belarus

September: Eighth CEMC WG meeting held at the 2014 GPF in Port of Spain, Trinidad and Tobago, co-hosted by the Central Bank of Trinidad and Tobago

- > Designing a broad framework for consumer protection indicators and working with the FIDWG to develop indicators that measure the quality dimension of financial inclusion; and
- > Publishing four guideline notes on transparency and disclosure, sales and marketing practices, and avenues for help and redress, and financial literacy and national financial education strategies.

SUBGROUPS

The CEMC WG has five subgroups that focus on a specific topic based on the experience and needs of the working group members' institutions. The subgroups produce innovative knowledge products in the following areas:

Responsible Lending: This subgroup focuses on the unique approaches member institutions are taking to responsible lending and the practices and credit products developed in different regional contexts, among other topics. The subgroup, as part of its deliverables, has completed the first draft of a guideline note on good practices in responsible lending, which members are currently reviewing.

Transparency and Disclosure: After publishing a guideline note on transparency and disclosure in 2013, this subgroup is continuing to research and compile best practices, and plans to issue a key facts statement on disclosure rules on the costs of financial products and services.

Help and Redress: Building on its original guideline note, the Help and Redress Subgroup is focusing its current work on alternative dispute resolution mechanisms. A survey, case study and policy note are on the agenda for 2014.

Institutional Framework and Supervision: This subgroup deals primarily with supervision issues related to business conduct. The subgroup's deliverables are to finalize a concept paper and framework for setting up Consumer Protection Units.

Financial Literacy and Education: By monitoring and evaluating the success of financial literacy strategies in AFI member countries, this subgroup advises CEMC WG members on effective, evidence-based strategies for promoting consumer empowerment through education. A key focus is developing resources that help AFI members make the case for financial literacy. A preliminary document will be published in 2014.

KNOWLEDGE PRODUCT

Guideline Notes

- > **Help and Redress for Financial Consumers:** This guideline note provides practical assistance with consumer protection standards that correspond with AFI member countries' respective levels of economic development and reflect the G20 High Level Principles on Financial Consumer Protection. It outlines the minimum requirements and standards regulators should follow to develop effective help and redress mechanisms for financial consumers, including overseeing internal FSP dispute resolution mechanisms and ensuring adequate communication with consumers, particularly the poor or financially excluded.
- > **National Financial Education Strategies:** In response to AFI member concerns about the barriers posed by low levels of financial education and literacy in their countries, the CEMC WG developed this guideline note to assist policymakers in implementing suitable national financial education strategies. The note offers guidance on how to implement an effective strategy, from conception to research and drafting and collaborating with various stakeholders.
- > **Sales and Marketing Practices:** Recognizing that access to a wider variety of financial products is not sufficient to guarantee consumer protection, this guideline note was written to help AFI member countries improve the regulation of sales and marketing practices. The CEMC WG advises countries on ensuring the policies they enact



CEMC WG Chair Ma Belinda Caraan of Bangko Sentral ng Pilipinas and Ali Faroun of the Palestine Monetary Authority

8 Peer Reviews



5 Member Surveys



1 Discussion Paper



4 Guideline Notes



are effective and reflect their unique development and legal framework without hindering competition or growth.

- > **Transparency and Disclosure:** To promote informed decision-making by consumers, transparency and disclosure regulations must be continually reviewed and extended to new products and services. This guideline note advises AFI members on effective regulations for FSPs, including contract conditions, disclosure format, price comparison tools and relevant channels (e.g. agent banking and e-money).

Peer Reviews

- > **Central Bank of Kenya:** Consumer protection guidelines
- > **National Bank of the Republic of Belarus:** National financial education/literacy strategies
- > **West African Economic and Monetary Union (WAEMU):** National financial education/literacy strategies
- > **Banco de la República de Colombia:** National financial education/literacy strategies and help and redress mechanisms (alternative dispute resolution)
- > **Ministry of Finance Swaziland:** National financial education/literacy strategies
- > **Central Bank of Armenia:** Help and redress mechanisms (alternative dispute resolution)
- > **SBS Peru:** Help and redress mechanisms (alternative dispute resolution)
- > **Central Bank of Liberia:** New regulation on consumer protection

Member Surveys

- > Priority Areas Survey 2011
- > Stocktaking Survey 2013
- > Member Policy Change Survey 2014
- > Survey on Alternative Dispute Resolution 2014
- > Survey on Financial Education/Literacy Initiative 2014

Discussion Paper

“Unique Perspectives of Developing Country Regulators on International Guidelines and Standards for Consumer Protection”.

Indicators

- > **Quality indicators:** The CEMC WG is working with the FIDWG to develop indicators that measure the quality dimension of financial inclusion.

PARTNERSHIPS

The CEMC WG collaborates closely with a range of global partners to ensure members are fully informed on key consumer empowerment and market conduct issues. The CEMC WG has worked particularly closely with the World Bank’s Consultative Group to Assist the Poor (CGAP). CEMC WG members also serve on the G20’s GPFI Subgroup on Financial Consumer Protection and Financial Literacy.

POLICY CHANGES

Improved understanding of market conduct practices and implementation of national financial education strategies

Twenty-seven working group members have reported that the CEMC WG has had a direct impact on the formulation of policies and regulations in their jurisdictions. Members have incorporated best practices from Peru, Mexico and Malaysia to develop regulations on disclosure for financial institutions, and CEMC WG resources and discussions have helped members create national frameworks for coordinating financial education initiatives.

NEXT STEPS FOR THE CEMC WG

- > **The Transparency and Disclosure Subgroup** will conduct a survey of AFI members on effective interest rates (EIR) and draft key facts statement (KFS) templates for (i) credit (including payday loans, credit cards and mortgages) and (ii) deposit products.
- > **The Institutional Framework and Supervision Subgroup** will develop a framework paper on business conduct, a roadmap for offsite supervision guidelines and onsite supervision guidelines.
- > **The Responsible Lending Subgroup** will compile progress reports from each region to formulate guideline notes on good practices in responsible lending in AFI member countries.
- > **The Financial Literacy and Education Subgroup** will conduct a mapping exercise to determine which AFI member countries have implemented national strategies on financial literacy and education. It will then create a template to assist members in making the case for financial literacy and education when proposing initiatives at the national level.
- > **The Help and Redress Subgroup** will conduct a survey on alternative dispute resolution (ADR) mechanisms and develop a case study of an AFI member country that is applying best practices.

For further information
about the CEMC WG contact
cemc@afi-global.org



MEMBER INSTITUTIONS

- > Bangko Sentral ng Pilipinas (chair)
- > Central Bank of Armenia (co-chair)
- > State Bank of Pakistan (co-chair)
- > Banco Nacional de Angola
- > Bangladesh Bank
- > Microcredit Regulatory Authority, Bangladesh
- > National Bank of the Republic of Belarus
- > Banco Central do Brasil
- > Banque de la République du Burundi
- > Ministère des Finances et de la Planification du Développement Economique du Burundi
- > People's Bank of China
- > Banco de la República de Colombia
- > Banca de las Oportunidades, Colombia
- > Banque Centrale du Congo
- > Superintendencia General de Entidades Financieras de Costa Rica
- > Banco Central del Ecuador
- > Banco Central de Reserva de El Salvador
- > Superintendencia del Sistema Financiero de El Salvador
- > Superintendencia de Bancos de Guatemala
- > Banque Centrale de la République de Guinée
- > Central Bank of Kenya
- > National Bank of the Kyrgyz Republic
- > Central Bank of Liberia
- > Agency for Supervision of Fully Funded Pension Insurance, Macedonia
- > National Bank of the Republic of Macedonia
- > Reserve Bank of Malawi
- > Bank Negara Malaysia
- > Banco de Moçambique
- > Bank of Namibia
- > Central Bank of Nigeria
- > Palestine Monetary Authority
- > Banco Central del Paraguay
- > Ministerio de Desarrollo e Inclusión Social del Perú
- > Superintendencia de Banca, Seguros y AFP (SBS) del Peru
- > Ministry of Economic Development of the Russian Federation
- > National Bank of Rwanda
- > Central Bank of Samoa
- > Ministère de l'Economie et des Finances du Sénégal
- > Ministry of Finance of Swaziland
- > National Bank of Tajikistan
- > Bank of Tanzania
- > Bank of Thailand
- > Banco Central de Timor-Leste
- > Ministère de l'Economie et des Finances du Togo
- > Central Bank of Trinidad and Tobago
- > Undersecretariat of Treasury of the Republic of Turkey
- > Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO)
- > Bank of Uganda
- > Bank of Zambia



Consumer Empowerment and Market Conduct (CEMC) Working Group, 5th meeting, Peru, 2013



Financial Inclusion Data Working Group (FIDWG)

34 Member Countries



39 Member Institutions



3 billion
People are represented by regulators
in the FIDWG's 34 member countries



FIDWG 9th meeting, Morocco, 2014



FIDWG 9th meeting, Morocco, 2014



FIDWG 9th meeting, Morocco, 2014

The Financial Inclusion Data Working Group (FIDWG) was created to explore the area of financial inclusion data, to share expertise in data collection and measurement and to build capacity across the AFI Network. FIDWG members are data practitioners and policymakers from countries where data initiatives are in various stages of development.

Since its launch in 2009, the FIDWG has been leveraging growing interest in this area to capture the latest progress and lessons from data experts and practitioners around the world and to create new knowledge resources for policymakers in the AFI Network and beyond.

In 2009, policymakers were calling for more evidence-based policymaking while highlighting the critical role of data in that process. At that time, some AFI member countries had regulations and procedures for capturing data and were using basic indicators to measure financial inclusion, while others did not have the capacity to gather such information.

However, there was consensus that a common measurement framework was needed to thoroughly diagnose the current state of financial inclusion and identify the barriers. A framework based on standardized indicators would also enhance the ability of policymakers to set targets, craft policies and monitor and evaluate the impacts of these policies.

FIDWG's framework aims to provide global standards for measuring financial inclusion. It includes: i) a core set of indicators for access and usage, ii) a guideline note on measuring quality using a comprehensive set of second tier indicators, and iii) a robust catalog of indicators tried and tested by FIDWG members.

FIDWG meetings are held to discuss key outputs, including policy notes on best practices in measurement, online resources and peer reviews of reports and methodologies. FIDWG members strive to build links with organizations active in this area outside the AFI Network to benefit from their expertise and, where possible, influence their approach.

From design to implementation to monitoring and evaluation, data is woven into the policymaking process.

FIDWG LEADERSHIP



Diane Bizimana



Juan Carlos Chong

Chair: Diane Bizimana

Banque de la République du Burundi (2013-present)

Ms. Diane Bizimana is Deputy Head of the department in charge of microfinance and financial inclusion at the Banque de la République du Burundi. Ms. Bizimana joined the FIDWG in 2009 and was elected chair in September 2013. She has been an active member of the working group and the AFI Network, taking part in the subgroups and activities of the FISPLG, AMPI and the Maya Declaration.

Co-chair: Juan Carlos Chong

SBS Peru (2014-present)

Mr. Juan Carlos Chong is Head of the Department of Education and Financial Inclusion at the Superintendencia de Banca, Seguros y AFP (SBS) del Perú. Mr. Chong joined the FIDWG in 2013 and was elected co-chair in April 2014. He has been an active member of the working group, participating in the subgroups and developing case studies that showcase the use of data in financial inclusion policymaking.

OBJECTIVES

- > Consolidate and harmonize data-gathering activities.
- > Develop a common understanding of measurement frameworks and methodologies.
- > Determine the key topline indicators to track at country and global levels.
- > Support the development of new indicators.
- > Support the national data collection and target-setting activities of member countries.

SUBGROUPS

The overall goal of the FIDWG subgroups is to improve the quality of financial inclusion data measurement. With rigorous objectives and reliable data, policymakers can accurately diagnose the state of financial inclusion, set judicious targets, identify barriers, craft effective policies and monitor and assess the impacts of these policies. These efforts will enable meaningful comparisons within and between countries, which will in turn help AFI member countries to develop their own evidence-based financial inclusion policies and objectives.

Subgroups are typically launched during working group meetings to highlight members' specific areas of interest. A subgroup remains an open and functioning entity until its objectives are met, at which point it is dissolved and new subgroups are formed to ensure the working group continues to evolve.

CURRENT SUBGROUPS

The FIDWG currently has four vibrant subgroups that focus on:

- > Indicators to measure the quality dimension of financial inclusion
- > The development of an AFI Financial Inclusion Index
- > Indicators to measure SME finance
- > The development of an online data platform

KEY OUTCOMES

- > The AFI Core Set of Financial Inclusion Indicators
- > Extending the Core Set of Financial Inclusion Indicators
- > Catalog of Indicators
- > Developing the AFI Basic Financial Inclusion Index
- > Case Studies on the use of data for financial inclusion policy-making

- > Peer Reviews
- > Strategic partnerships outside the AFI network

INDICATORS

AFI Core Set of Financial Inclusion Indicators

A Country-specific Financial Inclusion Measurement Tool

In 2011, the FIDWG designed the AFI Core Set of Financial Inclusion Indicators – the first step in creating a common measurement framework. The 'Core Set' is a limited set of quantitative indicators that capture the status of financial inclusion within a country. The main objective is to measure the most basic aspects of financial inclusion using a standardized method that is still relevant to individual countries. This is a groundbreaking method for achieving greater consistency and comparability of financial inclusion across countries.

The Core Set also allows for flexibility since countries are able to determine which variables to measure. Although this makes comparability between countries imperfect, it helps to instill a sense of ownership among the countries that use the framework.

Importance and Impact

The G20 Global Partnership for Financial Inclusion (GPII) has used and integrated the Core Set in its own Basic Set of Indicators – evidence of its value as an essential basic tool.

AFI members are also using the Core Set to categorize and report data, which has enabled AFI to develop and refine policy indicators and strengthen evidence-based policymaking in a practical way.

In addition, AFI uses the Core Set to measure the progress member countries are making toward meeting their Maya Declaration Commitments.

FIDWG WORKING GROUP MEETINGS

2010

June: FIDWG workshop and launch co-hosted by Bank Negara Malaysia in Kuala Lumpur, Malaysia

September: Second FIDWG meeting held at the 2010 GPF in Bali, Indonesia, co-hosted by Bank Indonesia

2011

March: Third FIDWG meeting co-hosted by Superintendencia de Banca, Seguros y AFP (SBS) del Perú in Lima, Peru

September: Fourth FIDWG meeting held at the 2011 GPF in Riviera Maya, Mexico, co-hosted by the Comisión Nacional Bancaria y de Valores (CNBV)

2012

March: Fifth FIDWG meeting co-hosted by the Bank of Zambia in Livingstone, Zambia

September: Sixth FIDWG meeting held at the 2012 GPF in Cape Town, South Africa, co-hosted by the South African National Treasury

2013

March: Seventh FIDWG meeting co-hosted by Bangko Sentral ng Pilipinas in Manila, Philippines

September: Eighth FIDWG meeting held at the 2013 GPF in Kuala Lumpur, Malaysia, co-hosted by Bank Negara Malaysia

2014

April: Ninth FIDWG meeting co-hosted by Bank Al-Maghrib in Casablanca, Morocco

September: Tenth FIDWG meeting held at the 2014 GPF in Port of Spain, Trinidad and Tobago, co-hosted by the Central Bank of Trinidad and Tobago

THE CORE SET

Dimension	Definition of Dimension	Core Indicator	Proxy Indicator	Definitional comments
Access	Ability to use formal financial services, i.e. minimal barriers to opening an account > Physical proximity > Affordability	1	Number of access points per 10,000 adults at a national level and segmented by type and relevant administrative units	Regulated access points where cash-in (including deposits) and cash-out transactions can be performed.
		2.1	% of administrative units with at least one transaction point	Demand-side indicators of distance may help here if nationally consistent.
		2.2	% of total population living in administrative units with at least one access point	
Usage	Actual usage of financial services/ products > Regularity > Frequency > Length of time used	3.1	% of adults with at least one type of regulated deposit account	3.a Number of deposit accounts per 10,000 adults
		3.2	% of adults with at least one type of regulated credit account	3.b Number of loan accounts per 10,000 adults
				An adult is 15 years and older, or an age defined by the country. Attempt to measure active accounts.

Extending the Core Set: Second Tier Indicators

The Second Tier of the Core Set was developed to measure a wider set of indicators relevant to a particular country’s context and stage of development. This set of indicators enable policymakers to explore data in more detail and apply other lenses of measurement to their national data initiatives.

Indicators for Measuring Access and Usage of Mobile Financial Services

Together with the Mobile Financial Services Working Group (MFSWG), the FIDWG has created indicators to measure MFS access and usage, detailed in the MFSWG’s guideline note, “Mobile Financial Services Indicators for Measuring Access and Usage.”

Indicators of the Quality Dimension of Financial Inclusion

The FIDWG is currently working with the Consumer Empowerment and Market Conduct (CEMC) Working Group to develop an additional guideline note on quality indicators, which will provide standards for measuring the quality of regulated financial services and the market environment from the client’s perspective. National regulators will ultimately be able to select the indicators they consider best suited to their country’s context.

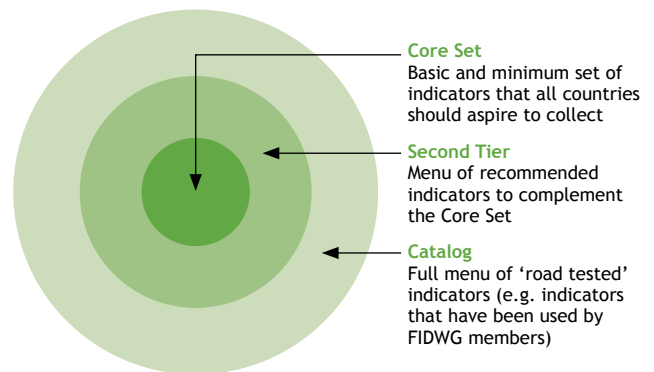
SME Finance Indicators

The FIDWG has established a joint subgroup with the SME Finance Working Group, that is currently working on developing indicators for measuring SME finance data. These indicators will enable AFI member countries to measure their SME finance capabilities and, like the

FIDWG’s other indicators, enable them to compare their data to their peers. It is hoped that using these indicators will not only help to measure the current potential of member countries, but inspire more knowledge exchange and enthusiasm to help AFI’s SME Finance Working Group to realize its ambitions.

The Catalog of Indicators

The Catalog of Indicators is a full archive of indicators collected within the AFI network and made available to its members. The catalog includes data from each country’s core set, the data collected from the second tier of MFS, CEMC and SME indicators, and additional indicator sets that incorporate regional and other perspectives. For example, the Pacific Islands Working Group has a wide-ranging set of indicators specifically relevant to policymakers in this region.



AFI Financial Inclusion Index

The FIDWG is developing a methodology to calculate a basic financial inclusion index based on the Core Set. The AFI Financial Inclusion Index consolidates key indicators into a single, comprehensive number to quantify and reflect the state of financial inclusion in a country at a given point in time. Members will be able to retrieve the index via an automated calculation on the online platform and will also be able to use it to “cross-track” the progress their country is making toward its Maya Declaration.

KNOWLEDGE PRODUCTS

Guideline Notes

Financial Inclusion Data Tracking and Measurement

In August 2013, the FIDWG published “Financial Inclusion Data Tracking and Measurement: Demand-Side Surveys to Inform Policymaking.” This guideline note outlines the major stages of conducting a successful demand-side survey and features the experiences of AFI member institutions in Belarus, Kenya, Malaysia, Mexico, Tanzania, Thailand and Zambia.

The guideline note offers strategies for addressing the following issues:

- > Setting clear objectives
- > Determining the scope and budget of the survey
- > Assigning a government unit to oversee the survey
- > Consulting with stakeholders
- > Appointing an organization to conduct the survey
- > Designing and implementing the survey
- > Creating a timeline for the survey project

Two member country experiences:

> Assessing the State Of Financial Inclusion

The National Bank of Belarus (NBRB) conducted a demand-side survey in 2012 to map the state of financial inclusion in the country using indicators such as region and gender. The NBRB carried out an expanded 8,000 interview sample survey and created a detailed map of access and usage of financial services in the country. This map enables regulators to determine how best to promote the expansion of services in low access areas, while banks and mobile operators can use this data to reveal potential untapped markets.

> Monitoring the Growth Of Financial Inclusion and Modifying or Creating New Policies

Based on the results of its 2011 demand-side survey, Bank Negara Malaysia (BNM) adopted three major policy reforms based on the findings of the survey. The first addressed the need for more affordable agent banking services, setting fees that were comparable to ATMs and Internet banking. The second reform aimed to increase mobile and Internet banking usage (which the survey found was very low) by launching a new mobile banking platform. Finally, the BNM introduced changes to its microinsurance strategy in response to the finding that those with low incomes were willing to pay for medical insurance, but not necessarily for alternative insurance schemes, such as property insurance.

Better Measurement for Better Policies

This one-page guideline note provides a brief overview of the early stages of the FIDWG.

PEER REVIEWS

Reviewed	Reviewer	Subject of Peer Review	Type of Peer Review
Bank of Zambia	Banco Central do Brasil	Zambia's topline findings of the FinScope Zambia 2009 survey	In-person at the third WG meeting in Peru, March 2011
CNBV Mexico	Bank of Thailand	Mexico's second financial inclusion report	In-person at the third WG meeting in Peru, March 2011
Banco Central do Brasil	SBS Peru	Brazil's financial inclusion report	In-person at the fourth WG meeting at the 2011 GPF in Mexico, September 2011
Bank of Uganda	Bank Negara Malaysia	Demand-side survey methodology and findings	In-person, Zambia, March 2012
Bank of Uganda	CNBV Mexico	Demand-side survey methodology and findings	In-person, Zambia, March 2012
Banque de la République du Burundi	Ministry of Finance Senegal	Demand-side financial inclusion survey	In-person at the seventh WG meeting in the Philippines, March 2013
Bank of Uganda	Bank of Thailand and National Bank of the Republic of Belarus	Uganda 2013 FinScope report	In-person at the ninth WG meeting in Morocco, April 2014
Bangko Sentral ng Pilipinas	Bank of Tanzania and CNBV Mexico	National demand-side survey questionnaire	In-person at the ninth WG meeting in Morocco, April 2014

Measuring Financial Inclusion: The AFI Core Set of Financial Inclusion Indicators

This guideline note from 2011 is a short introduction to the AFI Core Set of Financial Inclusion Indicators. It outlines the background, purpose and scope of the Core Set and reviews how the indicators are used to measure access and usage.

Indicators of the Quality Dimension of Financial Inclusion

This guideline note, currently in development, will define the quality indicators that measure barriers to financial access, market conduct and consumer protection and empowerment.

Calculating the AFI Financial Inclusion Index

This guideline note, currently in development, will provide a standardized methodology for calculating the AFI Financial Inclusion Index: key indicators that are consolidated into a single number to quantify and give a snapshot of the state of financial inclusion in a country at a given point in time.

Policy Paper

“Financial Inclusion Measurement for Regulators: Survey Design and Implementation”

This policy paper provides readers with a framework for collecting financial inclusion data using different types of surveys. Determining the most appropriate type of survey to use or whether to simply leverage data sets that are already available, modify existing surveys to include different and novel questions about financial inclusion, or even craft a new survey, will depend on the financial skills and resources available and the stakeholders’ desire for data. This report discusses each of these strategies, as well as the respective advantages and disadvantages.

Case Studies

Together with the Data and Measurement Subgroup of the Global Partnership for Financial Inclusion (GPFI), the FIDWG has developed case studies that illustrate how different countries have used financial inclusion data to make or improve policy.

Country case studies have been published for Bangladesh, Burundi, Mexico, Peru, the Philippines and South Africa, and more are planned. The case studies provide real-life examples of how AFI member countries have made progress with financial inclusion through informed action. Although these experiences are based on unique cultural and economic contexts, common themes run through the case studies that highlight the usefulness of data and best practices in using data to inform policymaking.

Key themes from the case studies:

- > Data enables target setting
- > Contesting status quo assumptions
- > The mutually reinforcing relationship between data collection and policy formulation
- > Collaboration in data gathering

- > Partnerships in policy formulation and financial product design

PARTNERSHIPS

The FIDWG has forged close partnerships outside AFI to promote and share information about financial inclusion measurement. Notable partners include the G20’s Global Partnership for Financial Inclusion (GPFI), with which the FIDWG collaborated to develop the Core Set, quality indicators, SME indicators and country case studies. Other partners have included MIX Market, which worked with the FIDWG to develop tools for analysing financial inclusion data, and the World Bank, which shares knowledge and skills related to financial inclusion data and measurement. The FIDWG also collaborates with the Financial Services for the Poor (FSP) program at the Bill & Melinda Gates Foundation to develop GIS tools for measuring financial inclusion.

POLICY CHANGES

Improving the Measurement of Financial Inclusion

Twenty-three AFI member countries have made changes to their data measurement policies by incorporating the Core Set of Indicators formulated by the FIDWG. The Core Set measures the most basic and important aspects of financial inclusion, helping policymakers to develop appropriate regulations and monitor the progress of financial inclusion over time.

PLANNED ACTIVITIES

- > In collaboration with the SMEFWG, develop a set of indicators to measure SME finance.
- > Develop a set of indicators to measure the quality dimension of financial inclusion.
- > Complete the online financial inclusion database.
- > Develop a methodology for an AFI Financial Inclusion Index.

NEXT STEPS FOR THE FIDWG

The FIDWG’s next steps will be to determine how data can best be used to craft financial inclusion policy. These efforts will focus on linking financial inclusion, financial integrity and consumer protection and analysing how this data can support central bank objectives. It will develop a set of indicators that will measure the quality dimension of financial inclusion and, in collaboration with the SMEFWG, develop a set of indicators that measure SME finance. The working group will also continue to create incentives for members to input data to the Core Set Database and use this data to develop the AFI Financial Inclusion Index.

The FIDWG will continue to promote capacity building opportunities for member institutions through the AFI Member Zone and will set up an adjacent online data platform and repository to provide additional materials and technical guidance (e.g. for GIS).

MEMBER INSTITUTIONS

- > Banque de la République du Burundi (chair)
- > Superintendencia de Banca, Seguros y AFP (SBS) del Perú (co-chair)
- > Bangladesh Bank
- > Microcredit Regulatory Authority, Bangladesh
- > National Bank of the Republic of Belarus
- > Banco Central do Brasil
- > Ministère des Finances et de la Planification du Développement Economique du Burundi
- > Banca de las Oportunidades, Colombia
- > Banco de la República de Colombia
- > Superintendencia General de Entidades Financieras de Costa Rica
- > Banco Central del Ecuador
- > Banco Central de Reserva de El Salvador
- > Superintendencia del Sistema Financiero de El Salvador
- > Reserve Bank of Fiji
- > Bank of Ghana
- > Reserve Bank of India
- > Bank Indonesia
- > Central Bank of Kenya
- > National Bank of the Republic of Macedonia
- > Direction Générale du Trésor, Ministère des Finances et du Budget, Madagascar
- > Reserve Bank of Malawi
- > Bank Negara Malaysia
- > Comisión Nacional Bancaria y de Valores (CNBV), Mexico
- > Banco de Moçambique
- > Bank Al-Maghrib, Morocco
- > Bank of Namibia
- > Central Bank of Nigeria
- > Ministerio de Desarrollo e Inclusión Social del Peru
- > Bangko Sentral ng Pilipinas
- > National Bank of Rwanda
- > Central Bank of Samoa
- > Ministère de l'Economie et des Finances du Sénégal
- > National Treasury of the Republic of South Africa
- > Bank of Tanzania
- > Bank of Thailand
- > Undersecretariat of Treasury of the Republic of Turkey
- > Bank of Uganda
- > Central Bank of Yemen
- > Bank of Zambia

For further information
about the FIDWG contact
fidwg@afi-global.org



Financial Inclusion Data Working Group (FIDWG), 2014



Financial Inclusion Strategy Peer Learning Group (FISPLG)

31 Member Countries



39 Member Institutions



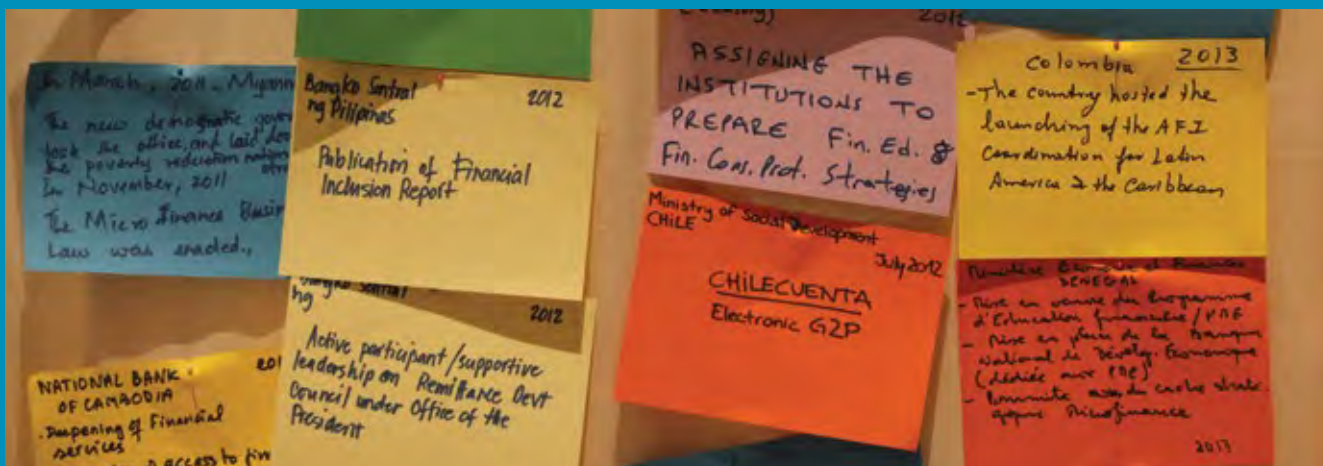
>2 billion
People are represented by regulators
in the FISPLG's 31 member countries



FISPLG 4th meeting, Fiji, 2014



FISPLG 2nd meeting, Thailand, 2013



FISPLG 2nd meeting, Thailand, 2013

The mission of the Financial Inclusion Strategy Peer Learning Group (FISPLG) is to create a platform for members of the AFI Network to develop and implement national financial inclusion strategies.

The group is dedicated to supporting AFI members in developing national financial inclusion strategies, through fulfilling commitments to the Maya Declaration and the G20 Financial Inclusion Peer Learning Program.

At the 2012 Global Policy Forum (GPF) in Cape Town, a survey of participants revealed that 97 percent considered a national financial inclusion strategy vital to accelerating financial inclusion, but only 21 percent of AFI members actually had a strategy in place. This sent a clear message that members were facing barriers to strategy development.

Two years on, more and more AFI members are interested in national financial inclusion strategies as frameworks for guiding policy and regulatory reforms, and for bringing public and private sector stakeholders together under a common vision and shared goals. In 2013, the Financial Inclusion Strategy Peer Learning Group (FISPLG) was established to provide support to AFI members in developing and implementing national strategies to advance financial inclusion.

The aim of the FISPLG is to reach a shared understanding of the current state of financial inclusion strategy development and national coordinating mechanisms, and to identify key issues for a peer learning agenda. The FISPLG agenda focuses on private sector engagement, national coordination mechanisms, sequencing the implementation of national financial inclusion strategies (NFIS) and identifying the main challenges and barriers to financial inclusion.

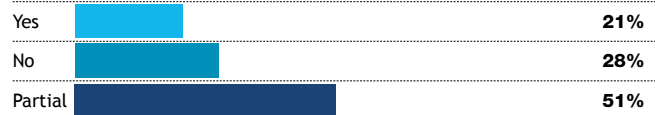
The FISPLG provides a platform for accumulating, monitoring and sharing information on innovative and diverse approaches to financial inclusion strategies. The peer learning this supports is grounded in empirical evidence on various aspects of the strategy development process, including both the successes and negative experiences of policymakers in national coordination.

To stay up-to-date on financial inclusion strategy developments, such as issues in strategy implementation and the establishment of national coordination mechanisms, the FISPLG conducts member surveys, discusses and documents individual members' experiences,

and makes this information available on AFI's online sharing platform. As a service to its members, the FISPLG also prepares briefing notes and position papers on key financial inclusion strategy issues and documents good practices and lessons learned. Members of the working group also provide peer reviews of members' draft financial inclusion strategies and action plans.

The FISPLG works in close collaboration with other AFI working groups to enrich knowledge and promote evidence-based best practices.

Does your country have a national strategy for financial inclusion?



Do you think national financial inclusion strategy is an essential measure to accelerate the spread of financial inclusion?



Source: Hand-held electronic voting at GPF 2012 in Cape Town, South Africa

OBJECTIVES

- > Facilitate peer learning on the various approaches to strategy development and implementation across the AFI Network.
- > Provide a platform for peer reviews of draft strategies and action plans.
- > Develop joint guidance on aspects of national strategy formulation and implementation.
- > Support the capacity of members to develop and implement financial inclusion strategies, including through connections to expert stakeholders.



Noor Ahmed

Cheikh Amadou Bamba
Fall

Eden Dema

FISPLG LEADERSHIP TEAM

Co-chair: Noor Ahmed

State Bank of Pakistan (2012-present)

Mr. Noor Ahmed is the Joint Director/Head of the Financial Inclusion Programs Division in the Agriculture Credit and Microfinance Department at the State Bank of Pakistan. He is a financial sector economist with 19 years of multidisciplinary professional experience in Pakistan's leading public sector institution and has played a key role in overseeing the development of Pakistan's national financial inclusion strategy. Mr. Noor Ahmed was elected co-chair of the FISPLG in 2012 and has contributed significantly to establishing the working group and defining its peer learning agenda.

Co-chair: Cheikh Amadou Bamba Fall

Ministère de l'Économie et des Finances du Sénégal (2012-present)

Cheikh Amadou Bamba Fall is a senior official at the Ministry of Economy and Finance and a specialist in development issues, private sector support and financial sector regulation. Since 2010, he has been an adviser and assistant to the Head of the Microfinance Supervision Body and has made a significant contribution to the development of the FISPLG.

Co-chair: Deputy Governor Eden Dema

Royal Monetary Authority of Bhutan (2014-present)

Deputy Governor Eden Dema is one of the Deputy Governors of the Royal Monetary Authority of Bhutan (RMA). She has initiated various reforms of the financial sector in Bhutan, namely the establishment of the Credit Information Bureau, Central Registry, and the Financial Institutions Training Institute, among others. She was also Chair of the National Financial Inclusion Policy Working Group for Bhutan. She joined the FISPLG in 2014 and was elected co-chair at the fourth meeting in March 2014.

WHAT IS A FINANCIAL INCLUSION STRATEGY?

A Financial Inclusion Strategy is a comprehensive public document developed through a broad consultative process involving private and public sector stakeholders involved in financial sector development to systematically accelerate the level of financial inclusion.

The 2013 launch of Tanzania's National Financial Inclusion Framework was attended by Her Majesty Queen Máxima of the Netherlands, in her role as United Nations Secretary-General's Special Advocate for Inclusive Finance for Development, as well as Bank of Tanzania Governor Benno Ndulu, His Excellency Dr. Mohamed Gharib Bilal, the Vice-President of the United Republic of Tanzania and Alfred Hannig, AFI's Executive Director.



FISPLG 2nd meeting, Thailand, 2013

FISPLG WORKING GROUP MEETINGS

2012

October: First FISPLG meeting co-hosted by the Central Bank of Nigeria in Abuja, Nigeria

2013

March: Second FISPLG meeting held in Bangkok (hosted by AFI)

September: Third FISPLG meeting held at the 2013 GPF in Kuala Lumpur, Malaysia, co-hosted by Bank Negara Malaysia

2014

March: Fourth FISPLG meeting co-hosted by the Reserve Bank of Fiji in Nadi, Fiji

September: Fifth FISPLG meeting held at the 2014 GPF in Port of Spain, Trinidad and Tobago, co-hosted by the Central Bank of Trinidad and Tobago

MEETING OUTCOMES

First meeting - Abuja, Nigeria, October 2012

- > Elected two interim co-chairs
- > Agreed on key priorities: mapping the status of strategy developments and national coordination mechanisms

Second meeting - Bangkok, Thailand, March 2013

- > Co-chairs of FISPLG confirmed
- > A survey was conducted to collect basic data on the financial inclusion strategy landscape
- > Decision to produce a Guideline Note on National Financial Inclusion Strategy (NFIS) development and implementation

Third meeting - Kuala Lumpur, Malaysia, September 2013

- > Adopted the FISPLG Charter and work plan
- > Discussion of priorities, sequencing and key indicators for financial inclusion strategies
- > Discussion of the global landscape of strategy development and implementation
- > Presentations on country experiences by Colombia, Fiji, Nigeria, Turkey and the UK
- > Discussed methodology for tracking progress across the AFI Network

Fourth meeting - Nadi, Fiji, March 2014

Showcased FISPLG's progress developing and implementing National Financial Inclusion Strategies and progress against countries commitments to the Maya Declaration and the G20 Peer Learning Program.

Highlighted member experiences on key topics:

- > Conducting a national diagnostic exercise
- > Setting national targets
- > Engaging with the private sector
- > Composition and governance of national councils and task forces on financial inclusion
- > Reviewed progress of the 2014 FISPLG work plan agreed at the group's third meeting
- > Four FISPLG subgroups were created:
 - (1) Financial Inclusion Strategy Toolkits
 - (2) National Leadership and Coordination
 - (3) Public-Private Engagement
 - (4) Experience and Perspectives of Francophone Countries

“The FISPLG meeting “brings synergies to strategy and learning on financial inclusion... and is a golden opportunity to learn, establish and exchange ideas on financial inclusion.”

Governor Barry Whiteside
Reserve Bank of Fiji, March 2014



FISPLG 4th meeting, Fiji, 2014

CURRENT ACTIVITIES

Supporting the G20

The FISPLG plays an important role in fulfilling AFI's support to the G20. The premier forum for international economic cooperation and decision-making, the G20 first expressed its support for the development of financial inclusion strategies through its commitment to the nine Principles for Innovative Financial Inclusion in 2010.

To reinforce G20 support for the development of financial inclusion strategies, the Mexican G20 Presidency established a Financial Inclusion Peer Learning Program in 2012. The G20 then began encouraging member countries to develop national strategies for financial inclusion and the FISPLG formed a strong connection with the G20, becoming an implementing partner of its Financial Inclusion Peer Learning Program. In recognition of this role, the FISPLG provides support not only to AFI member institutions, but to all organizations that have made commitments under the G20 Peer Learning Program.

Global trends

The FISPLG is a unique working group designed to serve as a global knowledge hub for financial inclusion strategies. The number and diversity of institutions participating in the group, with representation from Ministries of Finance, central banks, and financial supervisors from all geographical regions of the AFI Network, enable the group to keep stock of global trends in financial inclusion strategy and to evaluate the lessons learned by countries already in the implementation phase. The FISPLG has a conducted a survey of every member to take stock of current practices and the status of each country's financial inclusion strategy. The results will be included in the FISPLG's "Financial Inclusion Strategies: Current State of

Practice" report, and updated with information collected from members on an annual basis.

KNOWLEDGE PRODUCTS

As part of its effort to support AFI member countries in fulfilling their Maya Declaration Commitments, the FISPLG produces knowledge products that feature best practices in developing and implementing national financial inclusion strategies, such as how to collect country data, set targets, establish a national council on financial inclusion or include the private sector in financial inclusion initiatives.

Special Report

"Financial Inclusion Strategy: Current State of Practice"

This report will provide a snapshot of the current state of financial inclusion strategies in AFI member countries. This snapshot will focus on four key phases of financial inclusion strategies:

- 1 Data collection and diagnostics
- 2 Strategy formulation
- 3 Strategy implementation
- 4 Monitoring and evaluation

STAGES OF A FINANCIAL INCLUSION STRATEGY

1 Data Collection and Diagnostics

Activities:

- > Collection of supply-side data
- > Collection of demand-side data
- > Data analysis

2 Strategy Formulation

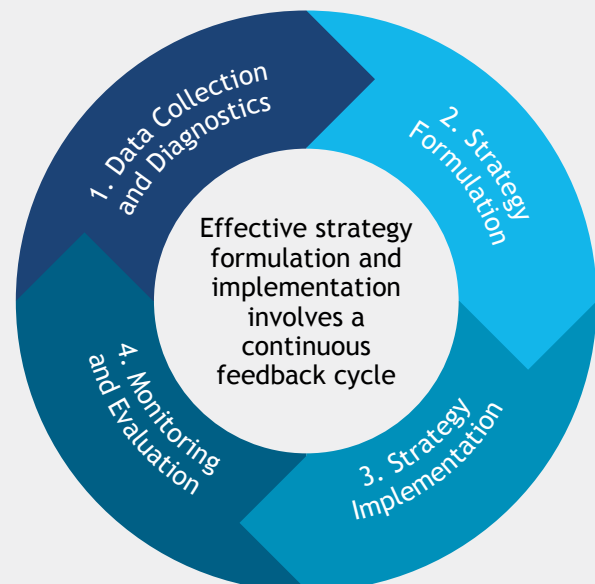
- > Agreement of definition and vision for financial inclusion
- > Consultation with public and private stakeholders
- > Development of action plan and targets

3 Strategy Implementation

- > Policy reforms
- > Private sector response
- > Establishment of architecture for implementation (e.g. National Council or Task Force)

4 Monitoring and Evaluation

- > Tracking progress against core indicators
- > Identifying whether strategy is on track and any response is needed



Insight

A Timeline of Achievement

Progress on National Financial Inclusion Strategies (NFIS)

At its second meeting in Bangkok, March 6-7, 2013, 26 members of the FISPLG worked together to create a National Financial Inclusion Strategy Timeline, which documented the steps AFI member institutions have taken to develop and implement financial inclusion strategies in their countries.

East & Southeast Asia								
Country	Institution	2007	2008	2009	2010	2011	2012	2013
Bangladesh	Microcredit Regulatory Authority				Established Microcredit Regulatory Authority Regulations		Formulated policy on the classification and provision of microcredit	
	Bangladesh Bank				Established SME department within BB		Began licensing mobile banking	
Cambodia	National Bank of Cambodia (NBC)		Focus on financial outreach, financial literacy & public awareness (2008-10)			Expanded access to financial products & services and established Financial Stability Unit		
Indonesia	Ministry of Finance					Supported G20 Leaders' financial inclusion agenda	Launched NFIS & organized the first ASEAN Financial Inclusion Forum	Financial inclusion added to the APEC agenda
Malaysia	Bank Negara Malaysia (BNM)			Promoted inclusive financial system	Piloted OECD financial literacy survey	Drafted financial sector blueprint for NFIS	Drafted agent banking guideline	
Myanmar	Central Bank of Myanmar					New democratic government took office and laid out a national poverty reduction strategy & enacted a Microfinance Business Law		
Philippines	Bangko Sentral ng Pilipinas (BSP)					Launched Economic and Financial Learning Program	Created Inclusive Finance Steering Committee & adopted NFIS	Drafted NFIS framework
Thailand	Ministry of Finance (MoF)							Finalized NFIS and submitted it for cabinet approval
	Bank of Thailand (BOT)				Launched Financial System Master Plan II			

South Asia								
Country	Institution	2007	2008	2009	2010	2011	2012	2013
Bhutan	Royal Monetary Authority of Bhutan (RMA)					Established Financial Inclusion Task Force	Drafted final financial inclusion policy and microfinance regulations	
India	Reserve Bank of India (RBI) & Government of India	Integrated financial inclusion agenda in the government's 5-year plan					Issued policy guidelines for expanding the banking network to unbanked customers	
Nepal	Nepal Rastra Bank (NRB)							Drafted NFIS & created a high-level NFIS committee
Pakistan	State Bank of Pakistan (SBP)	Launched National Strategy for Microfinance Development & established Financial Inclusion Program Office	Drafted 10-year financial sector development strategy & issued branchless banking regulations	Created consultative group on branchless banking & launched risk-sharing facility for small and rural enterprises	Revised strategy for sustainable microfinance & lower KYC requirements in branchless banking regulations	Launched national financial literacy program	Launched national microfinance strategy, credit bureau & capacity building programs for SMEs & rural finance	Created consultative group on SME Finance Sector Strategy & launched Microfinance transparency initiative

Europe & Central Asia

Country	Institution	2007	2008	2009	2010	2011	2012	2013
Belarus	National Bank of the Republic of Belarus (NBRB)				Drafted state strategy on microfinance for 2011-15		Conducted data access assessment	Drafted NFIS & developed national financial literacy program (2013-18)
Turkey	Undersecretariat of Treasury, Turkey					Established Financial Stability Committee	Committed to participate in G20 Financial Inclusion Peer Learning Program	Developed an overarching financial inclusion strategy

Pacific

Country	Institution	2007	2008	2009	2010	2011	2012	2013
Fiji	Reserve Bank of Fiji (RBF)			Established national taskforce on financial inclusion & agreed on medium-term financial inclusion strategy to reach 150,000 unbanked	Established National Financial Inclusion Taskforce (NFIT)	Made Maya Declaration Commitment to support, drive and monitor financial inclusion		
Togo	Ministère de l'Économie et des Finances du Togo		Adopted a national microfinance strategy and established a Financial Intelligence Unit (CENTIF-TOGO)		Created an inter-ministerial committee to follow-up on the implementation of AML/CFT measures	Made Maya Declaration Commitment to support, drive and monitor financial inclusion	Adopted a new regulation for SFDs (microfinance) Adopted and launched a national financial sector strategy	Adopted and launched a national financial sector strategy
Vanuatu	Reserve Bank of Vanuatu (RBV)				Established Pacific Islands Working Group (PIWG)	Held stakeholders workshop on financial inclusion		

Latin America & the Caribbean

Country	Institution	2007	2008	2009	2010	2011	2012	2013
Brazil	Banco Central do Brasil (BCB)	Every municipality had at least one financial services access point					Launched Action Plan for the National Partnership for Financial Inclusion	Created specialized unit under the new Deputy Governor for Citizenship
Chile	Financial Inclusion Council							Published national financial inclusion report
	Ministry of Finance							Established Financial Inclusion Council & Secretariat
	Ministry of Social Development						Launched Chile Cuenta for electronic G2P payments	
Colombia		Implemented national financial inclusion policy and drafted a regulatory framework		2.5 million banked families received CCTs from the national government			Massive expansion of MFS & expanded number of banking agents	Hosted the launch of AFI's LAC Initiative
El Salvador	Superintendencia del Sistema Financiero de El Salvador	Launched financial education program	Integrated the Consumer Protection Agency & financial education program			Congress passed a law appointing the Central Bank the head of public policies on the financial system, including financial inclusion	Drafted retail payments regulations for mobile payments and correspondent banking	
Mexico	CNBV (Comisión Nacional Bancaria y de Valores)			Created Financial Inclusion Unit & published first financial inclusion report				
	Federal government					Presidential Decree created the National Council for Financial Inclusion (CONAIF)	Submitted first draft of the National Policy for Financial Inclusion to CONAIF	
	CNBV/ Instituto Nacional de Estadística y Geografía (INEGI)						Launched National Survey for Financial Inclusion	

Sub-Saharan Africa

Country	Institution	2007	2008	2009	2010	2011	2012	2013
Democratic Republic of Congo	Banque Centrale du Congo (BCC)				Modernized the national payment system (TBC 2014)	Launched mobile banking services	Drafted regulations for MFIs & conducted a consumer protection study with CGAP	Conducted study on deposit guarantee funds
Ethiopia	National Bank of Ethiopia (NBE)				Developed Growth & Transformation Plan that includes an NFIS			
Madagascar	National Microfinance Coordination Unit			Made stakeholders accountable for the country's economic crisis				Mobilized resources to implement NFIS
Senegal	Ministère de l'Économie et des Finances du Sénégal		Adopted new regulation on the supervision of decentralized financial structures (SFD)	Established SFD department & National Financial Intelligence Processing Unit (CENTIF)	Created framework for cooperation and coordination in the financial sector	Created a general framework for decentralized financial systems & implemented microfinance sector strategy	Implemented comprehensive strategy for the supervision of microfinance	Implemented SME financial education program & established National Bank for Economic Development dedicated to SMEs
South Africa	National Treasury					Held intra-governmental forum on MSME	Created Financial Sector Charter to distribute grants electronically	Passed Financial Sector Charter
Tanzania	Bank of Tanzania (BoT)							Drafted NFIS

Middle East & North Africa

Country	Institution	2007	2008	2009	2010	2011	2012	2013
Morocco	Bank Al Maghrib		Adopted financial sector development strategy		Implemented financial inclusion strategy			Launched Moroccan Foundation for Financial Education
Palestine	Palestine Monetary Authority (PMA)					Launched awareness campaign	Launched Banking Week for Children and Youth	



FISPLG 2nd meeting, Thailand, 2013



FISPLG 2nd meeting, Thailand, 2013

Case Study Tanzania’s National Financial Inclusion Framework

In recent years, member countries of the Alliance for Financial Inclusion (AFI) have seen national financial inclusion strategies as increasingly necessary. In response to this growing awareness of the importance of national strategies, Tanzania has developed a National Financial Inclusion Framework.

Tanzania’s framework unites stakeholders in financial services behind a common vision of financial inclusion and provides a strategic direction for all financial inclusion initiatives in the country.

The BOT aims to use the national framework to make concrete improvements to financial services to promote financial inclusion, which it defines as the *“regular use of financial services, through payment infrastructure to manage cash flows and mitigate shocks, which are delivered by formal providers through a range of appropriate services with dignity and fairness.”*

The case study provides a detailed picture of the current state of financial inclusion in Tanzania by illustrating the country’s financial services landscape, the barriers to access and the national vision and definition of financial inclusion. The National Financial Inclusion Framework provides guiding principles for creating a coordination structure, including a national council, steering and technical committees and a national secretariat. The case study also elaborates the roles and responsibilities of stakeholders, the use of core and secondary indicators to measure progress and the regulatory guidelines set out by the AFI Working Groups. The Framework also stipulates a set of activities to be implemented by all different stakeholders within a set of timelines to achieve the set targets.

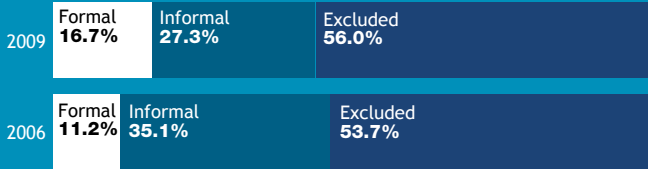
Tanzania’s national framework also includes a monitoring and evaluation mechanism to ensure that progress in addressing the country’s priorities for enhancing financial inclusion nationwide can be tracked.



Financial Services Access Strand for Tanzania

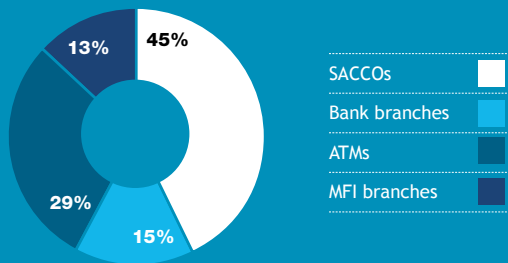


Changes in Access to Finance



Source: FinScope Survey 2006, 2009.

Distribution of Financial Institutions in Tanzania



Source: Geospatial Mapping of Financial Access Points 2012 and Bank Tanzania

THE STRUCTURE OF FISPLG

FISPLG CO-CHAIRS

3 CO-CHAIRS, 2-YEAR TERM (AS PER CHARTER)

ALL FISPLG MEMBERS RESPONSIBLE FOR:

FISPLG survey, strategy profiles & status of practice, peer reviews and capacity building

SUBGROUP 1:

FIS Toolkit (Guideline for FIS Formulation & Implementation)

SUBGROUP 2:

National Coordination & Leadership Case Studies

SUBGROUP 3:

Principles for Public-Private Engagement in Strategies

SUBGROUP 4:

Financial Inclusion Strategy Perspectives of Francophone Countries

SUBGROUP GOVERNANCE & RESPONSIBILITIES - PROPOSED FOR DISCUSSION

- > Each subgroup responsible for developing a knowledge product to be endorsed by the FISPLG and presenting updates at meetings.
- > One chair per subgroup, minimum five members per subgroup

SUPPORTING ITS MEMBERS

The FISPLG supports its members in implementing national financial inclusion strategies through peer reviews, supporting in-country workshops and sending speakers to assist with national advocacy.

Peer Reviews Of Financial Inclusion Strategies

At the FISPLG's fourth working group meeting in Nadi, Fiji in 2014, members were given the opportunity to participate in a face-to-face knowledge exchange and peer learning session to seek guidance and inform their peers about the status of their national financial inclusion strategies. Members also approved a concept note on the peer review of financial inclusion strategies.

Peer reviews have become an important exercise in AFI's working groups. They give members a unique opportunity to receive unbiased expert suggestions and knowledge from their peers on their financial inclusion approaches, activities and policies.

PARTNERSHIPS

The FISPLG has collaborated closely with an array of global partners to advance its work. The FISPLG is unique among AFI working groups for having a formal mandate to support countries participating in the G20 Financial Inclusion Peer Learning Program and reporting on progress to the G20 Global Partnership for Financial Inclusion. The FISPLG also connects members to development partners able to offer technical assistance and financial support for

national financial inclusion strategies, including the World Bank Group and the United Nations Capital Development Fund (UNCDF). Finally, the FISPLG has involved a number of private sector representatives to ensure their views on successful public-private collaborations feed into the group's work.

NEXT STEPS FOR THE FISPLG

At the Nadi meeting, the FISPLG established four subgroups to complete guideline notes on specific focus areas, scheduled to be published in 2015.

FISPLG Subgroups

- > The Financial Inclusion Strategy Toolkit Subgroup will prepare advisory guidelines led by the Bank of Uganda
- > The Leadership and National Coordination Subgroup will prepare case studies led by the Undersecretariat of Treasury of the Republic of Turkey.
- > The Public and Private Partnership Subgroup will produce principles on public-private engagement led by Bank Negara Malaysia.
- > The Francophone Regional Subgroup will analyze the experiences and challenges of FISPLG's Francophone members, led by Banque de la République d'Haiti.

MEMBER INSTITUTIONS

- > Royal Monetary Authority of Bhutan (co-chair)
- > State Bank of Pakistan (co-chair)
- > Ministère de l'Économie et des finances du Sénégal (co-chair)
- > Bangladesh Bank
- > Microcredit Regulatory Authority of Bangladesh
- > Ministry of Finance Bangladesh
- > National Bank of the Republic of Belarus
- > Banque de la République du Burundi
- > Ministère des Finances et de la Planification du Développement Economique du Burundi
- > Ministerio de Hacienda de Chile
- > People's Bank of China
- > Banco Central del Ecuador
- > Ministerio de Inclusión Económica y Social de Ecuador
- > Banco Central de Reserva de El Salvador
- > Superintendencia del Sistema Financiero de El Salvador
- > Reserve Bank of Fiji
- > Banque de la République d'Haiti
- > National Bank of the Republic of Macedonia
- > Direction Générale du Trésor, Ministère des Finances et du Budget, Madagascar
- > Bank Negara Malaysia
- > Comisión Nacional Bancaria y de Valores (CNBV) Mexico
- > Secretaría de Hacienda y Crédito Público de México
- > Bank of Mongolia
- > Central Bank of Nigeria
- > Palestine Monetary Authority
- > Bank of Papua New Guinea
- > Ministerio de Economía y Finanzas Peru
- > Superintendencia de Banca, Seguros y AFP (SBS) del Perú
- > Bangko Sentral ng Pilipinas
- > Ministry of Finance and Economic Planning Rwanda
- > Central Bank of Samoa
- > Bank of Sierra Leone
- > Ministry of Finance of Swaziland
- > Bank of Tanzania
- > Ministère de l'Économie et des Finances du Togo
- > Undersecretariat of Treasury of the Republic of Turkey
- > Bank of Uganda
- > Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO)
- > Central Bank of Yemen

For further information
about the FISPLG contact
fisplg@afi-global.org



Financial Inclusion Strategy Peer Learning Group (FISPLG), 2014



Global Standards Proportionality Working Group (GSPWG)

31 Member Countries



32 Member Institutions



1.44 billion
People are represented by regulators
in the GSPWG's 31 member countries



GSPWG 7th meeting, Germany, 2014



GSPWG 7th meeting, Germany, 2014



GSPWG 7th meeting, Germany, 2014

The Global Standards Proportionality Working Group (GSPWG) discusses the issues policymakers and regulators face in achieving a balance between financial integrity, stability and inclusion, and examines the proportionate implementation of global standards set by the global Standard-Setting Bodies (SSBs).

GSPWG brings developing country voices into the global policy dialogue on financial regulation.

The GSPWG was formed in June 2014 as a successor to AFI's successful Financial Integrity Working Group (FINTWG). The FINTWG had focused on financial integrity issues of proportionate regulation and risk-based approaches to meeting anti-money laundering and combating the financing of terrorism (AML/CFT) requirements. The working group has helped members to ensure financial sector integrity and adhere to global financial sector regulations while still fostering a domestic environment that promotes greater financial inclusion.

LEADERSHIP TEAM

Chair: Marina Kahar

Bank Negara Malaysia (2014-present)

Ms. Marina Kahar is the Director of Development Finance & Enterprise at Bank Negara Malaysia and oversees how effectively Development Finance Institutions (DFIs) are meeting their mandates. Prior to this, she was the Director of the Banking Supervision Department. Her extensive experience in supervision includes supervising various commercial and investment banks as well as DFIs. She was elected chair of the GSPWG in June 2014 and will facilitate the work required to achieve the working group's mandate, including: documenting case studies of proportionate regulation; identifying points of friction between global standards and financial inclusion policies; and contributing to the development of an extended risk framework that takes into account the risks of financial exclusion.

Co-chair: Lhassane Benhalima

Bank Al-Maghrib (2013-present)

Mr. Lhassane Benhalima is Head of the Banking Supervision Department of Bank Al-Maghrib (Central Bank of Morocco). He is co-chair of the GSPWG and also an active member of the FIDWG, participating in the activities of various subgroups and implementing Bank Al-Maghrib's Maya Declaration Commitment.

OBJECTIVES

- > Provide technical support on proportionate application of global standards to the AFI Global Standards Sub-Committee (GSSC).
- > Support, exchange and discuss measures that strengthen and balance financial sector integrity, financial stability and financial inclusion.
- > Provide a platform for policymakers to learn, share information and disseminate lessons learned.
- > Establish a consultative mechanism with stakeholders, such as the FATF (Financial Action Task Force), FATF-style Regional Bodies (FSRBs) and other global Standard-Setting Bodies (SSBs).
- > Identify promising cases of regulation in emerging and developing countries that have responded flexibly to new business models that impact financial inclusion.
- > Broaden understanding of the flexibility of the FATF 40+9 Recommendations and provide tools to support implementation of the Recommendations in ways that strengthen financial integrity and inclusion.
- > Exchange information on the risks new technologies pose to financial sector integrity and consumer confidence and compare the risks in different countries.



Marina Kahar



Lhassane Benhalima

KEY OUTCOMES OF FINTWG AND GSPWG

- > Published the guideline note, “Risk-based Approaches to AML/CFT: Balancing Financial Integrity and Inclusion.”
- > Provided input and comments to both versions of the FATF Guidance on Financial inclusion and AML/CFT (June 2010 and June 2012).
- > Provided input to the FATF Review of the Standards and the FATF’s new assessment methodology.
- > Provided input to the Basel Committee on Banking Supervision consultative document, “Sound Management of Risks Related to Money Laundering and Financing of Terrorism.”
- > Contributed to the G20 Global Partnership for Financial Inclusion Subgroup on Standard-Setting Bodies (SSBs).
- > Organized webinars with presentations by members from Namibia and Peru on conducting effective national risk assessments.
- > Completed two sets of surveys on private and public sector experiences and challenges using risk-based approaches.
- > Surveyed working group members on the national implementation of the FATF Recommendations on risk-based approaches to AML/CFT.

The FINTWG invited AFI members to develop tools and participate in activities that address key financial integrity and regulatory issues. For example, the working group has served as a consultative mechanism with various stakeholders, including the FATF (Financial Action Task Force), FATF-style Regional Bodies (FSRBs) and other global Standard-Setting Bodies.

The FINTWG, and now GSPWG, has also worked to identify promising cases of regulation in developing countries that have responded flexibly to new business models that impact financial inclusion. The GSPWG will continue to examine the financial integrity, financial stability, and consumer protection challenges that will be confronted by emerging and developing countries, especially those related to new technologies. Other tasks include drafting guideline notes and conducting peer reviews.

KNOWLEDGE PRODUCTS**Guideline Note****Risk-Based Approaches to AML/CFT: Balancing Financial Integrity and Inclusion**

With the February 2012 decision by the Financial Action Task Force (FATF) to revise its International Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation, financial institutions and other select bodies were required to identify and assess money laundering and terrorist financing risks and find ways to mitigate these risks at the country and institutional level.

In response, the FINTWG began working to help AFI members better understand these new regulations and how they could adhere to the new global standards without negatively impacting financial inclusion. In 2012, the FINTWG conducted a survey of financial regulators from 12 AFI member countries that had taken risk-based approaches to enabling financial inclusion projects and then published a guideline note summarizing key lessons learned.

This survey revealed a number of key lessons on AML/CFT, including the need for a flexible and evolving approach,

GSPWG WORKING GROUP MEETINGS**2010**

September: First FINTWG meeting held at the 2010 GPF in Bali, Indonesia, co-hosted by Bank Indonesia

2011

May: Second FINTWG meeting co-hosted by the Superintendencia de Banca, Seguros y AFP (SBS) del Perú, in Lima, Peru

September: Third FINTWG meeting held at the 2011 GPF in Riviera Maya, Mexico, co-hosted by the Comisión Nacional Bancaria y de Valores (CNBV)

2012

May: Fourth FINTWG meeting co-hosted by the Reserve Bank of Malawi in Lilongwe, Malawi

September: Fifth FINTWG meeting held at the 2012 GPF in Cape Town, South Africa, co-hosted by the South African National Treasury

2013

September: Sixth FINTWG meeting held at the 2012 GPF in Kuala Lumpur, Malaysia, co-hosted by Bank Negara Malaysia

2014

June: Seventh FINTWG meeting held in Frankfurt, Germany

September: Eighth meeting (first as the Global Standards Proportionality Working Group) held at the 2014 GPF in Port of Spain, Trinidad and Tobago, co-hosted by the Central Bank of Trinidad and Tobago

but especially the positive impact of conducting risk assessments on data volume and quality. With more and better data, regulators can better analyse the risks of different financial inclusion products and services.

This guideline note makes recommendations on conducting risk assessments and adhering to AML/CFT standards. To conduct a well-informed national risk assessment, the note emphasizes the importance of involving public and private sector partners, as well as establishing or utilizing intergovernmental bodies. Regarding customer due diligence (CDD) requirements, regulators are given substantial flexibility to make adjustments based on the specific regulatory and market environments in their countries. In this way, regulators can avoid enacting requirements that are too strict and balance risk with the needs of customers, especially the unbanked.

This guideline note and other GSPWG products and activities played a key role in helping members align with the FATF regulations while strengthening financial inclusion initiatives. As the GSPWG transforms its mandate and broadens its focus, these successes will serve as an important resource for those seeking to mitigate the negative impacts of global regulations and standards on financial inclusion and other areas.

Peer Reviews

AML/CFT regime

Reviewed: Bank of Uganda, National Treasury of the Republic of South Africa, Bank of Namibia, Fiji Financial Intelligence Unit (FIU), Reserve Bank of Fiji, Bangko Sentral ng Pilipinas, Reserve Bank of Malawi (co-chair), Comisión Nacional Bancaria y de Valores (CNBV), Mexico, Superintendencia de Banca, Seguros y AFP (SBS) del Perú.

Reviewers: All participants at the fifth FINTWG meeting in Cape Town, South Africa in 2012

POLICY CHANGES

FINTWG/GSPWG members have contributed to a number of policy changes in their respective countries, including:



GSPWG 7th meeting, Germany, 2014

Bangladesh: Bangladesh Bank

- > The Financial Integrity and Customer Services Department (FICSD) was established to minimize fraud and forgery in the banking industry.
- > New offerings: No-frill accounts for farmers and low-income customers, agent banking, mobile banking services, and a special fund for the poor.
- > Credit Information Bureau established for microcredit financial institutions.

Burundi: Ministère des Finances et de la Planification du Développement

New banking laws are in the process of being approved for the financial market, electronic banking and mobile payments.

Peru: Superintendencia de Banca, Seguros y AFP (SBS) del Perú

- > Reviews of regulation related to basic accounts and simplified CDD procedures.
- > Law 29985 on Electronic Money and Regulation on Electronic Money enacted by the Ministry of Finance (DS 090).
- > Osiptel (Peru's telecom regulator) issued a regulation on access to telecommunications services for e-money issuers (Resolution 126).
- > SBS issued regulations on e-money issuers and operation (Resolutions 6283 and 6284).
- > Revised regulations issued on banking channels, including agents (Resolution 6285).
- > Draft of simplified due diligence regulation issued for some insurance products.

Tanzania: Bank of Tanzania

- > Agent banking guidelines issued and implemented.
- > National Financial Inclusion Framework formulated and launched.
- > Credit Reference Bureau (CRB) Regulations issued for licensing and supervision of CRBs.
- > Legal framework created for the development and use of a central collateral database.
- > Diagnostic study on consumer protection conducted by The World Bank and Bank of Tanzania.

Uganda: Bank of Uganda

- > Financial Consumer Protection Guidelines issued as part of the BOU's Financial Inclusion Project (FIP).
- > Under the FIP, BOU spearheaded the development of a strategy for financial literacy in Uganda.
- > Mobile money guidelines developed and issued as part of the FIP.
- > Uganda's parliament passed the AML Act 2013 (full implementation awaits the appointment and funding of the Board of the Financial Intelligence Authority of Uganda).

PARTNERSHIPS

The GSPWG collaborates closely with a range of global partners to ensure members are informed about key issues in the development and implementation of global standards. The GSPWG has worked particularly closely with the Eastern and Southern Anti-Money Laundering Group (ESSAMLG), conducting joint public-private sector surveys, and has fed into the consultation processes of global SSBs such as the Financial Action Task Force (FATF) and the Basel Committee on Banking Supervision (BCBS).

With an expanded mandate, the group will now seek to engage with other SSBs with financial inclusion work streams underway, as well as FATF-Style Regional Bodies (FSRBs), such as the Caribbean FATF (CFATF), Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) and the Asia/Pacific Group on Money Laundering (APG). GSPWG members also participate in the discussions and forums of the G20 Global Partnership for Financial Inclusion and its Subgroup on Regulation and SSBs.

For further information
about the GSPWG contact
gspwg@afi-global.org



NEXT STEPS FOR THE GSPWG

Building on the success of the FINTWG in sharing member experiences and developing guideline notes on issues related to financial inclusion and AML/CFT, members agreed at their seventh meeting in June 2014 to expand the mandate of the working group and rename it the Global Standards Proportionality Working Group (GSPWG).

Under its expanded mandate, the GSPWG will consider issues related to the proportionate implementation of global standards developed by the SSBs. The GSPWG will also have a formal role providing technical support to AFI's new Global Standards Sub-Committee (GSSC), launched at the G24/AFI Policymakers' Roundtable at the Spring Meetings of the IMF and The World Bank.

The GSSC was established to create a structured mechanism for members to review and provide inputs to ongoing initiatives by the SSBs and to develop a comprehensive risk framework that takes not only financial integrity and stability, but also the risks of financial exclusion, into full account.



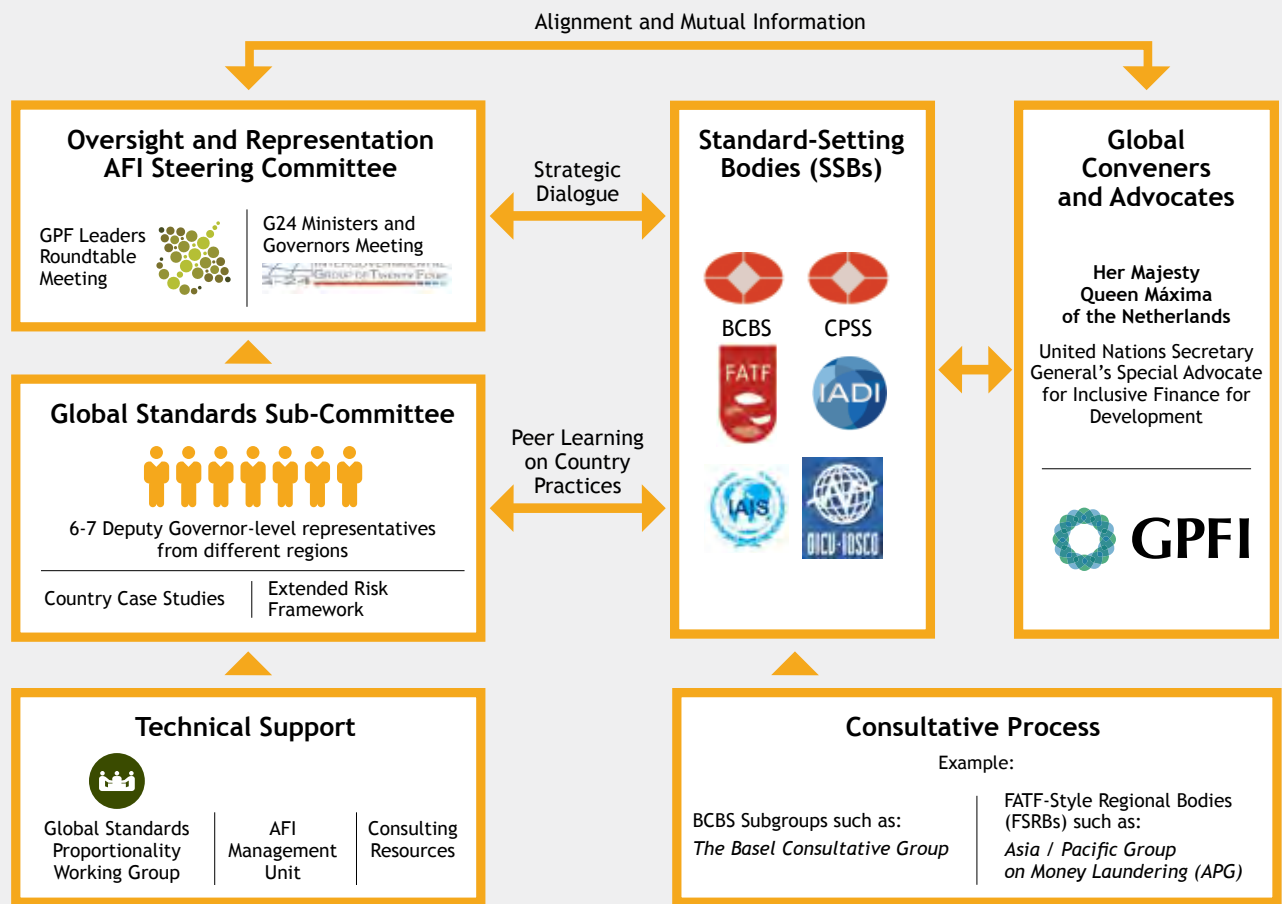
Global Standards Proportionality Working Group (GSPWG), 2014

MEMBER INSTITUTIONS

- > Bank Negara Malaysia (chair)
- > Bank Al-Maghrib, Morocco (co-chair)
- > Bangladesh Bank
- > Royal Monetary Authority of Bhutan
- > Ministère des Finances et de la Planification du Développement Economique du Burundi
- > People’s Bank of China
- > Superintendencia General de Entidades Financieras de Costa Rica
- > Banco Central del Ecuador
- > Banco Central de Reserva de El Salvador
- > Superintendencia del Sistema Financiero de El Salvador
- > Reserve Bank of Fiji
- > Bank Indonesia
- > Central Bank of Kenya
- > Reserve Bank of Malawi
- > Comisión Nacional Bancaria y de Valores (CNBV), Mexico
- > Secretaría de Hacienda y Crédito Público de México
- > Banco de Moçambique

- > Bank of Namibia
- > Central Bank of Nigeria
- > State Bank of Pakistan
- > Superintendencia de Banca, Seguros y AFP (SBS) del Perú
- > Bangko Sentral ng Pilipinas
- > Ministry of Economic Development of the Russian Federation
- > National Bank of Rwanda
- > Ministère de l’Economie et des Finances du Sénégal
- > National Treasury of the Republic of South Africa
- > Bank of Tanzania
- > Central Bank of Trinidad and Tobago
- > Autorité de Contrôle de la Microfinance de la République Tunisienne
- > Undersecretariat of Treasury of the Republic of Turkey
- > Bank of Uganda
- > Central Bank of Yemen

HOW THE AFI PEER LEARNING PROGRAM WITH SSBs WORKS





Mobile Financial Services Working Group (MFSWG)

43 Member Countries



50 Member Institutions



> 3 billion

People are represented by regulators in the MFSWG's 43 member countries



MFSWG 3rd meeting, Bangkok 2011



MFSWG 9th meeting, Tanzania, 2014

“The benefit of expanding mobile financial services to Africa’s unbanked is undeniable. Together we have the experience, the knowledge and now a common regional commitment to make Africa the world leader in this field, through smart, secure and practical policies, as well as cost-effective delivery channels.”

Governor Njuguna Ndung’u
Central Bank of Kenya



MFSWG 3rd meeting, Bangkok 2011

The revolution in mobile financial services (MFS) in the developing world has enormous potential to reach large numbers of the unbanked in a fast and affordable way.

The Mobile Financial Services Working Group (MFSWG) brings policymakers together to discuss regulatory issues related to MFS and digital technologies, particularly agent banking, e-money and mobile banking, as key drivers of financial inclusion in emerging and developing countries.

Founded in 2009, the MFSWG is AFI's biggest working group. Its 50 members come together twice a year to discuss and exchange knowledge of the risks associated with MFS business models and identify best practices in regulatory and supervisory practices.

Regular peer learning sessions help to capture, track and share knowledge of innovative financial products, business models and appropriate regulatory responses. The MFSWG then uses this information to develop policy guidelines and actively engage with the MFS industry and global Standard-Setting Bodies (SSBs).

This engagement has encouraged cross-industry partnerships between financial institutions and telecommunications regulators, as well as cooperation on security, consumer protection and reporting issues.

Growing demand for innovative mobile financial services has prompted dedicated efforts from MFSWG member institutions. To date, the working group has held nine successful meetings, published eight guideline notes, and conducted nine peer reviews and three member surveys.

OBJECTIVES

- > Stimulate discussion and learning on the risks associated with emerging mobile and digital financial services business models and appropriate regulatory responses.
- > Exchange and promote good regulatory practices through peer learning.
- > Capture, track and share information on innovative financial products, business models and appropriate regulatory responses.
- > Engage with global Standard-Setting Bodies to help establish proportionate supervisory practices for mobile and other digital financial services.
- > Create an enabling policy and regulatory environment for transformational mobile financial services at the national level.
- > Encourage cross-industry partnerships with banks, non-bank financial institutions and third-party players to promote broader MFS offerings focused on financial inclusion.



MFSWG 5th meeting, Russia, 2012



MFSWG 3rd meeting, Thailand, 2011



George Sije

Ricardo A. Estrada
Villalta

Mikhail Mamuta

LEADERSHIP TEAM

Chair: George Sije

Bank of Tanzania (2012-present)

Mr. George Ben Sije is Legal Counsel for the Bank of Tanzania and has been involved in the development of the regulatory framework for Tanzania's National Payments System. Mr. Sije joined the MFSWG in 2010 and was elected chair in September 2012. He has been an active member of the working group and contributed to the guideline notes on basic terminology for mobile financial services and the development of mobile-enabled cross-border remittances.

Co-chair: Ricardo A. Estrada Villalta

Superintendencia de Bancos de Guatemala (2012-present)

Mr. Ricardo A. Estrada Villalta is a financial regulation specialist who is currently Head of the Statistical Information Management Unit at Superintendencia de Bancos de Guatemala, a unit in charge of producing the

quarterly *Financial Inclusion Bulletin*. Mr. Villalta joined the MFSWG in April 2011 and was elected co-chair in September 2012. He has been an active member of the working group and led the development of the "MFS Basic Terminology" and "MFS Indicators for Measuring Access and Usage" guideline notes, among others.

Co-chair: Mikhail Mamuta

Central Bank of the Russian Federation (Bank of Russia), (2012-present)

Mr. Mikhail Mamuta is Head of the Directorate General on Financial Inclusion and Microfinance at the Central Bank of the Russian Federation (Bank of Russia), a unit responsible for the supervision of the Russian microfinance market. Mr. Mamuta was elected co-chair at the sixth MFSWG meeting in Cape Town in September 2012. As a member of the working group he has been actively involved in developing guideline notes on supervision and oversight of MFS as well as reporting on the group's activities.

KNOWLEDGE PRODUCTS

Guideline Notes

MFSWG guideline notes have always been developed by its subgroups, which draw on their experiences to provide guidance on the definition of common standards, practices and approaches to MFS regulation and supervision in AFI member institutions. Instead of proposing new principles, the guideline notes focus on addressing key MFS policy and regulatory issues, identifying additional challenges, and complementing the MFS definitions drafted by the global Standard-Setting Bodies (SSBs).

MFSWG WORKING GROUP MEETINGS

2010

August: First MFSWG meeting co-hosted by CENFRI in Cape Town, South Africa

September: Second MFSWG meeting held at the 2010 GPF in Bali, Indonesia, co-hosted by Bank Indonesia

2011

June: Third MFSWG meeting co-hosted by the Bank of Thailand in Bangkok, Thailand

September: Fourth MFSWG meeting held at the 2011 GPF in Riviera Maya, Mexico, co-hosted by the Comisión Nacional Bancaria y de Valores (CNBV)

2012

March: Fifth MFSWG meeting held in Moscow, Russia, co-hosted by the Ministry of Economic Development of the Russia Federation, with the support of the Russian co-chair of the G20 Global Partnership for Financial Inclusion (GPI)

September: Sixth MFSWG meeting held at the 2012 GPF in Cape Town, South Africa, co-hosted by the South African National Treasury

2013

March: Seventh MFSWG meeting co-hosted by the Superintendencia de Bancos de Guatemala in Antigua, Guatemala

September: Eighth MFSWG meeting held at the 2013 GPF in Kuala Lumpur, Malaysia, co-hosted by Bank Negara Malaysia

2014

March: Ninth MFSWG meeting co-hosted by the Bank of Tanzania in Arusha, Tanzania

September: Tenth MFSWG meeting held at the 2014 GPF in Port of Spain, Trinidad and Tobago, co-hosted by the Central Bank of Trinidad and Tobago

Mobile Financial Services: Basic Terminology

Written in partnership with the Consultative Group to Assist the Poor (CGAP) and published in March 2013, this guideline note provides universal definitions of 38 key MFS and DFS terms. There are six categories: general, business models, e-money, agent banking, AML/CFT and payments.

Mobile Financial Services: Technology Risks

Published in March 2013 to identify the types of technology risks associated with MFS strategies, this guideline note elaborates practices for managing and monitoring these risks. Highlights include the information flow of MFS, the classification of technology threats and identifying MFS technology risks.

Mobile Financial Services: Regulatory Reporting

Published in March 2013, this guideline note discusses effective methods for adapting supervisory frameworks for financial services delivered via mobile phones. This four-page report scrutinizes common regulatory practices within the MFSWG to identify the most effective and appropriate supervision practices for MFS.

The guideline note also discusses minimum data and information requirements for regulatory reporting, highlighting issues related to risk management, consumer protection, public disclosure of information and expanding financial inclusion. It concludes with a discussion of measurement and assumptions.

Measuring Access and Usage of MFS

Developed jointly with the FIDWG in 2013, this guideline note presents AFI's Second Tier Set of Indicators, designed as a tool for measuring access and usage of mobile financial services in different countries. (For more information see the 'Insight' on the following page).

Supervision and Oversight of MFS

Published in February 2014, this guideline note discusses appropriate supervisory and regulatory responses to evolving MFS delivery models and how regulators can influence effective market monitoring and adjust requirements based on evidence.

Consumer Protection in Mobile Financial Services

Written in 2014, this guideline note identifies the primary consumer protection issues in mobile financial services and provides guidance and options for regulators to address these issues effectively. The report highlights the vulnerabilities and risks for MFS consumers, the relevant policy implications and the responsibilities of MFS providers and financial regulators.

Mobile-Enabled Cross-Border Remittances

Expected to be published in September 2014, this guideline note describes four different mechanisms for facilitating mobile-enabled cross-border payments. It will discuss two types of mobile-enabled cross-border payment services: (1) those that use a mobile wallet to receive funds and (2) those that use a mobile wallet to both send and receive

funds. The guideline note also identifies and highlights the key challenges associated with these models and how regulators have addressed them. It also includes two short case studies that feature experiences with these models in AFI member countries.

Interoperability

Expected to be published in September 2014, this guideline note will provide AFI members with a framework for assessing the degree of interoperability in their market and prioritize suitable policy responses. This framework makes a complex issue more transparent and establishes a shared understanding and vocabulary to enable peer learning.

Peer Reviews

- > Bank of Tanzania: MFS regulations
- > Reserve Bank of Malawi: Agent banking regulations
- > Bank of Papua New Guinea: Draft MFS regulation
- > Royal Monetary Authority of Bhutan: Regulations on issuing e-money
- > Central Bank of Liberia: Guidelines for mobile money services
- > Bank of Sierra Leone: MFS regulations
- > National Bank of Ethiopia: MFS and agent banking regulations
- > Banque Centrale de la République de Guinée (BCRG): Draft circular letter on mobile financial services and agent banking
- > Central Bank of Yemen: Mobile banking circular

Member Surveys

- > MFS Regulatory Stocktaking of WG members, 2011
- > MFS Regulatory Stocktaking of WG members, 2013
- > Survey of MFS Indicators for Measuring Access and Usage of MFS

“With the advent of mobile financial services, we see that we are able to leapfrog access to financial services. MFS is now the single most important service to provide access to financial services globally, especially in Africa.”

Governor Benno Ndulu
Bank of Tanzania

Insight

Indicators for Measuring Access and Usage

A collaboration with the Financial Inclusion Data Working Group (FIDWG)

This eight-page guideline note was published in August 2013 and was developed jointly with AFI's Financial Inclusion Data Working Group (FIDWG) as an extension of the FIDWG's Core Set of Financial Inclusion Indicators. This document presents AFI's Second Tier Set of Indicators, which is a tool for measuring access and usage of mobile financial services in individual countries. With these indicators, countries have the ability to compare their MFS performance and learn from one another. This guideline note provides a template for an initiative to collect all the indicators used by MFSWG members on one online platform, which will allow members to evaluate and compare progress and encourage discussions and peer learning initiatives. An MFS survey collects the data for these indicators, which will be circulated annually to MFS members for updates.

INDICATORS FOR MEASURING ACCESS AND USAGE OF MFS

Indicators for Measuring Access to MFS

Access	1	Number of MFS cash points per 10,000 adults	Supply	$\frac{\text{Number of cash points}}{\text{Total adult population}} \times 10,000$
	2	Number of MFS cash points by model	Supply	$\frac{\text{Number of MFS cash points per model}}{\text{Total adult population}} \times 10,000$
	3	Percentage of relevant administrative units with MFS cash points	Supply	$\frac{\text{Number of relevant administrative units with MFS cash points}}{\text{Total number of administrative units}}$
	4	Percentage of active MFS cash points	Supply	$\frac{\text{Active MFS cash points}}{\text{Total MFS cash points}}$
	5	Average number of MFS types offered by MFS deployment	Supply	$1/n (X1 + X2 + X3 + \dots Xn)$ where 'X' is the number of MFS types by MFS deployment and 'n' is the total number of MFS deployments

Indicators for Measuring MFS Usage

Usage	6	Percentage of adults with at least one MFS account <i>Proxy:</i> 6.1 Number of MFS accounts per 10,000 adults 6.2 Number of MFS accounts per 10,000 adults by deployment	Demand	$\frac{\text{Number of adults with at least one MFS account}}{\text{Total adult population}}$ <i>Proxy:</i> $\frac{\text{Number of MFS accounts}}{\text{Total adult population}} \times 10,000$ $\frac{\text{Number of MFS accounts by deployment}}{\text{Total adult population}} \times 10,000$
	7	Percentage of active MFS accounts	Supply	$\frac{\text{Number of active MFS accounts}}{\text{Total number of MFS accounts}}$
	8	Value in USD of MFS transactions monthly by MFS deployment	Supply	$X1 + X2 + X3 + \dots Xn$ where 'X' is the value in USD of MFS transactions per month and deployment, and 'n' is the number of deployments
	9	Average number of MFS transactions per active MFS cash point monthly	Supply	$1/n (X1 + X2 + X3 + \dots Xn)$ where x is the number of MFS types by MFS deployment, and n is the total number of MFS deployments

POLICY CHANGES

Members of the MFSWG have contributed to a number of policy changes to mobile and other digital financial services, including:

Colombia: Banca de las Oportunidades

- > Simplified account opening procedures

El Salvador: Banco Central De Reserva de El Salvador

- > Draft law on the use and issuance of electronic funds and tiered KYC framework
- > Non-bank correspondents regulation
- > Mobile banking regulation (in development)

Ethiopia: National Bank of Ethiopia

- > Amendments to agent and mobile banking directives

Ghana: Bank of Ghana

- > New mobile payment regulation (in development)

Guatemala: Superintendencia de Bancos de Guatemala

- > November 2011 - Regulations on the Provision of Mobile Financial Services, focusing on banks and credit card companies that are regulated and supervised
- > Enactment of a special authorization for banking agents or banking correspondents to affiliate clients with bank-led MFS models

Guinée: Banque Centrale de la République de Guinée

- > Regulations on electronic money (in development)

Honduras: La Comisión Nacional de Bancos y Seguros (CNBS)

- > New regulation allows basic accounts to be opened through electronic channels.
- > CNBS is preparing draft legislation on financial services to be offered through electronic channels.

Liberia: Central Bank of Liberia

- > Mobile money regulations issued May 2014

Uganda: Bank of Uganda

- > Mobile money guidelines

Yemen: Central Bank of Yemen

- > Mobile banking circular (in development)

COOPERATION WITH AFI INITIATIVES

African Mobile Phone Financial Services Policy Initiative (AMPI)

AMPI's goal is to deliver effective policies to support the development of mobile financial services (MFS) in Africa. By closely aligning with national agendas and establishing a platform for public and private stakeholder engagement, AMPI initiatives also aim to reflect the lessons and development goals of the MFSWG.



WORKING GROUP ENGAGEMENT

The MFSWG has benefited from the inputs of various external parties. The Consultative Group to Assist the Poor (CGAP) has provided particularly valuable feedback, reviewing several guideline notes on mobile financial services and sharing insights into new research on digital financial services. The MFSWG has also benefited from engagement with the private sector, including the GSMA and several mobile financial services providers and industry leaders and with development partners, including the World Bank and the World Economic Forum.

The MFSWG develops policy guidelines and actively engages with the mobile and digital financial services industry and global Standard-Setting Bodies.



INSIGHT INTO MOBILE FINANCIAL SERVICES IN THE FIELD

The ninth MFSWG meeting, held March 5-7, 2014 in Arusha, Tanzania, enabled AFI members to not only gain insight into the current state of development of mobile financial services in their peers' respective countries, it also provided an opportunity to visit multiple mobile money agents in Tanzania.

The visit provided MFSWG members with direct knowledge of what regulatory issues still need to be addressed and how policies can impact digital financial inclusion.

It also allowed members to observe and discuss other MFS issues including:

- > Non-exclusivity of agents
- > The balance between the quality (liquidity and activity) and quantity of agents
- > The challenge of interoperability in addressing the issue of double counting and tracing agents in cases of dispute and liquidity management
- > The development of mobile money-enabled cross-border remittances.

NEXT STEPS FOR THE MFSWG

- > Collect regular data on MFS access and usage.
- > Track policy changes related to mobile and broader digital financial services that support financial inclusion.
- > Conduct peer reviews of draft regulations.
- > Develop a guideline note on e-money trusts.
- > Engage with G20/GPFI on responsible digital financial services.

MEMBER INSTITUTIONS

- > Bank of Tanzania (chair)
- > Superintendencia de Bancos de Guatemala (co-chair)
- > Central Bank of the Russian Federation (co-chair)
- > Da Afghanistan Bank
- > Central Bank of the Republic of Armenia
- > Bangladesh Bank
- > Microcredit Regulatory Authority, Bangladesh
- > Ministère des Finances et de la Planification du Développement Economique du Burundi
- > People's Bank of China
- > Banca de las Oportunidades, Colombia
- > Ministerio de Hacienda y Crédito Público de Colombia
- > Banque Centrale du Congo
- > Superintendencia General de Entidades Financieras de Costa Rica
- > Banco Central del Ecuador
- > Banco Central de Reserva de El Salvador
- > Superintendencia del Sistema Financiero de El Salvador
- > National Bank of Ethiopia
- > Bank of Ghana
- > Banque Centrale de la République de Guinée
- > La Comisión Nacional de Bancos y Seguros de Honduras
- > Bank Indonesia
- > Central Bank of Kenya
- > Central Bank of Liberia
- > Reserve Bank of Malawi
- > Comisión Nacional Bancaria y de Valores (CNBV), Mexico
- > Banco de Moçambique
- > Bank of Namibia
- > Superintendencia de Bancos y de Otras Instituciones Financieras de Nicaragua
- > Central Bank of Nigeria
- > State Bank of Pakistan
- > Palestine Monetary Authority
- > Superintendencia de Bancos de Panamá
- > Banco Central del Paraguay
- > Ministerio de Desarrollo e Inclusión Social (MIDIS) del Perú
- > Superintendencia de Banca, Seguros y AFP (SBS) del Perú
- > Bangko Sentral ng Pilipinas
- > Central Bank of the Russian Federation
- > Russian Microfinance Center (RMC)
- > Ministry of Economic Development of the Russian Federation
- > National Bank of Rwanda
- > Ministère de l'Economie et des Finances du Sénégal
- > Central Bank of Sri Lanka
- > Central Bank of Sudan
- > Bank of Thailand
- > Ministère de l'Economie et des Finances du Togo
- > Bank of Uganda
- > Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO)
- > Central Bank of Yemen
- > Bank of Zambia



For further information
about the MFSWG contact
mfswg@afi-global.org





Pacific Islands Working Group (PIWG)

7 Member Countries



7 Member Institutions



9.66 million

People are represented by regulators in the PIWG's seven member countries



PIWG 12th meeting, Fiji, 2014



PIWG 5th meeting, Vanuatu, 2011



PIWG 11th meeting, Malaysia, 2011

The Pacific Islands Working Group (PIWG) was founded to address the unique constraints to expanding financial inclusion in the Pacific region, which has some of the highest unbanked rates in the world.

The PIWG is a venue for members from the Pacific region to discuss global financial inclusion innovations and strategies and to tailor these tools to other island nations.

The PIWG was formed in 2009 at the request of the central banks of Fiji, Samoa, Solomon Islands, Vanuatu, Papua New Guinea and Timor Leste. The National Reserve Bank of Tonga joined the group in 2012, becoming the seventh member of the PIWG. Unlike AFI's regional initiatives, which have a single thematic focus, the PIWG addresses issues that cut across all seven policy areas in which AFI works, as well as topics not normally addressed by AFI services, including microinsurance and gender in finance.

The PIWG is also unique because its findings and accomplishments can be used by other geographically dispersed island states around the world to overcome similar obstacles, such as low-density populations and physical and banking infrastructure.

VISION

Financial services are widely accessed by all Pacific Islanders.

MISSION STATEMENT

To create conditions that lead to the financial empowerment of Pacific Islanders in the short to medium term.

OBJECTIVES

- > Remove policy barriers to improve access to financial services.
- > Utilize digital technology for financial services.
- > Empower and protect consumers through financial literacy and education initiatives.
- > Collaborate with stakeholders to advance financial inclusion in the region.
- > Utilize data for smart policymaking and monitoring.

4 Peer Reviews



3 Member Surveys



6 Knowledge Products



13 WG Meetings



PIWG 4th meeting, Samoa, 2011

PIWG WORKING GROUP MEETINGS

2010

February: First PIWG meeting, co-hosted by the Reserve Bank of Vanuatu in Port Vila, Vanuatu

August: Second PIWG meeting co-hosted by the Reserve Bank of Fiji in Nadi, Fiji

September: Third PIWG meeting held at the 2010 GPF in Bali, Indonesia, co-hosted by Bank Indonesia

2011

March: Fourth PIWG meeting co-hosted by the Central Bank of Samoa in Apia, Samoa

July: Fifth PIWG meeting co-hosted by the Reserve Bank of Vanuatu in Vanuatu

September: Sixth PIWG meeting held at the 2011 GPF in Riviera Maya, Mexico, co-hosted by the Comisión Nacional Bancaria y de Valores (CNBV)

2012

January: Seventh PIWG meeting co-hosted by the Bank of Papua New Guinea in Port Moresby, Papua New Guinea

June: Eighth PIWG meeting co-hosted by the Reserve Bank of Fiji in Nadi, Fiji

September: Ninth PIWG meeting held at the 2012 GPF in Cape Town, South Africa, co-hosted by the South African National Treasury

2013

February: Tenth PIWG meeting co-hosted by the Central Bank of Solomon Islands in Honiara, Solomon Islands

September: Eleventh meeting held at the 2013 GPF in Kuala Lumpur, Malaysia, co-hosted by Bank Negara Malaysia

2014

March: Twelfth meeting co-hosted by the Reserve Bank of Fiji in Nadi, Fiji

September: Thirteenth meeting held at the 2014 GPF in Port of Spain, Trinidad and Tobago, co-hosted by the Central Bank of Trinidad and Tobago

LEADERSHIP TEAM

**Chair: Deputy Governor Gane Simbe
Central Bank of Solomon Islands (2013-present)**

Mr. Gane Simbe is the Deputy Governor of the Central Bank of Solomon Islands. He has worked for the Central Bank for 27 years since joining as Assistant Manager of the Currency and Banking Operations Department in 1986. He has also served as Manager of the Banking Supervision, Exchange Control (International Department) and Financial Institutions Department. He was elected chair of the PIWG at the tenth working group meeting in Honiara. During his term, Deputy Governor Gane has led the working group in achieving its mandate on microinsurance (with the support of PFIP), developing a factsheet to promote consumer protection (an initiative led by the Reserve Bank of Fiji) and the Regional Data Project (led by the Central Bank of Samoa).

**Co-chair: Deputy Governor Peter Tari
Reserve Bank of Vanuatu (2008-present)**

Mr. Peter Tari Merakali is the Deputy Governor of the Reserve Bank of Vanuatu and currently the co-chair of the PIWG. He is the longest serving member of the PIWG and was elected co-chair for the second time after holding the same position in 2008 when the working group was first established. Deputy Governor Tari is an active member of the PIWG, involved in the development and formulation of the working group's deliverables and work plan and the publication of knowledge products. While working with the Reserve Bank of Vanuatu, he has also chaired a number of internal committees, including the Investment Committee, Currency Review Committee and Monetary Policy Facilities



Deputy Governor Gane Simbe



Deputy Governor Peter Tari

Review Committee. He also serves as the vice-chair of the Monetary Policy Committee and Management Committee of the Reserve Bank of Vanuatu. He holds a Master's of Business Administration from the University of the South Pacific.

“The Central Bank of Samoa’s National Payment System has been passed in Parliament and this achieves part of their Maya Commitment.”

Eliki Boletawa
PIWG Manager, March 2014

Because of its tightly knit member base, AFI's smallest working group has managed to achieve a vast amount of changes and make substantial progress toward financial inclusion in the Pacific Islands.

POLICY AREA	ACTIVITY	OUTCOME
Financial Inclusion Strategy	Conducted a survey of the state of financial inclusion policy in each country to identify gaps and opportunities and set priorities.	Developed leadership and organizational structures in the central banks to ensure financial inclusion is a key priority.
Mobile Financial Services	Undertook a knowledge exchange visit to Bangko Sentral ng Pilipinas to learn more about its approach to mobile financial services.	Created a planning tool for regulators to develop a framework for key mobile money issues, which has enabled financial services in nearly all Pacific Island countries.
Financial Identity	Drafted a letter to a regional FATF body on AML/CFT guidelines and KYC for the poor.	Asia/Pacific Group on Money Laundering relaxed KYC/CDD requirements for the Pacific region (see related Insight).
Formalizing Microsavings	Participated in a three-day training session on the regulation of non-bank deposit-taking entities.	Improved understanding within the group; members adjusted and updated their non-bank regulation and supervision approaches to reflect a risk-based approach to incorporating small deposit-taking services.
Data and Measurement	Developed and adapted the first 'Core Plus Set' of indicators for measuring financial inclusion in the Pacific and small islands.	Launched the Data Subgroup to lead survey development and implementation and used lessons learned to agree on a core set of definitions and data for use across the region.
Consumer Empowerment	Added consumer protection, financial literacy and transparency to its learning agenda.	Developed a Key Fact Sheet (KFS) for consumers to simplify the conditions for credit products and ensure that information is easily understood and consistent between institutions. The KFS is based on best practices from AFI member countries and will be shared across the AFI Network.
Microinsurance	Established two capacity building programs on microinsurance regulatory issues. Developed case studies on microinsurance.	Members are currently reviewing their legislation on insurance to include microinsurance.
Financial Literacy/Education	Conducted a financial competency baseline survey in member countries. Conducted a workshop on the development of national strategies on financial education.	Developed and implemented national strategies on financial literacy and education. Rolled out financial education programs in the national curriculum.

KNOWLEDGE PRODUCTS

Guideline Notes

“Trust Law Protections for e-Money Customers: The Lessons and Model Trust Deed Arising from Mobile Money Deployments in the Pacific Islands”

This guideline note examines how trust laws can be used to protect customer funds – the funds that a customer provides to an e-money provider in exchange for electronic money or ‘e-money.’ It focuses on the customer protection mechanisms included in the trust arrangements of Pacific Island countries and makes recommendations for strengthening them. The project was conducted remotely through email and teleconferences with e-money providers and regulators in each country. The regulators included the Reserve Bank of Fiji, the Bank of Papua New Guinea, the Central Bank of Samoa, the National Reserve Bank of Tonga, and the Reserve Bank of Vanuatu. The e-money issuers were Digicel Fiji, Digicel Vanuatu, Digicel Samoa, Digicel Tonga, Digicel PNG, Vodafone Fiji, and Post PNG.

“Techniques for Supervising Deposit-taking Microfinance Institutions (DMFIs)”

Central bankers who see savings and other microfinance services as a key part of increasing financial inclusion are creating the conditions for a safe formal microsavings sector in the Pacific Islands and address one of the highest unbanked rates in the world. The supervision of non-bank deposit-taking institutions is a relatively new area for central banks in the Pacific, so this guideline note was designed to capture some of the lessons this sector has learned. The guidelines are designed to be a companion resource for supervisors and regulators as they help to ensure the availability and soundness of depository microfinance for Pacific Islanders.

Mobile Financial Services Regulatory Action Planning Tool

The regulatory action planning tool was developed by six of the central banks in the PIWG that have successfully rolled out mobile financial services in their jurisdictions. They shared their experiences creating the proper conditions for safe, sound and beneficial mobile financial services in the Pacific Islands, with the planning tool including the most important elements to be defined, decided or considered from a regulatory standpoint, along with the steps in the implementation process.

Response to the Asia/Pacific Group on Money Laundering (APG)

Since its founding, a key focus of PIWG members has been mobile financial services and the related regulatory opportunities and challenges for the Pacific region. As discussions at PIWG meetings on this topic became progressively deeper and more detailed, PIWG members decided to draft a joint letter to the regional FATF body, the Asia Pacific Group on Money Laundering (APG), outlining their concerns about AML/CFT guidelines and KYC for the poor, which was ultimately submitted by the Bank of Papua New Guinea.

Published and submitted in August 2010, the letter outlines the needs and concerns of the Pacific region regarding the KYC/CDD process, including developing a risk-based approach to AML/CFT controls and preparing for the mutual evaluation process. The document also highlighted the unique challenges of adhering to FATF requirements for PIWG members, such as the lack of suitable identification documents for low-income clientele with low-risk, low-value accounts. By requesting clarification, alternative solutions and technical assistance from the APG (and thus other FSRBs and FATF), PIWG members together advocated for a global regulatory environment sensitive to the formidable obstacles facing small, developing and geographically dispersed nations, which resonates far beyond the Pacific region.

Upon submission of the letter, the APG acknowledged the concerns of PIWG members, which ultimately culminated in a relaxation of KYC/CDD requirements as they apply to the Pacific region. This success reflects the collaborative approach championed by the PIWG and AFI, which drew upon the experience of all PIWG members to make a multifaceted and mutually supported argument in support of a tiered, risk-based approach.

“National Financial Inclusion Strategy Development: Lessons Learned”

A two-page brief based on the experiences of the Reserve Bank of Fiji and the Central Bank of the Solomon Islands in developing their national financial inclusion strategies, complemented by insights from other PIWG members.

PIWG members that have made Maya Declaration Commitments:

- > Reserve Bank of Vanuatu
- > Central Bank of Solomon Islands
- > Reserve Bank of Fiji
- > Bank of Papua New Guinea
- > Central Bank of Samoa

On February 28, 2014, the Reserve Bank of Fiji achieved its Maya Declaration Commitment to bring 150,000 unbanked people into the formal financial system by 2014.



The Maya Declaration

Commitments
you can bank on

Peer Reviews and Knowledge Exchanges

- > Mobile Financial Services and Microfinance knowledge exchange hosted by the BSP in Manila, 2010
- > Financial Inclusion Data knowledge exchange hosted by Bank Negara Malaysia in Kuala Lumpur, 2012
- > Peer review conducted in Papua New Guinea on MFS regulation
- > Peer review on the Reserve Bank of Fiji's Key Fact Sheet on Credit Products

Training and Capacity Building

- > Regional training for microfinance supervisors, Nadi, Fiji, 2011
- > Pan-Pacific Microinsurance Regulators Workshop, Nadi, Fiji, 2012
- > Financial Competency National Strategy Workshop, Fiji, Solomon Islands and Papua New Guinea (facilitated by the Pacific Financial Inclusion Programme), 2013

Member Surveys

- > Regulatory analysis of financial inclusion policies
- > Survey on national legal frameworks for consumer protection
- > Financial competency survey for low-income households aimed to help members design national financial inclusion strategies

INSIGHT

THE TWELFTH PIWG MEETING IN NADI, FIJI

For the first time, the PIWG hosted another AFI member institution as an observer: the Central Bank of Nigeria. It also held a joint session with the Financial Inclusion Strategy Peer Learning Group (FISPLG). This signaled the beginning of a new phase for the PIWG in which the group is widening its focus and exploring how the achievements of its members can serve as useful lessons for peers outside the Pacific region. In his opening speech, Governor Barry Whiteside of the Reserve Bank of Fiji attributed this success to the "Pacific way," which emphasizes collaboration and peer learning.

During the two-day meeting, attended by more than 30 participants and observers from Central Bank of Nigeria, the PIWG members discussed a variety of topics, including financial inclusion strategy, mobile financial services (MFS), consumer protection, data measurement, financial literacy, microinsurance, unlocking collateral and credit, and remittances. This last topic is of vital importance for the Pacific region and has been a focus of the PIWG since the beginning. At the twelfth PIWG meeting, participants focused on money transfer operators (MTOs) and remittances, specifically the global problem of the corresponding relationship between sending and receiving banks.

Looking forward to the 2014 GPF, PIWG members have selected several new topics to examine in depth: access to credit, access to broader financial services and consumer

protection. The group has finalized a work plan for activities related to these key priority areas, which will be evaluated at the next meeting held at the GPF in Trinidad and Tobago.

PARTNERSHIPS

The PIWG works in close collaboration with stakeholders and partners to advance its work in the region. The Pacific Financial Inclusion Programme (PFIP) provides technical advice and support at meetings, and cooperates with PIWG members to implement key activities year-round. In addition, the Asian Development Bank (ADB) and International Finance Corporation (IFC) support the working group on technical issues related to payments systems, microinsurance and microfinance.

The PIWG reports its annual progress to the Forum Economic Ministers' Meeting (FEMM) and the South Pacific Central Bank Governors and solicits feedback and guidance from the Governors and Ministers on priorities and activities.



PIWG 12th meeting, Fiji, 2014

NEXT STEPS FOR THE PIWG

PIWG members have prioritized the following deliverables for 2014-15:

- > Phase 2 of the Regional Financial Inclusion Data Project. Activities to be undertaken include a demand-side survey and market sentiments in six of the member countries.
- > Undertake a diagnostic/data-gathering/gap analysis survey on the micro, small and medium enterprises (MSME) sector to determine how many are in operation, in which sectors they are operating, and deposit and lending levels.
- > Develop a database of MSMEs and a reporting framework to populate the database and monitor it over time.
- > Develop an action plan to expand access to financial services.
- > Develop a minimum guideline and best practices for consumer protection, specifically for small islands to share in a peer review by the CEMC WG.

MEMBER INSTITUTIONS

- > Reserve Bank of Fiji
- > Bank of Papua New Guinea
- > Central Bank of Samoa
- > Central Bank of Solomon Islands
- > Central Bank of Timor-Leste
- > National Reserve Bank of Tonga
- > Reserve Bank of Vanuatu

For further information
about the PIWG contact
piwg@afi-global.org



“As a region we have established and achieved a number of outcomes, and we must take pride in our achievements to date ... some of us took bold steps and established specific departments or units within our central banks to drive financial inclusion-related matters. We have set policies and guidelines to enable other stakeholders in our countries to contribute and be a part of the financial inclusion cause.”

Barry Whiteside
Governor of the Reserve Bank of Fiji



Pacific Islands Working Group (PIWG), 2014



SME Finance Working Group (SMEFWG)

36 Member Countries



39 Member Institutions



4 billion

People are represented by regulators in the SMEFWG's 36 member countries



FISPLG and SMEFWG joint meeting at GPF 2013, Malaysia, 2013



FISPLG and SMEFWG joint meeting at GPF 2013, Malaysia, 2013



FISPLG and SMEFWG joint meeting at GPF 2013, Malaysia, 2013

Launched in March 2013, the Small and Medium Enterprises Finance Working Group (SMEFWG) is AFI's newest working group.

Its mission is to advance knowledge about the role of access to financial services and how it contributes to the growth of SMEs in the developing world.

SME finance has captured worldwide attention as one of the biggest engines of economic growth. SMEs represent over 95 percent of all businesses worldwide and are responsible for 60 to 70 percent of net job creation. Policymakers in developing and emerging countries are paying particular attention to SMEs as they see them driving innovation and productivity.

However, SMEs are often held back because they lack access to finance from financial services providers. To overcome this obstacle, FSPs and policymakers need to work together to improve the environment for financing various types of SMEs. SMEs could also benefit from improved financial education and utilising modern technologies.

The SMEFWG will help to address this challenge by identifying policy frameworks and interventions that will enable and improve the sustainability of small enterprises, with a particular, but not exclusive, focus on financial sector policy.

OBJECTIVES

- > Define the concept of SME finance and related terms to develop a common understanding of terminology across the AFI Network.
- > Take stock of current SME finance policy initiatives across the AFI Network to produce a database catalog.
- > Produce technical guideline notes on SME finance issues identified by members as priority areas.
- > Promote the adoption of international good practices based on policy solutions identified in the course of the SMEFWG's work.

THE SCOPE OF THE SMEFWG

Types of Financial Services Used by SMEs

Access to finance and credit will be a priority focus for the SMEFWG, but other financial services, such as asset insurance, payment services and savings/investment services will also be examined. The first step will be developing indicators to assess the landscape of SME finance.

LEADERSHIP TEAM

Chair: Roelof Goosen

National Treasury of South Africa (2013-present)

Mr. Roelof Goosen is the Director of Financial Inclusion at the South African National Treasury and the South African co-chair of the Market and Payment Sub-Group of the Global Partnership for Financial Inclusion (GPII). The National Treasury of the Republic of South Africa has been an AFI member institution since 2010 and Mr. Goosen was elected as the SMEFWG's first chair in 2013. Prior to this, he was the South African co-chair of the GPII's Data and Measurement Sub-Group.

Co-chair: Syed Samar Hasnain

State Bank of Pakistan (2013-present)

Mr. Syed Samar Hasnain was elected co-chair in 2013. He is the Director of Infrastructure of the Housing and SME Finance Department at the State Bank of Pakistan. In 2009, the State Bank of Pakistan became one of AFI's first member institutions. Mr. Hasnain was elected SMEFWG co-chair in 2013.

Co-chair: Yunita Resmi Sari

Bank Indonesia (2013-present)

Ms. Yunita Resmi Sari is the Director of Department of Financial Access and SME Development of Bank Indonesia (AFI member institution since 2009). Ms. Resmi Sari has been working in SME development and financial access for the last 20 years. She has been actively coordinating and working hand-in-hand with related ministries and institutions for the purpose of increasing and enhancing Indonesian SMEs' access to finance. Ms. Resmi Sari was elected SMEFWG's co-chair at its inaugural meeting in 2013 and represented Bank Indonesia as the host of the SMEFWG meeting in 2014 in Yogyakarta.



Roelof Goosen



Syed Samar Hasnain



Yunita Resmi Sari

AFI'S INTEREST IN SME FINANCE

AFI's decision to become more engaged with SME finance and establish a new working group in this area was guided by its members. A survey of members at the 2012 GPF in Cape Town and subsequent discussions at the Policymakers Roundtable on SME Finance in Bangkok in 2013 both revealed a strong demand to create an SME finance working group.

AFI members and stakeholder participants concluded that the SMEFWG should take the lead role in facilitating peer learning sessions on SME finance, which would share knowledge to craft potential policy solutions. It was also decided that the SMEFWG would work closely with existing organizations in the field, including the SME Finance Forum established by the G20 Global Partnership for Financial Inclusion (GPF), which has invited AFI to be an implementing partner of its SME Finance Subgroup.

Should central banks take a proactive role in setting SME finance policy?

Yes		55%
No		7%
Partial		37%
No response		1%

Should AFI take a proactive role in peer learning for SME finance policy?

Yes		95%
No		5%

SMEFWG WORKING GROUP MEETINGS

2013

September: First SMEFWG meeting held at the 2013 GPF in Kuala Lumpur, Malaysia, co-hosted by Bank Negara Malaysia

2014

May: Second SMEFWG meeting co-hosted by Bank Indonesia in Yogyakarta, Indonesia

September: Third SMEFWG meeting held at the 2014 GPF in Port of Spain, Trinidad and Tobago, co-hosted by the Central Bank of Trinidad and Tobago

PRIORITY AREAS:

- > **Micro and small enterprises.** This will be the initial focus of the working group. The SMEFWG will address the greatest challenges for AFI members and make connections to financial inclusion strategies.
- > **The role of central banks in SME finance.** Architecture for quality credit information.
- > **Definition and measurement of SME finance is key.** Reach a common definition and agree on key indicators.
- > **National coordination and leadership is critical.** This is a challenge for multiple agencies and regulators. The SMEFWG will showcase successful cases of coordination strategies.
- > **Formalizing SMEs.** This is a significant challenge to overcome.
- > **Global standards** play an important role, especially the shift from Basel II to Basel III.
- > Access to finance for **agricultural SMEs.**
- > Access to finance for **women-owned SMEs.**

CURRENT ACTIVITIES AND NEXT STEPS

- > Interaction with relevant development partners and other stakeholders, such as the World Bank, IFC and the SME Finance Forum through a regular consultation mechanism.
- > Recognizing the relevance of the work of the Global Partnership for Financial Inclusion (GPF) on SME Finance, the working group will (via the working group chairs and the AFI Management Unit) liaise closely with the GPF SME Finance Subgroup to ensure complementary work plans.
- > Based on demand from member countries, the working group will identify member institutions interested in being supported by the SME Finance Compact.
- > Work in close collaboration with other AFI working groups, for example, the Financial Inclusion Data Working Group (FIDWG) on key indicators for SME finance.
- > Use the AFI Member Zone to share draft agendas, guideline notes and discuss topics relevant to the SMEFWG's activities.
- > The AFI Network will liaise with the global SSBs through the Management Unit and the SMEFWG, which will continue to identify issues related to the mandates of the SSBs.

KNOWLEDGE PRODUCTS

Guideline Notes

SME Glossary

SME finance terminology

The SME Glossary will define basic concepts related to SME finance and serve as a resource for the AFI Network to reach a common understanding of SME finance terminology.

SME Financial Inclusion Indicators

A set of financial access and usage indicators for SMEs

Policies and interventions must be based on an informed assessment of how SMEs access and use financial services. The SME Financial Inclusion Indicators are intended to provide a sufficiently detailed starting point for measuring and monitoring the financial inclusion of SMEs.

SME Finance Catalog

A catalog of beneficial SME policies and initiatives

The combined wisdom, experience and insight of the AFI Network will be distilled into a list of SME financial inclusion policies that have proven or are proving to be beneficial. The catalog will describe the policies and the problem(s) being addressed, as well as the outcomes and lessons learned. It is anticipated that this catalog will provide policymakers with a rich source of empirically-based options when crafting SME policies.

A number of SME issues will be addressed through focused technical guideline notes. For example:

- > SMEs are often confronted with policies, processes and environmental realities that are difficult to overcome, such as the journey to formalization or the unintended consequences of international standards. By highlighting these constraints, the SMEFWG can act as a catalyst to address these issues, whether at national, regional or global levels.

- > Broad approaches adopted by countries to advance SMEs, such as national consensus-seeking platforms, will be described in detail for possible adoption by other countries.
- > Opportunities and issues related to specific industry segments will be explored. Agricultural finance, women-owned SMEs and related issues will be the primary areas of focus, as well as issues related to new segments, such as green energy.

Case Studies

The working group is preparing in joint collaboration with the GPFI several case studies that will highlight current SME finance policies and developments in various countries, including:

- > successful policies and regulations to improve access to finance for SMEs.

MEMBER SURVEY

- > Requirements for Opening a Business Account: A Potential Barrier to SME Finance?

PARTNERSHIPS

The SMEFWG will collaborate closely with global partners such as the G20 GPFI, the SME Finance Forum and the IFC, to ensure there is a constant flow of information between these partners and a multifaceted quality to its work.

For further information
about SMEFWG contact
smefwg@afi-global.org



1 Member Survey



1 Case Study



3 WG Meetings



SMEFWG 2nd meeting, Indonesia, 2014

MEMBER INSTITUTIONS

- > National Treasury of the Republic of South Africa (chair)
- > Bank Indonesia (co-chair)
- > State Bank of Pakistan (co-chair)
- > Bangladesh Bank
- > Microcredit Regulatory Authority, Bangladesh
- > Ministry of Finance Bangladesh
- > National Bank of the Republic of Belarus
- > Royal Monetary Authority of Bhutan
- > Banque de la République du Burundi
- > Ministère des Finances et de la Planification du Développement Economique du Burundi
- > People's Bank of China
- > Banque Nationale pour le Développement Economique
- > Banco Central de Reserva de El Salvador
- > Reserve Bank of Fiji
- > Reserve Bank of India
- > Sacco Societies Regulatory Authority Kenya
- > Direction Générale du Trésor, Ministère des Finances et du Budget, Madagascar
- > Bank Negara Malaysia
- > Comisión Nacional Bancaria y de Valores (CNBV), Mexico
- > Secretaría de Hacienda y Crédito Público de México
- > Bank of Mongolia
- > Financial Regulatory Commission of Mongolia
- > Central Bank of Nigeria
- > Palestine Monetary Authority
- > Ministerio de Economía y Finanzas Peru
- > Superintendencia de Banca, Seguros y AFP (SBS) del Perú
- > Bangko Sentral ng Pilipinas
- > Ministry of Trade and Industry of Rwanda (nominated by National Bank of Rwanda)
- > Central Bank of Samoa
- > Ministry of Finance of Swaziland
- > Bank of Tanzania
- > Bank of Thailand
- > Banco Central de Timor-Leste
- > Ministère de l'Economie et des Finances du Togo
- > Undersecretariat of Treasury of the Republic of Turkey
- > Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO)
- > Bank of Uganda
- > Central Bank of Yemen



Small and Medium Enterprises Finance Working Group (SMEFWG), 2014

Alliance for Financial Inclusion (AFI) Working Group Membership Form

Member Institution _____

Nominated Person(s) _____

Primary Nominee	Alternative Nominee
Name _____	Name _____
Position _____	Position _____
Email _____	Email _____
Phone No. _____	Phone No. _____

Please select one AFI Working Group that your institution would like to join
(complete one form for each individual Working Group)

<input type="checkbox"/>  FIDWG	<input type="checkbox"/>  CEMC WG	<input type="checkbox"/>  FISPLG	<input type="checkbox"/>  GSPWG	<input type="checkbox"/>  MFSWG	<input type="checkbox"/>  PIWG	<input type="checkbox"/>  SMEFWG
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Expectation

Please indicate the institution/nominee's expectation and rationale for joining the Working Group

Requirements

The primary nominee (or the alternative in their absence) will actively participate in working group meetings and dedicate a minimum of 3 hours per month to the work of the respective working group. This includes sharing information within the institution (e.g. BTORs) after each meeting, collaborating on joint knowledge products, peer reviews, sharing financial inclusion achievements and participating in the online AFI Member Zone.

AFI recommends that nominees only participate in one AFI Working Group

I/we accept the terms and conditions of being a nominated representative of my institution for the AFI Working Group.

Primary Nominee	Alternative Nominee
Date _____	Date _____
Signature _____	Signature _____

Date _____

Signature of Governing Official _____

Printed name _____

Position _____

Institution's stamp

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