

WHAT IS THE AFI GRANTS PROGRAM?

AFI'S POLICY AND KNOWLEDGE EXCHANGE GRANTS PROVIDE AFI MEMBER INSTITUTIONS WITH THE OPPORTUNITIES AND RESOURCES THEY NEED TO RESEARCH, DEVELOP, IMPLEMENT AND SHARE PROVEN AND INNOVATIVE POLICY SOLUTIONS FOR FINANCIAL INCLUSION.

The grants allow members to learn about policies that have been successfully implemented in other AFI member countries and to develop and test these solutions at home.

TYPES OF GRANTS

Knowledge Exchange Grants

Knowledge exchange grants support the efforts of AFI members to raise awareness of policy solutions, forge technical partnerships and learn from the experiences of countries where new policy and regulatory solutions have been successfully implemented.

Policy Grants

Policy grants focus on addressing specific policy and regulatory issues or formulating and implementing new policy. A primary goal of AFI's policy grant strategy is to support members in meeting their Maya Declaration Commitments. The average policy grant is €200,000.

WHAT KIND OF POLICY AREAS DO THE GRANTS SUPPORT?

Knowledge exchange and policy grants are awarded to members in every AFI region and typically support policy and regulatory initiatives in one of AFI's seven core financial inclusion policy areas:

- > Balancing inclusion, integrity and stability
- > Ensuring consumer protection and market conduct
- > Digital financial services
- > Financial inclusion strategy
- > Measuring financial inclusion
- > SME finance
- > Other financial inclusion policies, such as microcredit and savings



HIGHLIGHTS FROM THE AFI GRANTS PROGRAM IN 2015

POLICY GRANT FOR CONSUMER EMPOWERMENT AND MARKET CONDUCT



Financial capability assessment, Central Bank of Armenia

Even though Armenia's legal system has been set up to provide clear consumer protection rules, and the Central Bank of Armenia (CBA) has undertaken a range of activities to improve consumer protection and awareness for financial consumers and expand financial services, usage levels remain low.

To tackle the barriers to financial inclusion in Armenia, strengthen consumer confidence in the financial system and improve financial literacy, the CBA has developed a National Strategy for Financial Education (NSFE). The Financial Capability Assessment (FCA) Project is a key part of the NSFE and will allow the CBA to set policy priorities, strategies and benchmarks for financial education reforms.

With the FCA Project, the CBA now has baseline measures of financial capability, baseline measurable targets for the NSFE, and a comprehensive national assessment of financial capability.

The CBA will be able to assess and monitor the NSFE targets, make timely policy changes, and be publicly accountable.

KNOWLEDGE EXCHANGE GRANT FOR DIGITAL FINANCIAL SERVICES



Knowledge exchange visits to Bangladesh and the Philippines to study mobile financial services and agent banking, Central Bank of Yemen

While only 4 percent of the adult population in Yemen holds a bank account in a financial institution, 95 percent of the country has mobile network coverage and 50 percent of the population are mobile subscribers, thus creating a unique opportunity to improve financial inclusion in Yemen via mobile phones.

To improve access to financial services and bring more people into the financial system, the Central Bank of Yemen (CBY) intends to encourage and facilitate agent and mobile banking.

The knowledge exchange visits gave the CBY the opportunity to learn from the experiences and challenges of regulators in other AFI member countries (the Philippines and Bangladesh) when they introduced mobile and agent banking.

The knowledge gained from these visits helped the CBY to shape a new regulatory framework, which provides an enabling environment for agent and mobile banking in Yemen and will, in turn, increase financial inclusion for its people.

POLICY GRANT FOR DIGITAL FINANCIAL SERVICES



Agent banking guidelines, mobile payments regulations and a public awareness campaign to enhance usage of mobile financial services, Bank of Tanzania

In 2009, only 12 percent of Tanzania's population had access to formal financial services, with even bigger gaps in rural areas. To address this, the Bank of Tanzania (BOT) announced at the 2011 Global Policy Forum (GPF) that its Maya Declaration Commitment would be to increase access to financial services for up to 50 percent of the population by 2015. That same year, the BOT embarked on a long-term project supported by an AFI grant to build the capacity of BOT staff, improve their skills in drafting regulations, and raise public awareness of the advantages of mobile financial services (MFS) and agent banking.

The BOT facilitated consultative seminars and workshops with MFS stakeholders, such as mobile network operators (MNOs) and financial institutions, to discuss mobile payments regulations and electronic payments schemes guidelines. It also held consultative workshops with regulators from different sectors to assess and discuss the regulatory implications of agent banking guidelines and mobile payment regulations. Agent banking guidelines and mobile payment regulations were issued in 2013, and BOT launched its National Financial Inclusion Framework to support its Maya Declaration Commitment later that year.

"The AFI Network has enabled us to gain knowledge of financial inclusion through peer learning and peer pressure," said BOT Governor Benno Ndulu during the ceremony.

Today, the BOT is in great demand as a knowledge exchange host for MFS and agent banking.