



**The Maya
Declaration**

The AFI member
commitment to
financial inclusion

Commitments you can bank on

The 2012 Maya Declaration Progress Report



Supported by over 80 countries
25 countries committed
69 different commitments
Billions of people impacted

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Preface

One year ago at the Alliance for Financial Inclusion's 2011 Global Policy Forum in Riviera Maya, Mexico, central banks and other policymaking bodies from developing and emerging market countries made a groundbreaking decision. They declared that they wanted to make publicly measurable commitments to increase financial inclusion in their countries.

This decision not only reflected the confidence of AFI members to deliver tangible results, but also a determination to control their own destinies. One of the hallmarks of the Maya Declaration, as it is now known, is that each country sets its own targets within four broad policy areas that have been proven to increase financial inclusion.

Supported by more than 80 developing and emerging market countries, the Maya Declaration is the first global set of measurable commitments to increase financial inclusion.

Just 12 months since the Declaration was made, the number of countries with concrete commitments has risen from the original 17 signatories to nearly thirty. Many more AFI members are expected to make measurable commitments in the near future.

Each year AFI will report on the progress its member countries have made toward achieving their commitments. This Maya Declaration Progress Report is the first of these reports. The Maya Declaration is still in its early stages and more robust, detailed reporting will be needed as it evolves and countries continue to work to advance their commitments. Right now, the most important point is that the concrete commitments made under the Maya Declaration have triggered momentum toward significant, measurable progress on financial inclusion – real improvements that we can bank on.



Professor Njuguna Ndung'u
Governor, Central Bank of Kenya
Chairman, AFI Steering Committee



Alfred Hannig
Executive Director
Alliance for Financial Inclusion

The Maya Declaration

Financial inclusion's tipping point?

The Maya Declaration is not only a turning point for financial inclusion – it could also be a tipping point that accelerates global economic growth for the benefit of all and creates a new paradigm for international cooperation.

These are not mere aspirations; they are rapidly becoming a reality. Created by the AFI network at the 2011 Global Policy Forum in Riviera Maya, Mexico, the Maya Declaration has already triggered a string of concrete actions from nearly 30 countries, and was identified as a key component in advancing financial inclusion globally at the recent G20 Leaders' Summit in Los Cabos, Mexico, in June 2012.

The goal of the Maya Declaration is not new. Its primary objective is to provide formal financial services to the world's 2.5 billion unbanked adults. For nearly a century, numerous countries have tried to increase financial inclusion, albeit on smaller national scales and with varying degrees of success. However, the Maya Declaration is the first global and measurable set of commitments by developing and emerging market countries to increase financial inclusion. Collectively, the AFI members that originally endorsed it represent more than 75% of the world's unbanked population.

THREE KEY INGREDIENTS FOR SUCCESS

The Maya Declaration has three key characteristics that enable it to promote significant and tangible impacts:

1 Measurable commitments in four key policy areas

One of the most important features of the Maya Declaration is that countries are expected to make measurable, publicly accountable commitments in four key policy areas that have been proven to increase financial inclusion. These four areas, which are consistent with the G20 Principles for Innovative Financial Inclusion, include mobile financial services policies and regulations, proportionate regulatory frameworks, consumer protection and education, and data collection. So far, central banks, ministries of finance, and financial sector supervisors from almost 30 countries have made specific commitments, and many more are expected to announce targets in the near future. Each year AFI will report on their progress, ensuring public accountability.

2 The right to self-determination

Critically, the Maya Declaration recognizes that every

country is different and that externally imposed, top-down targets and solutions rarely work. Consequently, each country has the freedom to determine their own bottom-up targets in each of the four priority policy areas based on their individual circumstances and policy priorities.

3 A collaborative approach based on new forms of cooperation

The Maya Declaration capitalizes on the collective strengths of its signatories in two main ways. First, it commits countries to sharing their financial inclusion insights through AFI's peer-to-peer knowledge-sharing platform. This so-called 'polylateral' cooperation is essential as many of the most pioneering advances in financial inclusion have come from developing and emerging countries. Second, the Maya Declaration will foster and promote new forms of cooperation, such as partnerships with the private sector, echoing similar calls for change made at the 4th High Level Forum on Aid Effectiveness in Busan, South Korea.

WHY NOW IS THE TIME TO ACT

Why, after decades of financial inclusion initiatives, is there now such a large and concerted effort to make much greater progress? One of the main reasons is that there is mounting international recognition that financial inclusion is part of the solution to today's global economic problems, reflected in the G20's Los Cabos communiqué in June 2012. Specifically, greater financial inclusion has the potential to stimulate new businesses and new jobs on a massive scale, particularly in developing countries where more than 90% of the world's unbanked live and which are widely recognized as the new engines of global economic growth. However, despite various financial inclusion efforts globally, there are still 2.5 to 2.7 billion people without any access to formal financial services.

Although solid data on the economic impacts of financial inclusion is relatively thin, several recent studies have highlighted the scale of the prospect. According to a World Bank analysis of Mexico's drive to increase financial inclusion, a 10% increase in financial inclusion can boost the number of new businesses in a country by 5%,

The Maya Declaration Financial inclusion's tipping point?

Continued

employment by 0.7%, and annual GDP per capita growth by 0.3%.

Studies have also shown that financial inclusion reduces poverty and income inequality – an issue that was highlighted as a major global concern at the 2011 World Economic Forum in Davos. In other words, everyone wins with financial inclusion, both economically and socially.

TECHNOLOGICAL AND REGULATORY BREAKTHROUGHS

Another reason for the surge in interest in financial inclusion is that recent technological advances, including explosive growth in mobile phone subscriptions in developing countries, have lowered the costs of providing financial services to the unbanked. This has enabled many more people to be reached, especially via mobile financial services. In Tanzania, for instance, the proportion of people using mobile financial services has soared from 12% in 2009 to 46% today, with total cumulative transactions amounting to \$4.1 billion by the end of 2011 – equivalent to 40% of the country's GDP.

International regulations that were originally designed for a developed country financial model have also become more flexible, enabling developing countries to adapt the regulations to their own realities. This has lowered service providers' costs for processes such as Know Your Customer (KYC), among other benefits. In addition, much more has been learned about the key success factors for financial inclusion thanks to initiatives such as the G20's Principles for Innovative Financial Inclusion and new peer-to-peer knowledge-sharing platforms such as AFI.

Strong political will

Arguably one of the most important factors behind the new drive to increase financial inclusion is strong political will. In the wake of the global financial crisis, governments have not only awakened to the economic potential of financial inclusion, but have also recognized that government and central bank involvement are required to unlock its potential and protect both financial stability and consumers. Unfettered markets have been shown not to work.

As previously mentioned, the G20 has pushed financial inclusion toward the top of its agenda, but one of the most potent symbols of political will has been the creation and endorsement of the Maya Declaration.

Surge in country commitments

One of the unusual features of the Maya Declaration is that AFI members agreed to make measurable commitments to increasing financial inclusion in such a short period of time, an indication of their determination to make progress. Twenty-five countries made commitments under the Maya Declaration within the first eight months, from Brazil and Kenya to Pakistan and the Philippines.

Commitments have ranged from Nigeria agreeing to increase financial inclusion from 54% of its 140 million-strong population to 80% by 2020, to Mexico aiming to have a bank branch or agent in every municipality by 2014. Many other countries are expected to announce equally bold commitments in the coming months.

New partnership models taking shape

Many countries have been able to make ambitious commitments because the institutional infrastructure to scale up is largely in place. Whether countries need support for strategic implementation or knowledge sharing, scores of well-established institutions already exist, from AFI and the Consultative Group to Assist the Poor (CGAP) to the International Finance Corporation (IFC), World Bank, bilateral donors, and a myriad of NGOs and their networks, large and small.

However, it is also recognized that new types of partnerships, beyond policymaking forums, are required to break the mold and accelerate progress on the ground. This is especially true in fields such as mobile financial services, where the provision of so-called 'second generation' services such as savings and insurance (as opposed to more basic first generation payment systems) will need novel forms of cooperation between different players, including the private sector.

In 2012, AFI's African members launched the Africa Mobile Financial Services Policy Initiative (AMPI) – one example of the new forms of cooperation taking shape under the Maya Declaration. This regional initiative is not only designed to address the specific issues that Africa faces in mobile financial services and to set measurable commitments, but also to work more closely with new players, including the private sector and researchers, to accelerate market uptake. Understanding the incentives and concerns of both the private sector and consumers is going to be key.

MOVING BEYOND THE TIPPING POINT

To support its members in meeting their Maya Declaration commitments in the months and years ahead, AFI has created a range of specific services, from peer review and peer advice to building new partnerships and providing advocacy support. It will also regularly monitor and publicly report on the progress of member country commitments. However, for financial inclusion to really take off and reap tangible economic benefits, it must be truly inclusive and bring together the complementary expertise of a broad cross-section of partners far beyond AFI.

The Maya Declaration might be the tipping point for financial inclusion, but to unlock its full potential, everyone needs to push it forward.

The Maya Declaration Financial inclusion's tipping point?
Continued

A growing movement

September 2011



17 concrete commitments



The broad objective of the Strategy is to reduce adult financial exclusion from 46.3% in 2010 to 20% in 2020, that is, 80% financial inclusion.

Central Bank of Nigeria

Key Activities

AFI Global Policy Forum, Riviera Maya, Mexico.

The Maya Declaration was successfully launched and became known as the first global and measurable set of commitments by developing and emerging policymakers to unlock the economic and social potential of the world's 2.5 billion poorest people through greater financial inclusion.



March 2012



4 concrete commitments



FinScope Namibia 2011 was launched in March 2012, and provided insightful information regarding financial inclusion in Namibia, including the fact that the level of financial exclusion in Namibia reduced from 51.7% in 2007 to 31% in 2011.

Bank of Namibia

Key Activities

African Financial Inclusion Policy Forum, Zanzibar, Tanzania.

Governor Benno Ndulu of the Bank of Tanzania and Governor Njuguna Ndung'u of the Central Bank of Kenya co-chaired a Roundtable of Governors and Deputy Governors focusing on the Maya Declaration. Representatives from institutions that made commitments in Riviera Maya presented interim progress towards their commitments during this event.



April 2012



2 concrete commitments



9.5 million farmers' accounts have been opened with the banks in the last 2 years through which farmers are also receiving benefits/subsidies provided by the government under social safety net programs.

Microcredit Regulatory Authority, Bangladesh

Key Activities

Annual G24/AFI Policymakers' Roundtable on Financial Inclusion, IMF/World Bank Spring Meeting.

Governor Sanusi of the Central Bank of Nigeria, Governor Gatete of the National Bank of Rwanda and Governor Ndulu of the Bank of Tanzania informed the G20 Presidency, GPFI co-chairs and other financial inclusion stakeholders of the progress they had been making in implementing their commitments.



The Maya Declaration Financial inclusion's tipping point?
Continued

June 2012 **September 2012**


2 concrete commitments



AFI's work has been anchored on the peer learning framework. From the facilitation of targeted knowledge exchange programs, to working groups comprised of members with shared interest and expertise, to the web-based tools such as the Member Zone and Global Policy Forum.

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

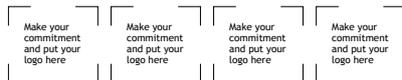
Key Activities

 **G20 Summit in Los Cabos, Mexico.**

Eight AFI member institutions that had made commitments under the Maya Declaration took part in a special financial inclusion event at the G20 Summit in Los Cabos, Mexico to mark the launch of the G20 Financial Inclusion Peer Learning Program.




? sign up and make your commitments



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

Prof. Njuguna Ndung'u, Governor of the Central Bank of Kenya, Chairman of the AFI Steering Committee

Key Activities

 **AFI Global Policy Forum in Cape Town, South Africa.**

Release of the debut publication of the Maya Declaration showcasing the progress of the 25 commitments, one year on. New commitments to be announced.



THE 2012 AFI GLOBAL POLICY FORUM
Making financial inclusion real
26-28 | SEPTEMBER | 2012
cape town, south africa

Our goal

-  Empowering the AFI membership
-  Bringing financial services to the unbanked
-  Promoting innovation in AFI policy
-  Bringing smart policies to life

Overview of country commitments

Going the extra mile

Just one year after the Maya Declaration was supported by AFI's 84 members in September 2011, 25 countries have made a total of 69 commitments in the four key areas currently covered by the Declaration.

Just one year after the Maya Declaration was supported by AFI's 84 members in September 2011, 25 countries have made a total of 69 commitments in the four key areas currently covered by the Declaration. These four areas, which have been proven to increase financial inclusion, are:

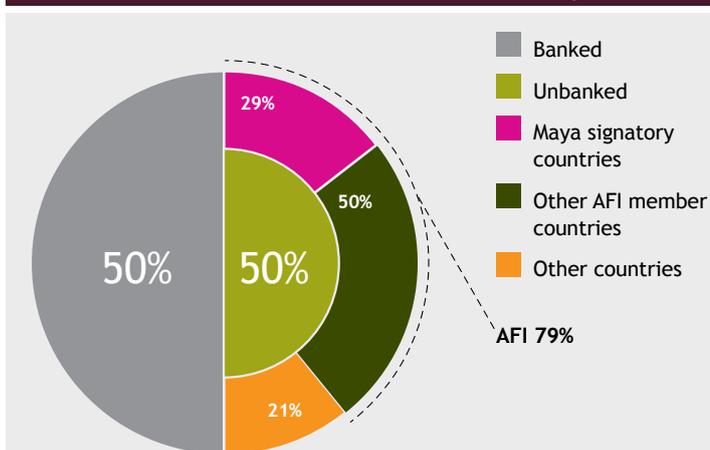
- **Mobile financial services:** creating an enabling environment to harness new technology that increases access to and lowers the costs of financial services
- **Proportionate regulatory frameworks:** implementing a proportionate regulatory framework that strengthens the connections between financial inclusion, integrity, and stability
- **Consumer protection and education:** integrating consumer protection and empowerment as key pillars of financial inclusion
- **Data collection:** utilizing data for informed policymaking and tracking results

The countries that have already made commitments represent just over 29% of the world's unbanked population – equivalent to 720 million people – and many more member countries are expected to follow, which collectively account for 79% of the world's unbanked population.

Significantly, many countries have made additional commitments that go far beyond the original requirements of the Maya Declaration. For example, some countries have set targets for increasing their overall national financial inclusion rates by particular dates, while others have made commitments to establish national financial inclusion strategies.

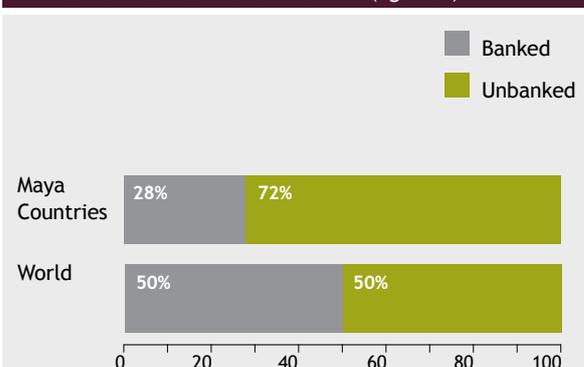
These additional commitments underline both the power of the Declaration to galvanize real change and the determination of the countries that have endorsed the Declaration to adapt it to suit national needs and aspirations. Although the Maya Declaration focuses on four broad areas, it has the flexibility to accommodate

DISTRIBUTION OF UNBANKED POPULATION (age 15+)



Source: World Bank-Findex, AFI, CIA. Data based on answers to the question: do you have an account at a formal institution? *Information is available for 22 of the 25 Maya Declaration signatory countries and 61 of the AFI member countries

MAYA DECLARATION SIGNATORY COUNTRIES: PERCENTAGE OF UNBANKED (age 15+)



Source: World Bank-Findex, AFI, CIA. Data based on answers to the question: do you have an account at a formal institution?. *Data collected from 22 of 25 Maya Declaration signatory countries

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country-specific needs and to evolve over time. New categories of commitments will undoubtedly be added in the future as and when signatory countries see fit. It is their Declaration.

The following pages provide an overview of progress in the key areas.

1. CREATING AN ENABLING ENVIRONMENT TO HARNESS NEW TECHNOLOGY

The promise of mobile phones for improving financial inclusion has never been greater. One of the most convenient and effective channels for accessing financial services at a lower cost than traditional banking, mobile phones are empowering the world's poor to better manage their financial lives. Deployments of mobile financial services (MFS) are rapidly expanding throughout the developing world and financial services offered through mobile phones have become a part of everyday life for many individuals. However, the availability of second generation financial services such as savings, credit, and insurance is still quite limited relative to first generation services like payments. Many believe that a phased approach with small payments serving as an entry point to formal financial services followed later by a suite of financial services, such as savings, credit, and insurance, will spur large socioeconomic gains.

Facilitating the uptake of mobile financial services:

In the year since the commitments were made, notable progress has already been achieved. The National Bank of Ethiopia is in the process of developing MFS guidelines following knowledge exchange visits to peer countries. The Reserve Bank of Fiji has committed to create an enabling framework for MFS and has allowed two new MNOs into the market, a move expected to enhance competition, reduce the cost of remittances, and increase inward remittances. The Bank of Tanzania is actively developing partnerships with the private sector to further explore interoperability. The Superintendencia de Banca, Seguros y AFP (SBS) del Peru is actively undertaking new projects to launch mobile banking initiatives in order to increase the number of retail agents in the country, which has already reached 13,784 (June 2012).

The importance of MFS is evident in the Maya Declaration commitments: more than one-third of

countries committed to create a MFS regulatory framework or are reviewing interoperability policies and agent networks. The AFI Mobile Financial Services Working Group (MFSWG) has proved popular with more than 25 members who are keen on peer-to-peer learning. The National Bank of Rwanda is the latest addition, which joined the group as part of its Maya commitment.

Expanding agent banking networks: As countries seek to maximize the potential of MFS, a number of countries are also focusing on expanding access to financial services through agent banking. The Reserve Bank of Malawi sees agent banking as a key way to meet its Maya Declaration commitment to increase access to formal financial services from 19% to 40% by 2014, and has circulated draft agent banking regulations for peer review within the MFSWG. Banco Central del Paraguay issued their agent banking regulations this year, and agent banking has also been a focus for the Superintendencia de Banca, Seguros y AFP (SBS) del Peru and the Bank of Tanzania. Taking advantage of new channels enabled by technology is a key element of the Central Bank of Nigeria's national financial inclusion strategy. It has published agent banking guidelines this year and is developing a partnership with NIPOST (the national postal network) to enable it to become a retail agent for financial services.

2. IMPLEMENTING A PROPORTIONATE REGULATORY FRAMEWORK

Regulatory reform has been a key focus of many AFI members with Maya commitments because they recognize that the traditional reach of financial services can only be extended with regulation that enables innovative financial products and delivery channels. Significant progress has been made in recent years in discussions with the Standard-Setting Bodies (SSBs) to ensure that policymakers in developing and emerging countries are able to comply with global standards for financial stability while also pursuing financial inclusion and integrity. The Financial Action Task Force (FATF) Guidance Paper on AML/CFT and Financial Inclusion produced in 2011 is a prominent example.

Tailoring frameworks to national circumstances: With the Maya Declaration commitments, policymakers in developing countries have seized the opportunity to advance tailored and proportionate regulatory solutions. The Central Bank of Kenya, Central Bank of Paraguay,

Overview of country commitments Going the extra mile

Continued

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

Prof. Njuguna Ndung’u, Governor of the Central Bank of Kenya, Chairman of the AFI Steering Committee

Bank of Ghana, Banco Central do Brasil, and Bank Indonesia have all identified enabling and proportionate regulation as priorities within their commitments. Bank Indonesia will include a regulatory framework for branchless banking as a key pillar of its financial inclusion strategy, and the Central Bank of Paraguay is in the process of developing new regulations on microfinance, mobile banking, and branchless banking as part of its 2012-13 institutional strategic plan.

Balancing AML/CFT and financial inclusion: AFI members are demonstrating that proactive financial inclusion policies and Anti-Money Laundering/Combating Financing of Terrorism (AML/CFT) strategies can be pursued in tandem – Guinea and the Philippines are among those countries with Maya Declaration commitments that have strengthened their AML/CFT regimes this year.

3. INTEGRATING CONSUMER PROTECTION AND EDUCATION

The global financial and economic crisis that originated in the developed world has underlined the importance of financial education and consumer protection worldwide. The crisis served to boost the implementation of appropriate client protection policies and practices, and revealed an acute need for governments to provide regulation that protects consumers everywhere and ensures that financial markets work for the benefit of all. Leading up to the financial crisis, far too many consumers purchased financial products that were unsuitable for them, in many cases because inexperience with the financial system made them easy targets for unethical sales practices. This could have been avoided had they been more financially capable and clearly understood the financial products they were purchasing. Given the rapid pace of financial innovation and the growing complexity of financial products, it is not surprising that the typical

household finds it difficult to successfully navigate the financial system. These challenges are even more pronounced for poorer and more vulnerable individuals and households.

Consumer protection as part of a larger strategy:

Consumer protection and financial literacy ranked high among the Maya Declaration commitments, with over 10 countries committing to reforms in these policy areas. Some countries, including Uganda, Zambia, Brazil, the Democratic Republic of Congo, and Paraguay, have included consumer protection as part of their national financial inclusion strategies. Raising awareness of customer rights and obligations has been a focus, as has making disclosure and redress mechanisms more transparent. Armenia’s recently established Financial Mediator Office is a good example.

Raising levels of financial literacy: Raising national financial literacy levels is a vital component of consumer protection initiatives, and central banks are contributing to this effort through national strategies on financial literacy or by lending support to the efforts of other stakeholders, such as the Ministry of Education in Zambia or, in the case of Fiji, a close collaboration of government, private sector, and key stakeholders. The central banks of Malawi, Zambia, and Rwanda have all made specific commitments under the Maya Declaration to developing national financial literacy strategies. Whatever the approach, the focus has been empowering customers and raising awareness of financial products and services. Some countries that have already made progress in data collection are now at a more advanced stage of measuring the quality of their consumer protection and financial literacy efforts. The AFI Financial Integrity and Data Working Group (FIDWG) and Consumer Empowerment and Market Conduct (CEMC) Working Group are working with a few AFI member institutions to create such quality indicators.

4. UTILIZING FINANCIAL INCLUSION DATA

In order to gauge impact and track progress toward achieving more inclusive financial systems, as well as to inform financial inclusion policymaking, data collection efforts must keep stride with growth in financial inclusion commitments and programs. Rigorous, well-tailored data is instrumental in identifying policy gaps, understanding both served and underserved populations, and setting priorities for action. Under the Maya Declaration, countries have committed to set measurable objectives and to measure their progress against these objectives with data.

Collecting supply- and demand-side data: AFI member countries are at different stages in collecting national data on financial inclusion. Some countries have chosen to focus only on demand-side or supply-side data, some are collecting both, and still others are in the next phase of examining quality indicators. Brazil and Uganda have

Overview of country commitments Going the extra mile

Continued

included data as a core pillar of their financial inclusion action plans, and Mexico is supplementing its data collection with demand-side data and identifying quality indicators. Many countries are still in early stages and see data collection as a way to measure the progress of their Maya Declaration commitments. These same countries have become members of the AFI Financial Inclusion Data Working Group (FIDWG) in order to share their experiences. The National Bank of Rwanda and the National Bank of Ethiopia are good examples, as is the Bank of Zambia, which has piloted the AFI Core Set of Indicators.

Other countries have received grants from AFI to support data collection efforts, including the Philippines, which has expanded its capacities and directed more resources toward data collection by hiring more staff for data and measurement. The Reserve Bank of Fiji's commitment forms part of AFI's regional grant to the Pacific Islands, where six countries will study collecting standardized data that will improve regional policymaking initiatives.

Establishing key global indicators: At the global level, 2012 saw the G20 endorse a Basic Set of Key Performance Indicators, which was developed from the foundations of the AFI Core Set of Financial Inclusion Indicators, and the publication of the first set of data from the Global Findex survey, covering 160 countries. There is growing recognition that regular large-scale multi-country surveys can complement and reinforce national-level data collection efforts and help countries to build the evidence base they need to prioritize policy interventions and to track progress effectively.

DEVELOPING NATIONAL FINANCIAL INCLUSION STRATEGIES

There is a strong trend among AFI members to develop national financial inclusion strategies. Paraguay, Uganda,

and Nigeria have made specific commitments to developing one, while the National Bank of Ethiopia will include its financial inclusion strategy within Ethiopia's Growth and Transformation Plan. Nigeria's national strategy for financial inclusion will be launched at an event in October 2012.

Creating national coordination mechanisms: A number of other AFI members have focused their commitments on ensuring effective coordinating mechanisms at the national level. Mexico has established a National Council on Financial Inclusion, Brazil launched a National Partnership for Financial Inclusion in November 2011 followed by an Action Plan in May 2012, and Rwanda has established a Financial Inclusion Taskforce. The Reserve Bank of Fiji's Maya Declaration commitments will be overseen by its Financial Inclusion Taskforce, which has been in operation since 2009.

For other AFI members, a clear strategic framework is seen as key to meeting their Maya Declaration commitments: Bank Indonesia's commitments closely mirror the priority areas of Indonesia's national financial inclusion strategy while the Bangko Sentral ng Pilipinas (BSP) has established an Inclusive Finance Committee chaired by the Governor and created a Financial Sector Forum as a coordination mechanism for relevant financial sector regulators.

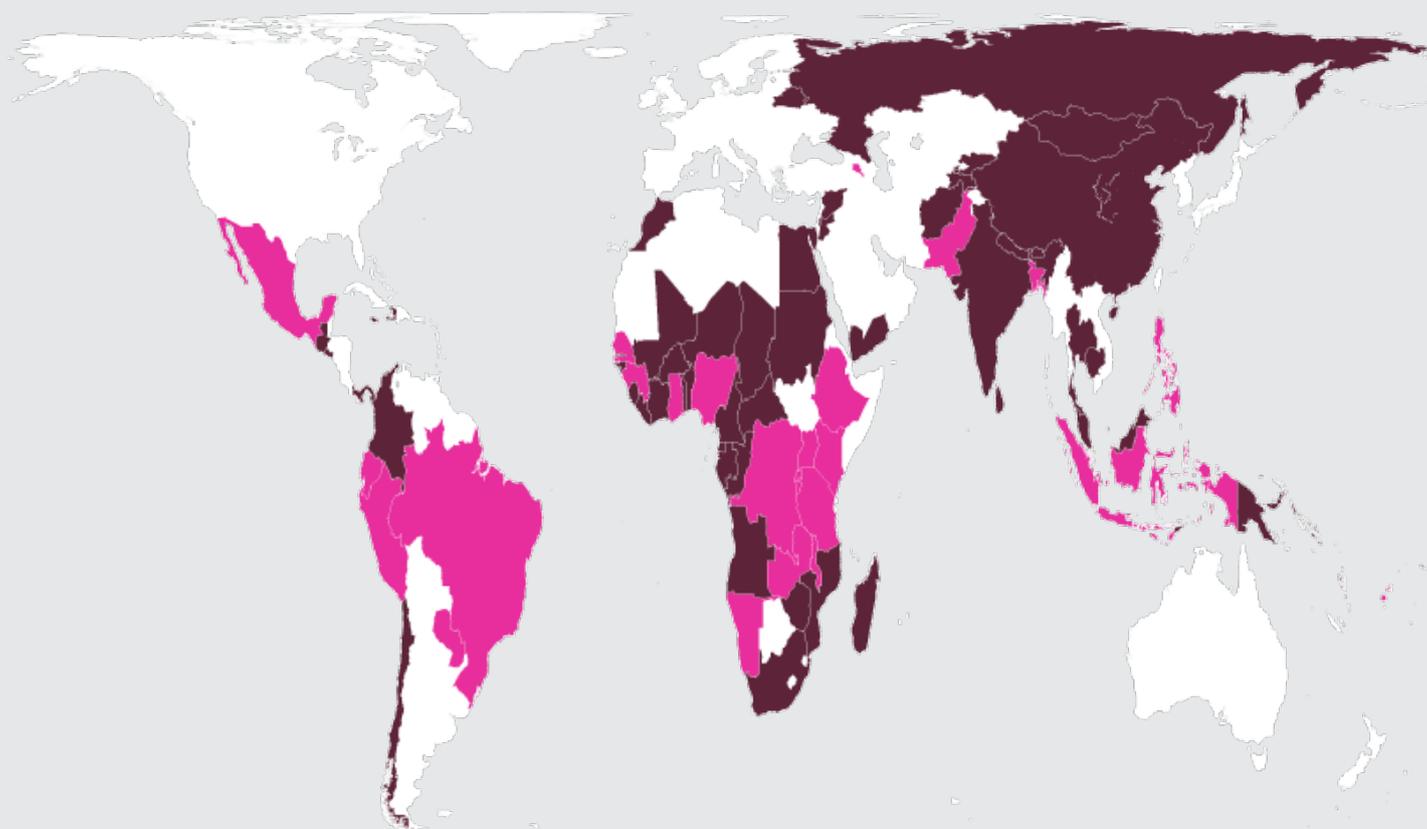
Setting ambitious national targets to expand financial inclusion: Ambition is running high among countries developing national financial inclusion strategies, with national targets aimed at achieving dramatic increases in access to financial services over the coming years. The Central Bank of Nigeria has pledged to reduce the exclusion rate from 46.3% of the population to 20% by 2020. Rwanda's target of 80% inclusion by 2017 is striking, and the Bank of Tanzania has made such significant progress in the last year that it is considering increasing its target from 50% financial access by 2015 to 75% access. The Bank of Zambia, which also committed to a 50% increase, may also raise its target depending on the results of a FinScope survey to be conducted this year. Such developments demonstrate the living nature of the Maya Declaration, with public accountability and peer pressure driving ever more ambitious and measurable targets.

“We commit to delivering concrete financial inclusion outcomes for the developing world to provide sustainable, relevant, cost effective, and meaningful financial services for the world's financially unserved populations.”

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

Country progress reports

From Bangladesh and Brazil to Fiji and Uganda



Among the AFI members who made concrete Maya Commitments, 12 members reported their progress this year.

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■ AFI member countries
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Bangladesh

Microcredit Regulatory Authority

MAYA DECLARATION MEMBER PROFILE



Member	The Microcredit Regulatory Authority
Maya commitment made	April 2012

“9.5 million farmer accounts have been opened with the banks in the last 2 years through which farmers are also receiving benefits/subsidies provided by the government under social safety net programs.”

Microcredit Regulatory Authority, Bangladesh

The Microcredit Regulatory Authority (MRA) of Bangladesh made a commitment under the Maya Declaration in April 2012 to take tangible and measurable steps toward promoting greater financial inclusion. The MRA addressed various AFI policy areas under its Maya Declaration commitments, including Mobile Financial Services, Consumer Protection, Financial Literacy, and Microinsurance. The MRA was also involved in launching a Depositors Safety Fund (DSF), which was inaugurated by the Minister of Finance on 22 July 2012.

Financial inclusion programs in Bangladesh are led by the government and the country’s two regulators: the Central Bank of Bangladesh (CBB) and the MRA. Efforts to improve financial inclusion in Bangladesh have been carried out on three fronts. First, fiscal policies have been adopted at the government level with various social safety net programs implemented as part of these policies. Second, the CBB has extended support programs, such as refinancing against soft loans to sharecroppers and micro and small enterprises; encouraging creative partnerships between banks, MFIs, mobile phone and smart card technology platforms; and enabling innovations in cost-effective financial service packages. Third, the MRA has taken measures to improve accountability, transparency, sustainability, and governance in the microfinance sector, and to protect consumers and empower women.

Leading up to the 2012 Global Policy Forum (GPF), the MRA has assessed its progress toward meeting its Maya commitments, noting the achievements and strategies that have been developed to move forward and achieve its goals.

PROGRESS ON MAYA DECLARATION COMMITMENTS

“Promote agent and mobile banking.”

The Central Bank of Bangladesh has granted permission to 23 banks to offer mobile banking services, 14 of which have already started operations. Approximately 700,000 mobile banking accounts are now operational throughout the country. The MRA has given permission to five MFIs to provide financial services through mobile technology in collaboration with banks, and other MFIs are in development.

Under a new social safety net program, 9.5 million farmer accounts have been opened with banks in the last two years, through which farmers can receive government benefits or subsidies.

In the last year, about BDT 537 billion in bank loans have been disbursed to SMEs¹. The sector has also disbursed BDT

¹ Bangladeshi taka (BDT)

Country progress reports

Continued

Bangladesh Microcredit Regulatory Authority

Continued

14 billion in agricultural loans in the financial year 2011-12, which is BDT 3 billion higher than the preceding year and double what it was in 2009-10.

These major initiatives of the Central Bank of Bangladesh were undertaken as part of recently passed regulations and policies. The MRA has joined hands with the CBB in its mobile banking policies by granting permission to MFIs to provide these services and assisting MFIs in collaborations with banks.

“Strengthen transparency and accountability measures through capacity building of microfinance institutions.”

The MRA was created in 2006 to regulate and license organizations intending to provide microcredit services. As of June 2012, 647 organizations have been licensed to operate in Bangladesh. About 500 organizations have received training in financial literacy, major governance issues, rules and regulations to be observed under law, and other areas. Training has been provided by the MRA and professional institutions like the Institute of Microfinance, an organization dedicated to knowledge management, research, and training in the microfinance sector. MFIs have also received training in financial literacy from chartered accountancy firms. Training programs are customized based on the size of an organization and its needs and capabilities.

“Implement consumer protection and empowerment initiatives.”

Consumer rights and privileges in Bangladesh are protected under newly developed regulations, and MFIs have been both advised and motivated to improve transparency and disclose information to customers about banking transactions and accounts. Information, Education and Communication (IEC) materials have been distributed to MFIs across the country to help raise awareness of financial consumer rights.

Currently all transactions in the microfinance sector are under the purview of the country’s Anti-Money Laundering Act. Circulars and literature have been distributed to MFIs and they have been advised to report any suspicious transactions.

A Depositors Safety Fund (DSF), required under law, has been established with a starting balance of BDT 300 million. The DSF is designed to minimize risk for depositors who might suffer a loss from depositing funds in a MFI. The purpose of the fund is to help improve governance, market discipline, and customer protection. A seminar on the proposed DSF was held on 22 July 2012, which solicited perspectives from various stakeholders. The MRA is

currently finalizing DSF policies and hopes to start operating the fund by March 2013. Once in place, the DSF will perhaps be the first of its kind in the microfinance sector in the world.

“Regulate microinsurance.”

At present in Bangladesh’s microfinance sector, microinsurance products mainly protect and insure loans disbursed by MFIs. Other microfinance products have not been common in the sector until recently when credit plus microinsurance products began to emerge.

In order to bring all of these products into a disciplined microinsurance sector, the government is considering establishing regulations for microinsurance. The first stage of this process included a microinsurance study, position paper, and an exchange of stakeholder views. Regulations are currently being formulated and are expected to come into force after July 2013.

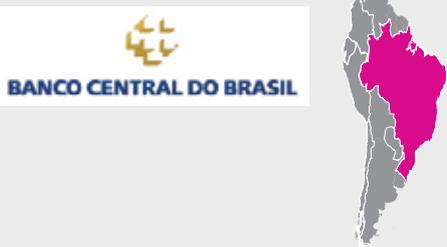
Country progress reports

Continued

Brazil

Banco Central do Brasil

MAYA DECLARATION MEMBER PROFILE

	
Member	Banco Central do Brasil
Maya commitment made	September 2011

COUNTRY PROFILE

Region	Latin America & Caribbean
Adult population	144,823,504
Adult definition	age 15+
Administrative units	5,565 municipalities

ACCESS DIMENSION

Total number of branches	31,541
Total number of agents ¹	151,623
Total number of ATMs	174,920
Other*	1,990
Total number of access points per 10,000 adults ²	18.3
% administrative units with at least one access point	100%
% of total adult population living in administrative units with at least one access point	100%

USAGE DIMENSION

% of adults with at least one type of regulated deposit account	79%
Number of deposit accounts per 10,000 adults	12,470
% of adults with at least one type of regulated credit account	20.82%
Number of loan accounts per 10,000 adults	44,686

Sources: AFI-FIDWG Financial Inclusion Survey. Data from December 2010.

* PAA (bank outposts that may offer large or narrow range of services) and PAM (IMF outposts)

¹ Not all agencies offer cash-in & out services² Total number of cash-in & out access points, divided by total adult population, multiplied by 10,000

Under the Maya Declaration, Banco Central do Brasil (BCB) committed to foster access and use of financial services tailored to user needs, and has been intent on coordinating national efforts to develop a balanced and responsible financial inclusion policy. The joint efforts of BCB, government bodies, the private sector, and other stakeholders formed the basis for Brazil's National Partnership for Financial Inclusion (NPFI).

BCB's Maya Declaration commitments are based on three pillars: situation assessment, regulation, and financial literacy and transparency. One year on, much progress has been made in meeting its goals and objectives.

PROGRESS ON MAYA DECLARATION COMMITMENTS

"Aiming for balanced and responsible financial inclusion."

The BCB has long worked to improve access to financial services by expanding and strengthening distribution channels, developing instruments to better adapt financial services to the needs of the poor, and guaranteeing the quality of financial services. Although actively working on financial inclusion for over two decades, the BCB still discovered a number of challenges:

- adapting financial offerings to the needs of businesses and individuals;
- improving the financial literacy of Brazilians as a means of preventing over-indebtedness;
- encouraging household saving;
- strengthening consumer protection mechanisms for financial services users;
- promoting the sustainable development of microcredit for income-generating activities;
- guaranteeing the stability and ongoing improvement of the country's correspondent banking model; and
- improving measurement and data on financial inclusion to assess the situation in Brazil.

These challenges culminated in the creation of the National Partnership for Financial Inclusion (NPFI) in November 2011. The partnership aims to catalyze efforts to promote financial inclusion in Brazil and address these challenges in a manner consistent with the G20 Principles for Innovative Financial Inclusion.

PROGRESS TO DATE

- **National Partnership for Financial Inclusion:** The NPFI was launched in November 2011. Its Action Plan, which focuses on strengthening the institutional environment, was released in May 2012.

Country progress reports

Continued

Brazil Banco Central do Brasil

Continued

- **Microfinance activities:** Brazil has launched a national microcredit program, Crescer (meaning *grow*) to encourage major public banks to enter the microfinance market. The NPFI Action Plan aims to foster the expansion of microcredit through regulations that encourage microloans for income-generating activities. The BCB has also been studying ways to improve the regulatory framework for specialized regulated institutions, with a view to establishing a more favorable environment in which to transform microfinance institutions that meet the proper capacity requirements.
- **Promoting the diversification and improvement of financial services:** Regulatory responsibility for financial services lies with several players: the BCB, the Securities and Exchange Commission of Brazil, the National Superintendence for Pension Funds, and the Superintendence of Private Insurance. On 27 April, the Committee for the Regulation and Oversight of Financial, Capital, Insurance and Pension Markets and Capitalization (Coremec) created a standing subcommittee on financial inclusion, tasked with developing proposals for regulations that would promote financial inclusion in Brazil. The purpose of the subcommittee is to scale up cooperation and information sharing among Coremec member

regulators, with a view toward developing microfinance instruments tailored to the needs of the population and increasing access to the formal financial system for low-income people. To this end, the National Council of Private Insurance issued a regulation on microinsurance in June 2012 that allows correspondents (banking agents) to provide financial products and services.

- **A legal and regulatory framework for mobile payments:** There is enormous potential for the development of m-payment models in Brazil since mobile phones are widely used, even among poorer people. However, the legal framework contains no specific provision for m-payment services, which might deter investors and raise the risk of adverse selection. The BCB believes that m-payment models must incorporate the following features:
 - simplicity, universality, and interoperability;
 - security, privacy, and confidence;
 - competitiveness and cost-effectiveness;
 - flexibility;
 - integration into Brazil's payment system infrastructure; and
 - person-to-person (P2P), person-to-business (P2B), and government-to-person (G2P) transactions.

BCB and the Ministry of Communications have been studying and discussing these questions in an interministerial working group with the aim to establish measures that are required to develop this market successfully.

BRAZIL'S MAYA DECLARATION COMMITMENTS: GUIDED BY THE CENTRAL PILLARS OF THE NPFI

Situation Assessment

The BCB is conducting demand-side data surveys with strategic partners in order to better understand customer needs and behavior and to identify barriers to financial inclusion. BCB is also working to improve the methodology and indicators used in its "Report on Financial Inclusion" (published in 2010 and 2011) and to incorporate indicators that measure the quality of financial services.

Regulation

BCB's goal is to improve the legal and regulatory framework in accordance with the respective roles and mandates of the regulatory authorities involved in the NPFI. There is a particular focus on strengthening Brazil's microfinance sector, spurring technological innovation in financial services delivery, strengthening the distribution channel network, and adapting financial service offerings to the diverse needs of the population. The legal and regulatory framework for mobile payments is also on the strategic agenda.

Financial Literacy and Transparency

These commitments aim to reduce information asymmetry between financial service providers and the general public. These efforts focus on strengthening freedom of choice, improving consumer safety, and promoting responsible financial decision-making as a means of preventing overindebtedness.

Country progress reports

Continued

- Improved access point distribution:** Brazil is well known for its network of correspondents (banking agents), which have significantly expanded the reach of the traditional financial system. Ongoing improvement of the system continues while innovative ways to improve distribution are studied. Improving the regulatory framework will also allow distribution channels to be strengthened, particularly bank service outlets that deliver financial services on behalf of financial institutions and supplement the traditional branch network. To this end, Resolution No. 4,072, issued on 26 April 2012, consolidates provisions governing the establishment of financial institution outlets in the country.
- Financial literacy strategy:** Brazil's National Strategy for Financial Literacy has long-term goals that unite the efforts of the BCB, the Securities and Exchange Commission of Brazil, the National Superintendence for Pension Funds and the Superintendence of Private Insurance, in addition to other government bodies, private sector initiatives, and civil society. The national strategy also has shorter term objectives: the NPFI Action Plan provides for activities aimed at enhancing financial literacy and capability, facilitating access to information about financial services, and raising awareness of consumer rights and procedures for resolving disputes. As a first step, in the first part of 2012, an internal BCB working group identified specific activities that would reduce information asymmetry between the general public and financial institutions, with the aim to ensure that users choose the most suitable financial products and services and use them effectively.
- Data measurement:** In 2011, the BCB launched a financial inclusion index capable of charting general trends and facilitating comparison between geographic units, allowing it to map the progress of financial inclusion and identify advances and barriers. The BCB is currently improving the methodology by reevaluating the content of the index and including indices related to the quality of financial services (this is slated to be discussed by the AFI Financial Inclusion Data Working Group). In order to better understand consumer needs and behavior and to identify barriers to financial inclusion, the BCB has also been working with partners to conduct demand-side data surveys and analyze the results. In 2012, the BCB helped to define the scope and elaborate on for a financial inclusion survey conducted by the Confederation of Brazilian Industry and IBOPE Inteligência. The BCB has also collaborated with the Bill & Melinda Gates Foundation, which is organizing a broader survey on financial inclusion that focuses on the correspondent (agent banking) model.

“The realisation that coordinated efforts would be needed to address these new challenges led to the creation of the National Partnership for Financial Inclusion (NPFI) in November 2011. The partnership aims to catalyse efforts to promote effective financial inclusion in Brazil.”

Banco Central do Brasil

Country progress reports

Continued

Ecuador Banco Central del Ecuador

MAYA DECLARATION MEMBER PROFILE



Member	Banco Central del Ecuador
Maya commitment made	April 2012

“[El Banco Central del Ecuador] seeks to expand the frontier of access to new population segments, particularly those having less income, in order to enhance the policy to strengthen the Popular and Supportive Economy.”

Banco Central del Ecuador

The Central Bank of Ecuador's (BCE) April 2012 Maya Declaration commitments drive specific national efforts to expand financial inclusion and encompass policy areas such as mobile financial services and financial literacy.

One strategic focus of the BCE is to expand access to new segments of the population, particularly those with low incomes, in order to enhance policies that strengthen the Popular and Supportive Economy (a major sector of the economy comprised of cooperatives and other community-based financial institutions).

The BCE has committed to issuing regulations that facilitate financial inclusion, including one for mobile banking that will enable outreach to more of the population. The BCE expects to advance the following commitments by 2015.

PROGRESS ON MAYA DECLARATION COMMITMENTS

“Increase of the participation of stakeholders who belong to the popular and supportive financial sector in the national economy, by placing points of payment for local financial structures that are connected to the National Payment System, in at least 200 cantons in the country, with coverage of approximately 90% of the country.”

The BCE has begun an evaluation of the technological and operational capabilities of the popular and supportive economy and the institutions that are connected to the National Payment System. The BCE has established connections with those with sufficient technological capacity and has proposed that network's head entities support less developed credit unions.

To implement the new National Payment System, the BCE will strengthen the infrastructure by:

- acquiring hardware;
- developing and/or acquiring software;
- testing and implementing processes; and
- training and disseminating knowledge to users of the National Payment System and to the general public about its use and functions.

This will all allow financial institutions and new stakeholders to provide financial services to a greater number of people through both lower transaction costs and appropriate technologies in geographical areas with lower financial engagement and income levels.

Country progress reports

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“Advancement of new financial inclusion mechanisms, by integrating diverse transaction networks in the country which allow increasing the number of transactions originated by means of the mobile telephone channel of the BCE.”

In conceptualizing this project, BCE considered participation of public institutions to be an important element, primarily because utilizing their physical infrastructure would allow it to expand coverage points and develop financial services such as mobile payments and integrate banking agents into the National Payment System.

A list of 11 institutions and public enterprises were considered and regulation was elaborated that supported the establishment of banking agents. BCE is also defining the business model and regulations for e-money accounts.

“Fostering of financial education that allows developing knowledge related to benefits, costs, and risks of financial products and services so that current and potential users may make informed decisions in order to improve their well-being.”

The BCE is working to establish a plan for financial education that will enable users of the financial system to better understand the financial market and develop their capacity to assess risks, manage their resources, and protect their rights.

“Promotion of the expansion of financial services, by creating a grant fund that supports the broadening of the supply of financial products and services, as well as extending coverage in terms of geographical areas and demographic groups that are currently not included.”

The grant fund will be administered by the BCE and will be used, among other things, to co-finance technical assistance projects and to procure goods, services, technologies, and other elements needed to expand the reach of International Financial Institutions (IFIs) and Popular Financial Structures .

“Expansion of remittance distribution channels which will allow the inclusion of recipients, particularly in poor and rural areas, in the formal financial system by means of local financial entities.”

A marketing plan has advocated the benefits of using credit unions connected to the National Payment System as an alternative and more economical channel for sending and receiving remittances between Ecuadorian residents in Spain and the US and their families in Ecuador. Resources from the Multilateral Investment Fund of the Inter-American Development Bank Group have been allocated for accounting software in several administrative credit unions and will be installed in credit unions entering the National Payment System.

The BCE will campaign to integrate all credit and savings unions in the popular and supportive economy sector into the National Payment System. The BCE will also issue regulatory provisions governing collection and payment through an extended network with the participation of IFIs, credit unions, and other indirect participants in the National Payment System.

Country progress reports

Continued

Fiji Reserve Bank of Fiji

MAYA DECLARATION MEMBER PROFILE



Member	Reserve Bank of Fiji
Maya commitment made	September 2011

“By 2013, 197,000 students in all of Fiji’s 910 schools will have access to financial education in core subjects at school.”

Reserve Bank of Fiji

At the 2011 Global Policy Forum in Riviera Maya, Mexico, the Reserve Bank of Fiji (RBF) committed to take tangible and real steps toward promoting greater financial inclusion in the country. Under the Maya Declaration, the RBF announced commitments covering four main policy areas: mobile financial services, consumer protection, data and measurement, and national strategy. One year later, the RBF has assessed its progress, noted its achievements, and developed additional strategies to achieve its goals.

PROGRESS ON MAYA DECLARATION COMMITMENTS

“Provide leadership and full support to the Fiji National Financial Inclusion Taskforce in reaching 150,000 unbanked citizens (17% of the population) through a coordinated national effort by 2014.”

To date, the RBF has reached approximately 60% of the 150,000 target. To calculate this figure, the RBF took into account a broad range of affordable and accessible financial services that are currently available to the poor and underserved segments of the population.

Moving forward, the RBF will continue its collaborative “one team, many partners” approach to achieve its national midterm targets. The RBF is working closely with partners to develop and provide innovative financial inclusion products and an appropriate regulatory framework to support the investment and outreach of new services by key stakeholders. Recognizing the integral role it plays in mitigating risks for the poor, the RBF is raising awareness of microinsurance as another channel through which to reach their 150,000 target.

The RBF provides leadership, financial, and secretariat support to the National Financial Inclusion Taskforce (NFIT) and its working groups.

“Champion the importance of financial education and support the current Fiji FinEd Program in integrating financial education into the existing Fiji school curriculum from Class 1 to 13 by 2013.”

At the beginning of the 2012 school year, 14 primary and 14 secondary schools in urban and rural areas began using the Financial Education Curriculum Development Project (FinEd), which teaches students about personal money management and investment. It is envisaged that by 2013, 197,000 students in all of Fiji’s 910 schools will have access to financial education in core subjects. Because financial education is integrated into core subjects such as math, English, social studies, and commerce studies, every student in Fiji will have FinEd-related learning annually. Champion Schools are being monitored by the Ministry of

Country progress reports

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Education in preparation for the full rollout of the FinEd program to all schools in 2013.

The FinEd Fiji Project is jointly managed by the Ministry of Education and the Pacific Financial Inclusion Programme (PFIP) and is funded by AusAID Fiji. The project will support the development of localized school-based resource materials, training of in-service teachers, and the introduction of financial education into teacher training programs. School-based resource materials have been designed to ensure that they are relevant, engaging, cost-effective, easy to reproduce, and readily available. All 28 Champion Schools presently use teaching materials at particular grade levels, and response so far has been quite favorable.

PFIP is a Pacific-wide program that provides sustainable financial services to low-income households. It is funded by the Australian Agency for International Development (AusAID), the United Nations Capital Development Fund, the European Union, and the United Nations Development Programme (UNDP), and it operates out of the UNDP Pacific Centre.

To promote adult financial education, financial institutions around the country have been encouraged to provide financial literacy training to their employees and conduct training at the community level. The RBF and the National Financial Inclusion Taskforce (NFIT) have held financial inclusion expos around the country since 2010 and have significantly raised awareness of financial literacy in traditionally underserved areas. As of 30 April 2012, 24,767 adults have received financial literacy training. The RBF continues to support and encourage existing and new organizations to conduct financial literacy training. A financial literacy radio campaign will be launched in August, conducted in two languages (Fijian & Hindi).

“Undertake a comprehensive data upgrade on financial inclusion through a financial competency survey by 2012, to measure the current level of financial competency in Fiji, and to collect data to align with the core sets in order to produce comparable indicators in the AFI network by 2013.”

A national financial competency survey of low-income households was conducted in November 2011. The survey results will be discussed at a workshop scheduled for 5-6 September 2012 and will inform the formulation of a national strategy to improve financial literacy across Fiji. In addition, the RBF is a member of the AFI Pacific Islands Working Group (PIWG) data project, the objective of which is to develop a data framework that includes a robust and accessible database and financial inclusion indicators for monitoring, planning, and policy development.

“Ensure the provision of an enabling legislative and regulatory environment for payment systems (including mobile money financial services) and

microfinance, with a view to encourage expansion of saving services and structures to support greater financial inclusion by 2013.”

The RBF is working with the Fijian government and the World Bank to develop a National Payment System decree that will regulate and support both high-value and low-value payment systems currently not captured under the Banking Act. Market comments on the draft legislation from stakeholders have been vetted by a World Bank technical consultant and are currently being incorporated by RBF into the decree. It will be forwarded to the Solicitor General’s Office and finalized later this year.

All commercial banks in Fiji have implemented the RBF’s Banking Supervision Policy No. 14, which defines the minimum requirements for commercial banks to create internal microfinance divisions and units. Since 30 April 2012, 51,000 microdeposit bank accounts have been opened as a result of this initiative. The RBF also conducted on-site examinations of seven MFIs and tabled the results at a Cabinet meeting in November 2011. The Fijian government has approved the Terms of Reference to provide technical assistance for drafting a Microfinance Decree and this will be forwarded to the PIWG for review and comments before a consultant is engaged to provide technical assistance in drafting this legislation.

RBF took a proactive approach in 2010, licensing two MNOs (Vodafone and Digicel) to provide financial services through mobile phone networks. Since then, both MNOs have been actively seeking and engaging with new partners to develop new services and products via mobile phones, such as payments for goods and utilities and domestic and international remittances. The RBF is in the process of determining whether interest should be paid on accumulated funds in MNO mobile money trust accounts held at commercial banks. The RBF is also developing policies for regulating banking agents.

Country progress reports

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Kenya

Central Bank of Kenya

MAYA DECLARATION MEMBER PROFILE



Member	Central Bank of Kenya
Maya commitment made	September 2011

COUNTRY PROFILE

Region	Sub-Saharan Africa
Adult population	22,520,481
Adult definition	age 15+
Administrative units	47 countries

ACCESS DIMENSION

Total number of branches	1,063
Total number of agents	8,809
Total number of ATMs	2,217
Other	-
Total number of access points per 10,000 adults ¹	5.4
% administrative units with at least one access point	n.a.
% of total adult population living in administrative units with at least one access point	n.a.

USAGE DIMENSION

% of adults with at least one type of regulated deposit account	n.a.
Number of deposit accounts per 10,000 adults	5,276
% of adults with at least one type of regulated credit account	5.7%
Number of loan accounts per 10,000 adults	796

Sources: AFI-FIDWG Financial Inclusion Survey. Data on 2011.

¹ Total number of cash-in & out access points, divided by total adult population, multiplied by 10,000

At the Alliance for Financial Inclusion (AFI) Global Policy Forum in September 2011, the Central Bank of Kenya (CBK) announced four specific commitments under the Maya Declaration that take tangible and deliberate steps toward greater financial inclusion. The commitments cover the following policy areas: data and measurement, mobile financial services, agent banking, and consumer protection.

PROGRESS ON MAYA DECLARATION COMMITMENTS

“Promote evidence-based financial inclusion policy and conduct an updated national financial inclusion survey.”

Kenya continues to align its financial inclusion landscape with Vision 2030, a blueprint for transforming the country into a middle-income nation by 2030. For its part, the CBK is supporting the development of a stable, efficient, safe, and inclusive banking sector. Since making commitments under the Maya Declaration in September 2011, the number of bank deposit accounts in Kenya has increased from 13.7 million to 14.9 million (June 2012) while more than 18 million Kenyans now have access to mobile financial services.

The CBK has completed the necessary logistical preparations to conduct an updated FinAccess survey in 2012. Data collection instruments have been developed and a research house (TNS RMS) has been engaged to conduct the survey. In addition, the National Sample Survey and Evaluation Programme’s NASSEP V sampling frame is being developed to formulate sampling clusters that are representative of current national and county structures. The FinAccess survey is slated to commence in the last quarter of 2012. The survey findings will provide an empirical account of the current state of financial inclusion in Kenya.

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

The credit information sharing mechanism that was rolled out in 2010 for the banking sector has developed considerably, with more than 700,000 credit reports accessed by banks between September 2011 and June 2012.

To deepen and extend the mechanism beyond the banking sector, the Finance Act 2012 amended the Central Bank of Kenya Act, Banking Act, and the Microfinance Act to include:

Country progress reports

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- Provisions for sharing credit information between institutions licensed under the Banking Act and institutions licensed under the Microfinance Act. The objective of the amendment is to harmonize the credit information sharing (CIS) framework between these institutions.
- Provisions for banks to disclose both positive and negative information about its customers to licensed credit reference bureaus (CRBs) in cases where this information is required by banks and licensed CRBs.

The CBK, in conjunction with the Kenya Bankers Association and other market players, launched Phase II of the Kenya Credit Information Sharing Initiative (KCISI) in February 2012. Following this launch, a number of activities were undertaken to enhance the CIS framework and mechanism. The ultimate aim of this phase is to establish a full file credit information sharing mechanism that encompasses all key credit providers.

“To review and enhance transparency in disclosure of charges and lending rates so as to promote consumer empowerment and appropriate market conduct.”

The CBK is at an advanced stage of developing a web portal to communicate information about bank charges and lending rates to the public. Testing of the web portal and quality assurance are ongoing and are to be finalized before the portal is rolled out in the fourth quarter of 2012 (anticipated).

The Central Bank of Kenya Act has been amended to facilitate the publication and sharing of information on lending rates and interest rates on deposits charged or offered by various institutions (effective May 2012).

Prudential guidelines on consumer protection covering transparency and disclosure were issued for public comment in May 2012 and are expected to be issued by the end of 2012.

“Review and entrench proportionate banking and payment agents regulation to catalyze increased numbers of financial services touch-points.”

The number of financial services touch points beyond traditional brick and mortar branches continues to grow, expanding access to financial services for Kenyans. The number of payment agents servicing mobile money payment providers stands at more than 60,000 while banks have contracted more than 12,000 agents. The CBK, in conjunction with government and other players, continues to deepen reforms to catalyze the expansion of financial services touch points.

Following the enactment of the National Payment System (NPS) Act in December 2011, the ‘Regulations for the provision of electronic retail transfers and e-money issuers’ have been reviewed. These reviews incorporated comments from the industry and will be shared with the Office of the Attorney General, which will be finalized and

“Since the Maya declaration in September 2011, the number of bank deposit accounts has increased from 13.7 million to 14.9 million at end of June 2012, while over 18 million Kenyans now access mobile financial services.”

Central Bank of Kenya

issued in order to facilitate the implementation of the NPS Act. The key objectives of the regulations are: 1) to enable the delivery of retail transfers and the provision of electronic payment services without compromising the safety and efficiency of the national payment system; and 2) to provide minimum standards for consumer protection and risk management that all retail transfer providers will be required to follow.

A revised draft of agent banking guidelines for commercial banks, incorporated in revised prudential guidelines, has been circulated to the industry for comments. The revised guideline, which proposes to expand the scope of eligible agents and review their eligibility requirements, is expected to roll out in the third quarter of 2012. Proposals have also been made to amend the Banking Act to incorporate ‘sub-agents’ and the use of agent aggregator models. The additional legislative proposals on banking agents are under discussion with the Ministry of Finance.

The ‘Guideline on the Appointment and Operations of Third Party Agents by Deposit Taking Microfinance Institutions’ was issued and operationalized on 2 January 2012 to enable deposit-taking microfinance institutions (DTMs) to engage third parties to provide certain deposit-taking services on their behalf. In addition, the ‘Guideline on the Opening, Relocation and Closure of Marketing Offices and Agencies of DTMs’ was issued on 17 May 2012 to enable DTMs to carry out deposit-taking microfinance business in marketing offices and independent or manned agencies. Given that the guidelines for DTMs have been issued and implemented, DTMs are now submitting applications to roll out agency networks and marketing offices. One DTM has already been authorized to set up an agency network.

Country progress reports

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Malawi

Reserve Bank of Malawi

MAYA DECLARATION MEMBER PROFILE



Member	Reserve Bank of Malawi
Maya commitment made	September 2011

COUNTRY PROFILE

Region	Sub-Saharan Africa
Adult population	6,283,174
Adult definition	age 18+
Administrative units	28 districts

ACCESS DIMENSION

Total number of branches	331
Total number of agents	n.a.
Total number of ATMs ¹	261
Other*	546
Total number of access points per 10,000 adults ²	0.5
% administrative units with at least one access point	100%
% of total adult population living in administrative units with at least one access point	100%

USAGE DIMENSION

% of adults with at least one type of regulated deposit account	19%
Number of deposit accounts per 10,000 adults	1,459
% of adults with at least one type of regulated credit account	n.a.
Number of loan accounts per 10,000 adults	155

Sources: AFI-FIDWG Financial Inclusion Survey. Data from 2008 and 2010.

* Point of Sale (POS) devices that do cash out transactions only

¹ All ATMs perform cash-out function only² Total number of cash-in & out access points, divided by total adult population, multiplied by 10,000

Under the Maya Declaration, the Reserve Bank of Malawi (RBM) committed to specific approaches and actions that support a broader commitment to increase the adult banked population in Malawi from 19% to 40% by 2014. The commitments span several policy areas: mobile financial services, agent banking, consumer protection, and data and measurement. One year on, the RBM has evaluated its progress and identified opportunities to move forward and achieve all of its goals.

PROGRESS ON MAYA DECLARATION COMMITMENTS

“Introduce agent banking by the first quarter of 2012.”

Over the past year, agent banking regulations have been developed and meetings have been held to solicit comments and ensure buy-in from all key stakeholders. Comments were also solicited through a peer review at the AFI Mobile Financial Services Working Group (MFSWG) meeting in Russia in April 2012. The RBM will publish the agent banking regulations in the Malawi Government Gazette, as required by the Financial Services Act, before they are formally issued. The regulations have already been submitted to the Ministry of Finance.

In addition, the RBM granted approval to three banks in the first quarter of 2012 to roll out agent banking on a pilot basis pending the publication of the regulations in the Gazette. The progress of these banks will be measured to assess the impact of agent banking on the number of new deposit accounts that have been opened since the approval.

“Continue promoting mobile payment solutions.”

The RBM has issued guidelines on MNO-led mobile payment solutions, licensed one MNO to roll out a nonbank-based mobile payments solution, and is currently evaluating the application of another MNO. Moving forward, the RBM will review the guidelines for MNO-led mobile payment solutions. The Payment Systems Bill has been drafted and finalized and is now in the process of being enacted.

The Mobile Money Coordinating Group (MMCG) was created, drawing members from the RBM, Consumer Association of Malawi, MNOs, USAID Malawi, and the World Bank (Malawi office), to coordinate implementation of measures designed to scale up the adoption of mobile money. The RBM will undertake a national switchover to ensure the interoperability of ATMs and POS, which will provide mobile payment solutions. RBM is also planning to enhance its capacity to conduct oversight of payment systems, including mobile money.

Country progress reports

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“Develop and start collecting financial inclusion data.”

RBM has developed a template for collecting basic supply-side data on financial inclusion based on AFI’s Core Set of Financial Inclusion Indicators. The template has been shared with all banks for their comments before RBM formally starts to collect core supply-side financial inclusion indicators.

“Develop an optimal transparent pricing strategy to ensure affordable financially inclusive products and services.”

The Directive on Disclosures has been issued to the country’s banks, which requires them to publish their charges and tariffs on various products and services so that the general public can make informed decisions. The RBM has also embedded provisions for transparency, disclosure, and truth-in-lending in the newly published directives (June 2012) for non-deposit-taking microfinance institutions.

The RBM is currently developing key fact sheets for transparency and disclosure, disclosure directives for other non-bank financial institutions, and price comparison tables for financial institutions, all for publication.

“Develop a national financial literacy and consumer education strategy by June 2012.”

Due to delays in procuring consultants for a baseline survey on financial capability and a desk review of the supply-side of financial products (two tasks considered indispensable for developing a national financial literacy and consumer education strategy), the June 2012 target was missed. Nevertheless, the pilot survey was completed in February 2012 and the RBM will be undertaking a baseline survey and desk review of financial capability before the end of the last quarter of 2012. The revised plan is to launch the Financial Literacy and Consumer Education Strategy by the end of June 2013.

“The Mobile Money Coordination Group has been formed and has drawn membership from the RBM, consumer association, MNOs, USAID Malawi, and the World Bank (Malawi Office) to coordinate the implementation of measures designed to scale up the adoption of mobile money.”

Reserve Bank of Malawi

Country progress reports

Continued

Mexico

Comisión Nacional Bancaria y de Valores (CNBV)

MAYA DECLARATION MEMBER PROFILE



Member	Comisión Nacional Bancaria y de Valores (CNBV), Mexico
Maya commitment made	April 2012

COUNTRY PROFILE

Region	Latin America & Caribbean
Adult population	79,820,742
Adult definition	age 15+
Administrative units	2,456 municipalities

ACCESS DIMENSION

Total number of branches	14,631
Total number of agents	21,071
Total number of ATMs ¹	36,809
Other	-
Total number of access points per 10,000 adults ²	4.5
% administrative units with at least one access point	60%
% of total adult population living in administrative units with at least one access point	95%

USAGE DIMENSION

% of adults with at least one type of regulated deposit account	n.a.
Number of deposit accounts per 10,000 adults	12,150
% of adults with at least one type of regulated credit account	n.a.
Number of loan accounts per 10,000 adults	4,227

Sources: AFI-FIDWG Financial Inclusion Survey. Data from December 2011.

¹ Number of ATMs that perform cash-in & out transactions are not available² Total number of cash-in & out access points, divided by total adult population, multiplied by 10,000

As one of the hosts of last year's Global Policy Forum in Riviera Maya, Mexico, the Comisión Nacional Bancaria y de Valores (CNBV) played a key role in the conception, development, and launch of the Maya Declaration. A year later, CNBV continues to provide leadership on financial inclusion, making significant and noteworthy progress on fulfilling its Maya Declaration commitments.

Over the past year, Mexico has actively advanced the global financial inclusion agenda, particularly through its G20 presidency in 2012. Its leadership is also reflected in actions to promote in-country financial inclusion initiatives, such as the newly created National Council on Financial Inclusion. Mexico has begun to implement mobile phone banking and agent banking and is also promoting financial education and consumer protection schemes.

Ahead of the G20 Summit in Los Cabos in June 2012, G20 host and Mexican President Felipe Calderón sought greater cooperation and commitment from both G20 and non-G20 countries to take actions that would advance more inclusive financial systems. President Calderón also oversaw the launch of the "G2012 Mexico Financial Inclusion Challenge: Innovative Solutions for Unlocking Access" and announced the launch of the G20 Financial Inclusion Peer Learning Program, to which AFI has been named a key implementing partner.

Under the Maya Declaration, CNBV committed to take tangible and measurable steps to promote greater financial inclusion across various policy areas, including mobile financial services, agent banking, data and measurement, and national strategy. One year later, CNBV has assessed its progress on meeting its Maya commitments, which are outlined below.

PROGRESS ON MAYA DECLARATION COMMITMENTS

"Organize policies and strategies for financial inclusion within the Council on Financial Inclusion created by President Calderón."

The National Council on Financial Inclusion is in the implementation phase and the CNBV is in the process of developing a national strategy for financial inclusion.

"Launch a demand-side survey."

A demand-side survey was completed in May 2012 and the CNBV is currently in the process of analyzing the results.

Country progress reports

Continued

“Set specific goals once we have the survey results and those goals should concentrate around usage of financial services. These goals will be national goals not CNBV goals.”

The specific goals will be set once the demand-side survey analysis is completed, tentatively in September 2012.

“Have a banking agent or a banking branch in every municipality by 2014.”

The National Council is collaborating with their working groups to identify new policies to promote higher coverage of financial access points.

“Have the three largest retail banks that together make up more than 50% of assets in the country to offer interoperable mobile products by 2012, along with a commercial strategy of massive account opening.”

New business models for mobile phone platforms have been launched and are on the way to meeting the target of having the three largest retail banks involved by the end of 2012.

“Publish quarterly information of electronic transactions by March 2012 which include the number of transactions, type of transactions, and channel of transactions - whether it is point of sale devices, ATMs, mobiles, branches, banking agents, or the internet.”

CNBV’s “Financial Inclusion Report” will provide additional information on transactions and will be published in August 2012.

“Play as big a role with AFI and with all the members of AFI.”

CNBV continues its various engagements with AFI, including serving as a member of the Steering Committee, chair of the Mobile Financial Services Working Group (MFSWG), vice-chair of the Financial Inclusion Data Working Group (FIDWG), and a policy champion for financial inclusion data, among others.

“New business models for mobile phone platforms have been launched and are underway to the target of having the three largest retail banks involved by the end of 2012.”

Comisión Nacional Bancaria y de Valores (CNBV), Mexico

Country progress reports

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Namibia

Bank of Namibia

MAYA DECLARATION MEMBER PROFILE



Member	Bank of Namibia
Maya commitment made	March 2012

“FinScope Namibia 2011 was launched in March 2012, and provided insightful information regarding financial inclusion in Namibia, including the fact that the level of financial exclusion in Namibia reduced from 51.7% in 2007 to 31% in 2011.”

Bank of Namibia

The Bank of Namibia (BoN) has achieved significant progress in its financial inclusion agenda by incorporating it as a core component of its overall Financial Sector Strategy. The Namibian Cabinet discussed and approved the Strategy in December 2011, and the next milestone is the official launch. With national efforts to improve financial inclusion underway, the BoN made commitments under the Maya Declaration in March 2012 that address the following policy areas: national strategy, data and measurement, financial literacy, and consumer protection. The BoN is also committed to interactive engagement with key stakeholders as it assesses its progress thus far and the challenges that remain to achieve its goals.

PROGRESS ON MAYA DECLARATION COMMITMENTS

“Launch the Financial Sector Strategy by April 2012 and start with the actual implementation of the identified plans/strategies aimed at enhancing financial inclusion in Namibia.”

Prior to the launch of the Financial Sector Strategy, it was agreed that a detailed implementation action plan should first be crafted, which resulted in changes to the original timeline. The implementation plan has been prepared and was discussed and approved by the Financial Inclusion Council at its meeting on 25 June 2012. This approval has paved the way for the official launch of the Strategy, planned for August 2012. Various activities have already taken place as part of the implementation of the Strategy. Key progress toward financial inclusion from the past year includes:

- the implementation of a basic bank account offered by all banking institutions that caters to those earning N\$2000 per month or less; and
- the implementation of a regulation governing the provision of e-money services in Namibia.

In preparation for the official launch of the Financial Sector Strategy in August 2012, the BoN is in the process of developing a monitoring and evaluation system for the action plan that will also commence this year. The process of procuring an expert for this work has begun.

“Collect data to compile financial inclusion indicators in 2012 so as to inform policymaking going forward.”

In addition to compiling data in line with the AFI Core Set of Financial Inclusion Indicators², the results of the FinScope Namibia 2011 survey were released in March 2012. The information collected through this survey provides valuable insights into financial inclusion in Namibia, including that there has been an overall reduction in the level of financial exclusion from 51.7% of

² <http://www.afi-global.org/library/publications/measuring-financial-inclusion-core-set-financial-inclusion-indicators>

Country progress reports

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the population in 2007 to 31% in 2011. Despite this progress, the survey also revealed a need to improve the quality of financial inclusion in Namibia. The BoN participated in the fifth meeting of the AFI Financial Inclusion Data Working Group (FIDWG) in March 2012 in order to understand and enhance methods of collecting data to compile financial inclusion indicators. The BoN intends to continue participating in the FIDWG, both for the networking opportunities it provides and to use the lessons it has learned from peer countries to make further progress in this area.

“Have an adopted framework for financial literacy activities in place and will start to implement same in 2012.”

The Financial Literacy Strategy 2012-2014 is now in place and the Financial Literacy Initiative (FLI) was officially launched on 15 March 2012. Various other financial literacy activities are underway. The main challenge to date has been a lack of baseline indicators for financial literacy. To address this, the FLI Secretariat plans to conduct a baseline survey in 2012 and has begun the process of procuring the services of a company or expert to conduct the survey. The FLI partners (of which BoN is one) are committed to continuing the financial literacy activities already in place and implementing the Financial Literacy Strategy 2012-2014.

“Have a framework for consumer protection in place and will ensure and monitor implementation of the same.”

A position paper on consumer protection legislation in Namibia was discussed and approved by the Financial Inclusion Council at its meeting on 25 June 2012. The paper is intended to serve as a key input to the overall consumer protection legislation that is envisaged for the country. There is currently no consumer protection legislation in Namibia, but the Law Reform and Development Commission and the Ministry of Trade and Industry have been spearheading the development of consumer protection legislation. The BoN is continuing with relevant stakeholder consultations and will submit the position paper to the Law Reform and Development Commission as an input to the envisaged consumer protection legislation.

Country progress reports

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Nigeria

Central Bank of Nigeria

MAYA DECLARATION MEMBER PROFILE



Member	Central Bank of Nigeria
Maya commitment made	September 2011

COUNTRY PROFILE

Region	Sub-Saharan Africa
Adult population	84,700,000
Adult definition	age 18+
Administrative units	n.a.

ACCESS DIMENSION

Total number of branches	5,665
Total number of agents	n.a.
Total number of ATMs ¹	9,961
Other*	97,167
Total number of access points per 10,000 adults ²	0.7
% administrative units with at least one access point	n.a.
% of total adult population living in administrative units with at least one access point	n.a.

USAGE DIMENSION

% of adults with at least one type of regulated deposit account	32%
Number of deposit accounts per 10,000 adults	3,157
% of adults with at least one type of regulated credit account	n.a.
Number of loan accounts per 10,000 adults	56.9

Sources: AFI-FIDWG Financial Inclusion Survey. Access dimension data is from 2012, usage dimension data is from 2010.

* Points of Sale (POS)

¹ Number of ATMs that perform cash-in & out transactions are not available

² Total number of cash-in & out access points, divided by total adult population, multiplied by 10,000

In Riviera Maya, the Central Bank of Nigeria (CBN) committed to develop a national financial inclusion strategy that aimed to reduce the percentage of the country's adult population without access to financial services from 46.3% to 20% by 2020. Significant progress has already been made in the last twelve months, both in developing the national strategy and in implementing the strategy's key policy solutions.

PROGRESS ON MAYA DECLARATION COMMITMENTS

“Develop a national strategy for financial inclusion.”

Nigeria's National Financial Inclusion Strategy was developed to harmonize existing policies and enhance coordination among the many institutions in Nigeria whose work has an impact on financial inclusion outcomes. The national strategy explicitly recognizes the importance of effective and coherent financial inclusion policies to achieving the core objectives of the CBN.

► See figure 1

The national strategy development process began with thorough scrutiny of existing data to identify the characteristics of the financially excluded and potential channels to reach them. This diagnostic exercise called attention to overall high levels of exclusion and the prevalence of informal financial services usage. The data also highlighted the need for a particular focus on reaching vulnerable groups such as youth and women, as well as geographical disparities between different regions.

► See figure 2

In drafting the strategy, five major factors accounting for financial exclusion in the country were identified:

- low income
- long distances from banking outlets
- lack of financial knowledge
- high cost of financial services
- cumbersome requirements.

► See figure 3

“Develop targets for financial access.”

In line with the CBN's commitment under the Maya Declaration to achieve 80% financial inclusion in Nigeria by 2020, the national strategy sets out ambitious targets for both penetration of financial products and extending the reach of distribution channels. These will be monitored on an annual basis using a new financial inclusion data gathering mechanism, in collaboration with the National Bureau of Statistics. *Continued page 30*

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FIGURE 1: HOW FINANCIAL INCLUSION ADDRESSES CBN OBJECTIVES

OBJECTIVES	
Ensure monetary and price stability	The CBN will be better able to influence savings, investment and consumption behaviour through interest and exchange rate changes, a direct result of increased participation of Nigerians in the formal financial sector.
Issue legal tender currency in Nigeria	Increase penetration of e-payments use and cashless efforts will reduce the cost of cash management and thereby reduce the cost of issuing legal tender.
Maintain external reserves to safeguard the international value of the Naira	Increased access to finance for (M)SMEs as a result of Financial Inclusion (credit made on the back of mobilized savings) will lead to greater productivity and increased non-oil exports - and subsequent demand for the Naira will stabilize its value.
Promote a sound financial system in Nigeria	Financial inclusion will lead to development of a stable financial system funded by non-volatile savings which are robust and provide cushion against external shocks.
Provide economic and financial advice to the Federal Government	The CBN will be better able to advise the government as increased participation in formal finance will lead to greater visibility of the performance of the economy.

FIGURE 2: BASELINE MEASUREMENT OF FINANCIAL INCLUSION AND EXCLUSION IN NIGERIA

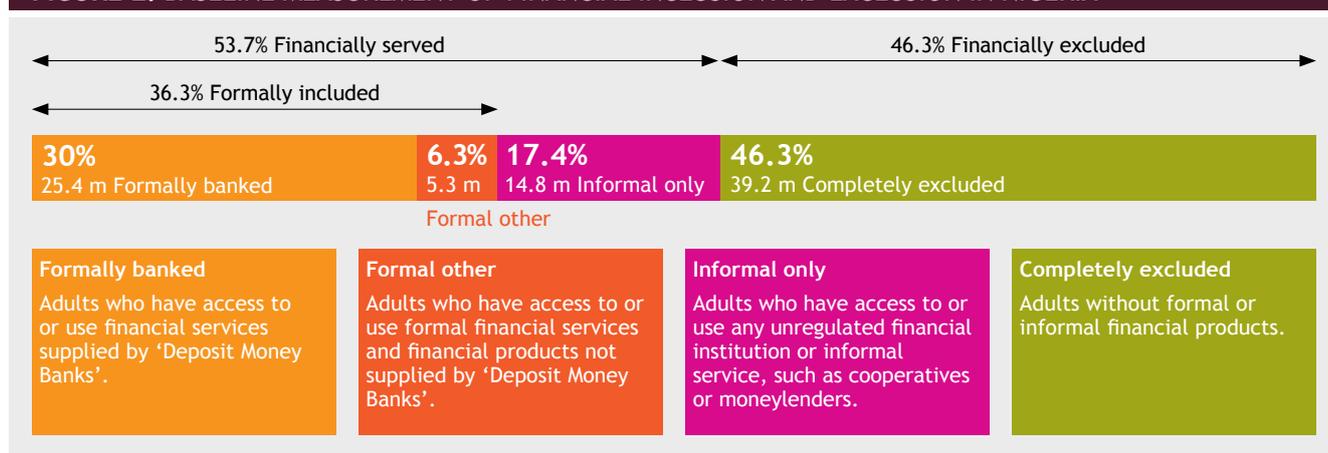


FIGURE 3: THE STRATEGY HAS SOUGHT TO IDENTIFY POLICY SOLUTIONS TO ADDRESS EACH OF THESE FIVE BARRIERS TO FINANCIAL INCLUSION:

BARRIER	POLICY SOLUTIONS IDENTIFIED IN NATIONAL STRATEGY	
1 Low income	<ul style="list-style-type: none"> Subsidized credit such as those based on interest drawback Financial literacy 	<ul style="list-style-type: none"> Improved business environment Capacity building (client empowerment)
2 Long distances	<ul style="list-style-type: none"> Retail agent banking Use of POS devices Use of ATMs 	<ul style="list-style-type: none"> Mobile banking/payments Increased number of bank branches
3 Lack of financial knowledge	<ul style="list-style-type: none"> Aggressive financial literacy program Enlightenment and awareness-raising campaign 	
4 High cost of financial services	<ul style="list-style-type: none"> Establishment of a MSME Development Fund to be operated with an interest drawback program Increased savings Use of retail agents 	<ul style="list-style-type: none"> Linkage program between banks, development funds and MFIs, MFBs, cooperatives, informal groups Use of POS and ATMs
5 Cumbersome requirements	<ul style="list-style-type: none"> Financial literacy/financial education Tiered KYC requirements 	

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Nigeria Central Bank of Nigeria

Continued

The specific targets for access are as follows:

	2010 PENETRATION (%)	2020 TARGET (%)
Payments	36	70
Savings	24.2	50
Credit	2.0	40
Pensions	5.0	40
Insurance	1.0	40

Source: Nigeria National Financial Inclusion Strategy, 2012

To help achieve these increases in access, the national strategy also includes targets for extending the reach of delivery channels, with an emphasis on utilizing agent networks and significantly expanding the supply of ATMs and POS terminals to extend access beyond traditional bank branches:

	2010 (PER 100,000 PERSONS)	2020 TARGET
Bank branch network	6.8	7.6
Microfinance bank branch network	2.9	5.0
ATM	11.8	203.6
Retail agent	0	62
Point of Sale terminal (POS)	13.3	850

Source: Nigeria National Financial Inclusion Strategy, 2012

“Implement the national strategy for financial inclusion.”

The CBN has already started to implement the policy priorities that were identified alongside the development of the national strategy. Key early achievements include:

- drafting **agent banking guidelines** and creating a **partnership** to enable the Nigerian Postal Service (NIPOST) to act as a retail agent for financial services delivery;
- granting **licenses to 15 mobile payment scheme operators** to provide commercial mobile payment services across the country, with approvals in principle for 9 other operators pending a successful pilot stage;
- developing and implementing a **tiered KYC framework**;
- a **financial literacy framework** has been developed and published for consultation. The CBN will champion and coordinate this initiative to ensure that the short-term impacts of the financial literacy programs translates into long-term results; and

- drafting a **consumer protection framework** and establishing a new consumer protection department within the CBN to implement it.

In order to coordinate the activities of the many stakeholders with roles to play in delivering the strategy, a Financial Inclusion Secretariat is being established within the CBN. Implementation will be supervised by the Financial Services Regulation Coordinating Committee (FSRCC) comprising the CBN, Nigerian Deposit Insurance Corporation, Securities & Exchange Commission, the Commissioner for Insurance, Corporate Affairs Commission, and the Federal Ministry of Finance. The FSRCC in turn reports to the National Economic Council (NEC) chaired by Nigeria’s Vice President.

NEXT STEPS AND CHALLENGES AHEAD

In line with its Maya Declaration commitments, Nigeria has set out a roadmap for reducing the percentage of financially excluded adults from 46.3% in 2010 to 20% in 2020. A financial inclusion agenda has been developed with clear strategies and targets for policy development. These policies will be aimed at driving financial access through mobile and agent banking and POS and ATM operations, while at the same time establishing sound financial literacy and consumer protection frameworks. A number of key challenges remain that will be tackled in the months ahead, including:

- finalizing the guidelines on agent banking and the financial literacy framework;
- continuing efforts to secure the buy-in of all key stakeholders to the national strategy, including a national stakeholder workshop;
- developing a robust framework for monitoring and evaluation; and
- continuing knowledge exchange with peers, with a focus on studying different models for developing mobile financial services.

The AFI network will continue to follow CBN’s progress with great interest as it implements Nigeria’s National Financial Inclusion Strategy and seeks to make its Maya Declaration commitments a reality in the years ahead.

Country progress reports

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Peru

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

MAYA DECLARATION MEMBER PROFILE

 	
Member	Superintendencia de Banca, Seguros y AFP (SBS) del Peru
Maya commitment made	September 2011

COUNTRY PROFILE

Region	Latin America & Caribbean
Adult population	18,296,583
Adult definition	age 18+
Administrative units	1,835 districts
ACCESS DIMENSION	
Total number of branches	3,172
Total number of agents	9,204
Total number of ATMs	5,122
Other*	-
Total number of access points per 10,000 adults ¹	7.3
% administrative units with at least one access point	33%
% of total adult population living in administrative units with at least one access point*	81%
USAGE DIMENSION	
% of adults with at least one type of regulated deposit account	82%
Number of deposit accounts per 10,000 adults	9,252
% of adults with at least one type of regulated credit account	25.10%
Number of loan accounts per 10,000 adults	3,465

At the 2011 AFI Global Policy Forum in Riviera Maya, Mexico, the Superintendencia de Banca, Seguros y AFP (SBS) of Peru committed to take tangible and measurable steps to promote greater financial inclusion in the areas of mobile financial services, agent banking, consumer protection, and microsavings. As one of the co-hosts of last year's GPF, SBS Peru's contributions to the successful launch of the Maya Declaration have been invaluable, and their leadership in the AFI network is reflected in the noteworthy progress they have made in the past twelve months.

PROGRESS ON MAYA DECLARATION COMMITMENTS

“Enact a law regulating the use of electronic money.”

The Peruvian Congress has discussed a revised version of the bill that regulates the basic characteristics of e-money as an instrument for promoting financial inclusion. As a consequence of this discussion, the Congressional Economic Commission has proposed a draft law that, once finalized, will be submitted for approval to the Congressional Assembly this year.

“Increase access. Correspondent cashiers will increase from 30% to 50% from a present 10,000 sum to 13,000 or 15,000. Implement cellular banking.”

As of June 2012, the number of retail agents (correspondent cashiers) in Peru reached 13,784. New projects related to m-banking are underway to launch a significant number of new retail agents.

“Reinforce these two amplifications by implementing basic accounts, that are currently already regulated but that need to be implemented so that they're fully operative.”

At least three projects are being implemented that make basic accounts a key mobile financial services product. On a regular basis, SBS is attending consultations of supervised entities regarding the regulation of basic accounts and how these accounts can become a powerful tool for financial inclusion. The SBS will be actively involved in promoting the advantages of using basic accounts through banking agents.

“Substantially improve transparency of regulations and usage of financial services: Review the products that are currently on the website and otherwise explained so that they are closer to those actually available in the marketplace.”

Sources: AFI-FIDWG Financial Inclusion Survey. Data from December 2010.

* % of total population living in administrative units with at least one access point has been calculated using total population instead of total adult population

¹ Total number of cash-in & out access points, divided by total adult population, multiplied by 10,000

Country progress reports

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

Continued

The SBS is restructuring RETASAS, an online price comparison tool hosted on the SBS website, with inputs from regulated financial institutions. On the website, users can compare total financial costs and yields, including both interest rates and fees of the most representative financial products (loans and deposits) offered by financial institutions in the country. Specific products predefined by the Superintendence (i.e. total cost of a consumer loan of US\$ 1,500 to be paid in 12 monthly installments) are also offered on the RETASAS website. In order to update the information provided to users, SBS is reviewing the information it receives from financial institutions about the actual products that are offered in different regions. Analyzing this information will allow the SBS to include the most current and representative products on its website. This project is 70% complete.

The Superintendence is continuing to develop and implement these projects and will provide the total financial costs and yields of the most representative products on the restructured Financial Consumer website. After the revision and restructuring of RETASAS is complete, REPRIMAS will be revised to improve and expand the information that is currently published. REPRIMAS is a RETASAS-like online platform that serves the insurance market and currently allows users to compare the costs and coverage of a few common insurance policies. The goal is to analyze the insurance market to identify more insurance products to be included in REPRIMAS – products that are both easy to compare and commonly requested by users.

The Superintendence is also in the test phase of implementing an updated version of the Price Vector website. This new version will include improved information about financial instruments and terms, presented in a more useful way to people with little knowledge of finance. New functions have been added to the graphic application that allow users to access more tools for understanding the current financial market. The test phase is almost complete and the Superintendence will be adding the new content to the production website.

“Disaggregate financial instruments available by geographic region. With the awareness that different kinds of transactions will take place in different parts of the country, the Superintendence is going to adapt its transparency regulations and what it makes available to be closer to what actually happens in each region.”

On the new RETASAS website, information will be presented by region. The Superintendence is continuing to develop and implement this project.

“A new law was enacted [to] improve the position of financial consumers and empowering the Superintendence in the reviewing of contracts for financial products and services offered to final users and micro businesses.”

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

In order to promote the provision of financial products and services and use at the regional level, the Superintendence is designing a map that will contain regional and even district-level information. So far, the Superintendence has identified information on socioeconomic indicators as well as information on access and usage of financial services that could be relevant for the map database. Similar map applications have also been revised to analyze their characteristics and functionalities. By the end of August 2012, the goal is to have the web interface designed and the functional specifications of this map complete.

“Simplify the presentations of our transparency information so that it is more reader-friendly.”

There is an ongoing project to redesign the SBS website, restructure the Financial Consumer sub-portal and create a new sub-portal for Financial Education. Information presentation will be more user-friendly with a better distribution of content. By the end of 2012, the objective is to launch this e-learning platform to the public, with 14 initial courses being developed related to financial literacy and anti-money laundering. The project is progressing in line with the original timetable. Future activities include developing additional courses for the platform and publicizing the platform, especially to potential users.

Likewise, information captured by RETASAS will be presented in the restructured Financial Consumer website in a clear and understandable way. The new website will show the most relevant information about principal products by region, making the information easier for consumers to understand than it is currently. It is important to emphasize that the Superintendence will not eliminate information from the Financial Consumer website. Rather, new condensed and user-friendly tables

Country progress reports

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showing the total financial cost will allow users to see the most relevant information at a glance, but they will also be able to access the full tables if they need to.

At the same time, the Superintendence is developing a website dedicated to mobile devices. This project is 44% complete, with development and implementation work still in progress.

“Review the contracts by which our citizens interact with the financial system so that there is a more level playing field and so that they are in plain Spanish. So, they can actually understand it more clearly, abandoning, as far as possible, the legalese that now characterizes them.”

A new law has been enacted (Law No. 29888) that modifies the Consumer Protection Code (Law No. 29571) and the Complementary Law to the Consumer Protection Law (Law No. 28587), improving the position of financial consumers and the power of the SBS to review contracts for financial products and services offered to final users and microbusinesses. As a result, related regulations are currently being revised to include the requirements of the new law and to avoid bad practices already detected in supervision activities. This will have an impact on general contracting conditions.

Guidelines for model consumer contract clauses have also been developed and submitted to various units of the Superintendence for comments and suggestions.

Finally, another new law has been enacted (Law No. 29878) that permits the supervisor to identify abusive clauses in medical, health, and medical insurance policies, and forbid their use.

Country progress reports

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Philippines

Bangko Sentral ng Pilipinas (BSP)

MAYA DECLARATION MEMBER PROFILE



Member	Bangko Sentral ng Pilipinas (BSP)
Maya commitment made	September 2011

COUNTRY PROFILE

Region	East Asia and Pacific
Adult population	64,342,120
Adult definition ¹	
Administrative units	1,634 municipalities

ACCESS DIMENSION

Total number of branches	9,015
Total number of agents	13,158
Total number of ATMs ²	10,658
Other*	26,326
Total number of access points per 10,000 adults ³	4.7
% administrative units with at least one access point ⁴	69%
% of total adult population living in administrative units with at least one access point ⁵	88%

USAGE DIMENSION

% of adults with at least one type of regulated deposit account	n.a.
Number of deposit accounts per 10,000 adults	5,848
% of adults with at least one type of regulated credit account	n.a.
Number of loan accounts per 10,000 adults	n.a.

Last September in Riviera Maya, Mexico, the Bangko Sentral ng Pilipinas (BSP) joined other AFI member countries in committing to tangible and deliberate actions to advance financial inclusion. The Maya Declaration has been an invaluable opportunity to state clear goals and objectives, measure and monitor progress, and find ways to continuously move forward. One year on, the BSP has evaluated its Maya commitments to determine whether progress has been made and to identify initiatives for meeting its goals and objectives.

PROGRESS ON MAYA DECLARATION COMMITMENTS

“Pursue financial inclusion side-by-side the role of promoting price and financial stability.”

In February 2012, the BSP created a Steering Committee on Inclusive Finance chaired by the bank’s Governor. The creation of the Committee signaled that the BSP has adopted financial inclusion as a key strategic initiative to further its mandate of economic and financial stability. A Steering Committee document (BSP Office Order 283, 2012) explicitly states that “financial inclusion and economic and financial stability are mutually reinforcing.” Only two other internal committees chaired by the Governor – the Monetary Stability Committee and the Financial Stability Committee – reflect the central bank’s serious commitment to pursuing financial inclusion as a key priority area.

STRUCTURE OF THE STEERING COMMITTEE AND WORKING GROUPS



Sources: AFI-FIDWG Financial Inclusion Survey. Data from December 2011.

* Includes pawnshops, foreign exchange dealers, money changers, remittance agents, and other non-bank financial institutions

¹ There is no official definition of “Adult” by the National Statistical Coordination Board (NSCB) or the National Statistics Office (NSO). This definition is in accordance with BSP practice in past studies

² Number of ATMs that allow cash-in & out transactions are not available

³ Total number of cash-in & out access points, divided by total adult population, multiplied by 10,000

⁴ Administrative units refer to municipalities. Only banking offices and remittance agents are considered because data on the municipal location of CICO agents are not yet available

⁵ Total population was used because the number of adults per municipality is not available

Country progress reports

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“Create the enabling environment to make it possible for all adults to have a deposit account.”

THE BSP HAS CREATED AN ENABLING POLICY AND REGULATORY ENVIRONMENT FOR INNOVATIVE MODELS THAT WILL ALLOW ACCESS TO FINANCIAL SERVICES TO FLOURISH. THESE POLICIES INCLUDE:

Defining simple deposit accounts

The microdeposit account has been specifically designed to serve the needs and capacity of small savers. This basic savings account has a minimum maintaining balance of less than PhP 100 and is not subject to dormancy charges. By making this product available, the BSP hopes to promote and encourage a savings culture among poor and low-income people.

Allowing for low-cost banking offices

The BSP has issued guidelines to establish micro-banking offices (MBOs) in order to give banks the opportunity to expand their network of brick and mortar offices, particularly in areas where it may not be feasible to establish full branches. These offices are intended to serve the unique needs of low-income and unbanked populations, specifically microfinance clients and overseas Filipinos and their beneficiaries.

Lowering barriers to customer acquisition

The BSP has updated Anti-Money Laundering Rules and Regulations to allow banks to outsource the KYC requirement that customer information and documents are gathered face-to-face to a third party such as banking agents. This issuance addresses a major obstacle in serving those who are unbanked yet bankable (compliance with AML regulations such as face-to-face KYC, ID requirements, etc.). It also extends the existing physical reach of banks and lowers the cost of acquiring new customers. The decision to open accounts and provide credit, however, still rests with the bank.

The structure of the Steering Committee is closely aligned with BSP’s emerging strategy on financial inclusion, which has been developed out of lessons learned and experience promoting financial inclusion.

As a result of this enabling environment, market players have created innovative solutions to increase access to savings. One example is the country’s first mobile microfinance bank that has opened over 100,000 deposit accounts in just six months. This bank uses over 1,200 e-money cash-in/out storefronts that serve as access points to the bank.

The BSP’s approach is to develop policy that will allow banks and non-banks to create solutions rather than set a specific target time frame within which to achieve the objective. Moving forward, the BSP will carefully examine the usage of deposit accounts and attendant consumer protection issues.

“Implement price transparency and fair dealing with clients.”

The BSP has issued new rules to ensure truth and transparency in lending. Under the new rules, banks are required to charge interest on the outstanding balance of a loan at the beginning of an interest period. This rule effectively prohibits charging flat interest rates and other misleading methods that feature a markedly lower contractual interest rate than the actual effective interest rate (EIR). The EIR computation includes all finance charges: interest, fees, service charges, discounts, and other charges related to the extension of credit. The new rules also require a standard format for information disclosure to ensure that every borrower is given the

necessary information about his or her loan in a manner that is simple and easy to understand.

To ensure a level playing field in the implementation of these rules, the BSP issued regulations for banks and non-bank financial institutions under its jurisdiction. It has also coordinated with other regulatory agencies that have issued parallel rules for credit-granting entities under its jurisdiction. Implementation of the new rules began in July 2012.

The BSP strongly believes that this set of rules will create a more level and robust competitive environment among credit providers and, more importantly, ensure that consumers are better informed and protected. This regulation is also very timely – calls for enhanced consumer protection are intensifying as financial inclusion policies create an ever-widening range of financial products and services.

Support from the Consultative Group to Assist the Poor (CGAP) is enabling the BSP to undertake a pre- and post-evaluation of the implementation and competition effects of the new rules.

“Continue targeted financial learning programs.”

The BSP also continues its financial education efforts through targeted seminars conducted around the country. The different sets of audience consist of overseas Filipinos and their families, students, microfinance clients, the unbanked, employees, and the general public. The BSP also conducts internal training events for BSP employees on personal finance. Yearly, over tens of thousands are reached through these programs.

Country progress reports

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Philippines Bangko Sentral ng Pilipinas (BSP)

Continued

The BSP, in coordination with other regulators, will also work on improving existing consumer information and protection programs. Support from the Alliance for Financial Inclusion is in the pipeline to develop more appropriate and effective consumer advisories.

“Create a financial inclusion data framework.”

With the support of AFI, a data gap assessment report has been completed. The BSP has taken proactive steps to implement the recommendations of the report, central to which is the creation of an Information Coordinator position within the Inclusive Finance Advocacy staff. This added staff supports the bank’s efforts to develop a financial inclusion data framework, which is in the early stages of establishing a benchmark scenario for access to finance in the Philippines.

The BSP has also created a Data and Measurement Working Group within the Steering Committee on Inclusive Finance – a clear indication of the bank’s focus on using data to establish benchmarks, monitor progress, and inform policy.

“As a result of this enabling environment, market players have provided innovative solutions to increase access to savings. One example is the country’s first mobile microfinance bank which has opened over 100,000 deposit accounts in just six months.”

Bangko Sentral ng Pilipinas (BSP)

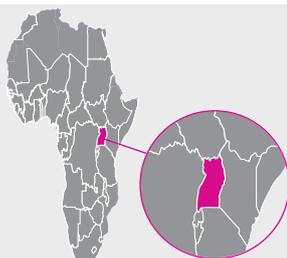
Country progress reports

Continued

Uganda

Bank of Uganda

MAYA DECLARATION MEMBER PROFILE



Member	Bank of Uganda
Maya commitment made	September 2011

COUNTRY PROFILE

Region	Sub-Saharan Africa
Adult population	16,331,698
Adult definition	age 15+
Administrative units	113 districts

ACCESS DIMENSION

Total number of branches	497
Total number of agents ¹	7
Total number of ATMs ¹	628
Other*	6
Total number of access points per 10,000 adults ²	0.3
% administrative units with at least one access point	56%
% of total adult population living in administrative units with at least one access point	72%

USAGE DIMENSION

% of adults with at least one type of regulated deposit account	n.a.
Number of deposit accounts per 10,000 adults	2,526
% of adults with at least one type of regulated credit account	n.a.
Number of loan accounts per 10,000 adults	1,100

Sources: AFI-FIDWG Financial Inclusion Survey. Data from 2010.

* Sub branches-This is a full time office and for book keeping purposes, it operates as though it were a full branch

¹ Number of agents and ATMs that allow cash-in & out transactions are not available² Total number of cash-in & out access points, divided by total adult population, multiplied by 10,000

The Bank of Uganda's (BoU) Maya commitments drive specific approaches and actions for national financial inclusion efforts in Uganda and encompass a variety of policy areas, including financial literacy, consumer protection, agent banking, mobile financial services, data and measurement, and national strategy. One year after the announcement of its Maya commitments, the BoU has evaluated its progress and the results are noteworthy.

PROGRESS ON MAYA DECLARATION COMMITMENTS

“Develop and implement a National Strategy for Financial Inclusion based on four pillars by 2014:

Pillar 1: Financial Literacy

Pillar 2: Financial Consumer Protection

Pillar 3: Financial Innovations

Pillar 4: Financial Services Data and Measurement.”

In December 2011, the BoU approved and launched a Financial Inclusion Project for 2012-2014 as part of its Maya Declaration commitment to develop and implement a national strategy on financial inclusion. The BoU also incorporated four strategic initiatives in the revised Strategic Plan 2012-2017 aligned with the four pillars identified in the revised Maya commitment submitted to AFI in December 2011. Financial resources have also been budgeted and allocated to the Financial Inclusion Project for 2012-13. The four strategic initiatives are:

- Enhancing Financial Literacy
- Financial Consumer Protection
- Enhancing Agency Banking, Point of Sale, and Mobile Money
- Enhancing Financial Inclusion Data and Measurement

In order to run the project effectively, the BoU created four subcommittees to examine each of the initiatives. Subcommittee members are drawn from various departments of the BoU and relevant stakeholders outside the BoU have been identified, including development partners (AFI, GIZ, World Bank, IFAD), government ministries and departments, the private sector, MFIs, and associations. The strategic plan was rolled out in July 2012 with specific action plans, deliverables, and timetables. The activities of the subcommittees are being carried out concurrently so as not to undermine earlier efforts.

Moving forward

AFI initiatives to accelerate progress

The Maya Declaration is not an idealistic aspiration; as we can see from the progress showcased in this report, it is a realistic, achievable, and measurable set of commitments. It is a living Declaration that will evolve as national circumstances change and new knowledge and insights emerge.

Different countries inevitably progress at different rates. However, it is progress within countries – not between countries – that matters. Committing to the Maya Declaration is one of the most important starting points for making progress on financial inclusion.

Below we outline some of the initiatives that AFI is taking to help its members accelerate progress on turning their Maya commitments into tangible advances on the ground.

PROVIDING CUSTOMIZED SERVICES

AFI has been mandated by its 90 members to provide a range of Maya Declaration support services in addition to its standard knowledge-sharing activities. These include:

- Establishing a peer-review mechanism to help institutions achieve their commitments with support from the AFI working groups;
- Developing a policy hub for peer-reviewed solutions, subject-matter expertise, and other skills required to implement the Maya Declaration commitments;
- Providing advocacy tools and support to enable institutions within countries to win the support of other key institutions needed to adopt and implement the Maya Declaration;
- Supporting monitoring and evaluation systems to measure progress in achieving their commitments;
- Facilitating meetings and conferences with innovative potential partners, including the private sector;
- Using and leveraging new forms of international cooperation to challenge thinking and lay the foundation for the next breakthroughs in financial inclusion, and to create a new model for cooperation;
- Providing financial support through its grant programs; and
- Conducting a systematic annual progress review of the AFI network with a 6-month interim follow-up.

SHARING PROGRESS AND LESSONS LEARNED

There is widespread recognition that financial inclusion is a complex issue that requires global knowledge and insights to make true progress: no single country or institution has the answer. All institutions can learn from each other and from other players. This is why knowledge sharing is one of the core values underpinning the Maya Declaration.

AFI has been coordinating a number of events throughout 2012 to exchange policy knowledge and experience and to support those that have made commitments to achieve their targets. These events include the “African Financial Inclusion Policy Forum: Scaling Up Financial Services through Mobile Technology” held in Zanzibar in March 2012, the 4th Annual G24/AFI Policymakers’ Roundtable on Financial Inclusion at the IMF/World Bank Spring Meetings in April 2012, and the AFI 2012 Global Policy Forum in Cape Town, South Africa, in September 2012.

Regional initiatives with concrete action plans have been established, such as the African Mobile Financial Services Policy Initiative (AMPI), and additional regional initiatives focused on specific policy areas are in development.

AFI also monitors and reports on progress regularly by communicating closely with the representative of each member institution. These progress updates and lessons learned will be showcased at the Global Policy Forum (GPF) in Cape Town, South Africa, and will be regularly updated in the AFI Member Zone.

DEVELOPING KNOWLEDGE PRODUCTS AND GUIDELINES

AFI working groups are the core of the network in terms of sharing technical and practical policy experiences and generating knowledge. Given that the four broad commitment areas under the Maya Declaration are supported by the AFI working groups, they will continue to

Moving forward AFI initiatives to accelerate progress

Continued

play a key role in advancing the Maya Declaration. A number of policy knowledge products to support the implementation of the Maya commitments will be developed and shared by the AFI working groups (MFSWG, FIDWG, FINTWG, and CEMC Working Group).

SUPPORTING THE DEVELOPMENT OF FINANCIAL INCLUSION STRATEGIES

AFI will support the implementation of the G20 Financial Inclusion Peer Learning Program (PLP), launched at the G20 Leaders' Summit in Los Cabos, Mexico, in June 2012, with commitments from 17 countries to develop national financial inclusion strategies and national coordinating mechanisms. To support members who have made commitments to developing and implementing financial inclusion strategies, AFI will establish a new peer learning group for Financial Inclusion Strategy that will be open to all participating PLP countries, other countries in the AFI network with an interest in financial inclusion strategy, and other PLP implementing partners such as the World Bank Group.

FOSTERING NEW FORMS OF COOPERATION WITH OTHER STAKEHOLDERS

There is a large and well-established network of financial inclusion support agencies available to help institutions achieve their Maya Declaration commitments.

There are organizations across the value chain that are able to address each of the four main commitments, including each of the nine G20 Principles that underpin these commitments. Even if there is no 'single solution,' each organization has a role to play. Greater clarity of roles and the comparative advantage of different players are required but the foundations for success have been put in place.

AFI will connect this support framework with our members when required and will develop new modes of collaboration with various stakeholders, including the private sector, to join forces in achieving financial inclusion goals.

ENCOURAGING MORE MEMBERS TO MAKE COMMITMENTS

The Maya Declaration, and the commitments AFI members have made under it, not only raises the profile of a major global issue but also provides the public visibility, accountability, and concrete shared vision necessary to make tangible progress on financial inclusion.

AFI invites all AFI members to support and expand the Maya Declaration with their own commitments. To participate and make your own commitment, please contact the AFI Management Unit.

SERVICES PROVIDED IN SUPPORT OF MAYA COMMITMENTS

INSTITUTION NAME	NUMBER OF SERVICES
Central Bank of Armenia	●
Microcredit Regulatory Authority (Bangladesh)	
Banco Central do Brasil	●
Banque de la République du Burundi	●
Banque Centrale du Congo	● ●
Banco Central del Ecuador	●
National Bank of Ethiopia	
Reserve Bank of Fiji	●
Bank of Ghana	●
Banque Centrale de la République de Guinée	●
Bank Indonesia	● ●
Central Bank of Kenya	● ● ●
Reserve Bank of Malawi	● ●
Comisión Nacional Bancaria y de Valores (CNBV)	● ●
Bank of Namibia	●
Central Bank of Nigeria	●
State Bank of Pakistan	
Banco Central del Paraguay	
Superintendencia de Banca, Seguros y AFP (SBS) del Peru	● ●
Bangko Sentral ng Pilipinas	● ● ●
National Bank of Rwanda	● ●
Ministère de l'Economie et des Finances du Sénégal	● ●
Bank of Tanzania	● ● ●
Bank of Uganda	● ●
Bank of Zambia	● ●

Make a commitment

By August 2012, twenty-six AFI member institutions had made measurable commitments to the Maya Declaration

AFI MEMBER INSTITUTIONS THAT MADE COMMITMENTS TO THE MAYA DECLARATION

- 1 Central Bank of the Republic of Armenia
- 2 Microcredit Regulatory Authority, Bangladesh
- 3 Banco Central do Brasil
- 4 Banque de la Republique du Burundi
- 5 Banque Centrale du Congo
- 6 Banco Central del Ecuador
- 7 National Bank of Ethiopia
- 8 Reserve Bank of Fiji
- 9 Bank of Ghana
- 10 Banque Centrale de la Republique de Guinée
- 11 Bank Indonesia
- 12 Central Bank of Kenya
- 13 Reserve Bank of Malawi
- 14 Comisión Nacional Bancaria y de Valores, Mexico
- 15 Bank of Namibia
- 16 Central Bank of Nigeria
- 17 Central Bank of Pakistan
- 18 Banco Central del Paraguay
- 19 Superintendencia de Banca, Seguros y AFP del Peru
- 20 Bangko Sentral ng Pilipinas
- 21 National Bank of Rwanda
- 22 Ministère de l'Economie et des finances du Sénégal
- 23 Central Bank of Solomon Islands
- 24 Bank of Tanzania
- 25 Bank of Uganda
- 26 Bank of Zambia

MAKING A COMMITMENT

AFI invites other members to support and expand the Maya Declaration with their own commitments as we look toward the 2012 Global Policy Forum in Cape Town, South Africa.

Members should contact Dr. Alfred Hannig, AFI's Executive Director, to participate and make their own commitments.

Want to know more?

Find out more about the Maya Declaration and follow its progress online.



The AFI Website

www.afi-global.org/gpf/maya-declaration



The AFI Twitter Account

@NewsAFI #MayaDeclaration



The AFI Facebook Page

www.facebook.com/AFI.History



The Wikipedia Maya Declaration Page

en.wikipedia.org/wiki/The_Maya_Declaration

The AFI Maya Declaration on Financial Inclusion



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

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

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

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

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

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

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

ABOUT 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 2.5 billion 'unbanked' people through greater financial inclusion. More than 80 such countries - representing over 75% of the world's unbanked population - have endorsed the Declaration. Each country makes measurable commitments in four broad areas that have been proven to increase financial inclusion.



Alliance for Financial Inclusion

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

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