



February 21 - 22, 2013

Políticas Efectivas para la Banca Móvil en América Latina: Los siguientes avances para la inclusión financiera (“Smart policies for mobile finance in the Americas: The next financial inclusion breakthrough?”), held in Cartagena de Indias, Colombia.

Opening remarks by Alfred Hannig, Executive Director, Alliance for Financial Inclusion

Honorable Minister of Finance and Public Credit,

Honorable Superintendents,

Representatives from MIF,

Dear Members and Partners,

Ladies and gentlemen,

It is a great pleasure for me to welcome you here in the wonderful city of Cartagena for this first regional AFI meeting in LAC on smart policies for mobile finance in the Americas.

I would like to thank the Ministry of Finance and Public Credit of Colombia and the MIF for the wonderful effort made in co-organizing this meeting with AFI. Allow me to thank you and all the people of Colombia, for allowing us to meet here.

Ladies and gentlemen,

This meeting is a living case of how the AFI Network is working to meet its members’ needs by deepening and adapting its services. Indeed, taking into account your expressed needs, AFI is now adopting regional approaches to facilitate capacity building and knowledge sharing based on regional realities. It is in this context that I would like to take the opportunity to introduce Carlos Moya, AFI’s regional coordinator for LAC.

At the 4th Global Policy Forum held in Cape Town in September 2012, our LAC members reflected on ideas to strengthen regional cooperation. Earlier in the year we already had initial conversations with the MIF on how to work together in this region.

And here we are today, at the LAC Leaders Meeting in Cartagena - the “Cartagena Meeting”. We see this gathering as an important step for our members in LAC as AFI aims at empowering LAC to take a leading role in the overall development of MFS policy strategies and regulatory frameworks.



Ladies and gentlemen,

Mobile Financial Services (MFS) in many parts of the world have changed financial landscapes by widening financial inclusion frontiers. Access to basic financial services can make a huge difference in the life of a poor person or household. Small payments address the basic financial needs of poor people and seem to be the logical entry point to achieving full financial inclusion. Mobile financial services appear to be in a position to avoid the cost issues that have troubled microfinance growth. Unlike regulated brick-and-mortar microfinance, mobile financial services can work without heavy investment in infrastructure. The biggest opportunity here, however, is the potential of mobile financial services to dramatically reduce transaction costs. If policymakers demonstrate the same openness and willingness to experiment with MFS as they have done for regulated microfinance, we will no doubt witness an explosive growth in financial access for the benefit of all. The opportunity is clearly there as the average level of financial inclusion in LAC is only 61% while the mobile penetration rate in the region stands at more than 100%.

We have seen great success in the region in terms of creating conducive policy and regulatory frameworks for MFS. This development would not have been possible without the determination and the vision of regulators in some countries to promote greater financial inclusion by harnessing new technologies and business models. They have taken bold steps, permitting new actors and channels to come into play offering digital financial services to broad segments of the population. Some of the champions will speak to us later this morning, and we are looking forward to the session.

The drive towards regional collaboration is also visible in other regions. We are just coming from our second regional meeting in Zanzibar, Tanzania, where our African members launched a regional initiative on MFS policy and regulatory issues. African leaders from 18 countries signed a statement on the launch of AMPI. Next week I will attend an APEC meeting in Jakarta, Indonesia, where Asian policymakers and regulators will frame their collaborative approach to financial inclusion.

The development of MFS has really begun to flourish throughout the Latin American continent as regulators and policymakers are acting to create enabling environments for this expansion while safeguarding the stability and integrity of the financial system. The learning curve on MFS is moving and this meeting can help keep momentum and accelerate the pace for more success stories.

Our future work in LAC is envisaged as a mechanism for mutual learning with sustainable high-level commitments to drive uptake and increase the use of MFS in LAC. It is expected that we



will provide a platform for LAC member institutions to coordinate efforts, network, and share knowledge and experiences on MFS. The regional work will also allow us to support concrete implementation of reform projects on the country level. We believe that this also creates a huge opportunity for regulators and the private sector to engage with each other.

Our work in the region is to be developed and implemented to further boost the spirit of the Maya Declaration, in which countries self-determine their concrete commitments and set measurable targets to unlock the economic and social potential of the unbanked through greater financial inclusion.

As you have seen, to date, 35 AFI member institutions have made commitments under the Maya Declaration, eight of which are from LAC. A number of other countries have also expressed strong commitments to increasing financial access through MFS, while a number of countries have gone further and committed to strengthening the regulatory environment for MFS innovations.

I would like to invite you, if you have not yet done so, to make commitments under the Maya Declaration with concrete and measurable targets. The AFI Management Unit is willing to assist for that purpose. For those that have already made commitments, I encourage you to continue the efforts towards the full achievement of your targets, while considering the need to track and monitor progress.

There will be an opportunity to announce new commitments and report back on existing commitments at our next Global Policy Forum (GPF), which is scheduled to take place in Kuala Lumpur, Malaysia from 10-12 September 2013.

Ladies and gentlemen,

With your support, the AFI Network is growing. At present, our membership base has reached 96 institutions from 81 countries. It is our pleasure to assist AFI members in LAC to take a leading role in the development of MFS.

AFI is preparing to enter its second phase of activities and is starting the process to transition to independence, with the aim to deepen members' ownership of the network and enhance AFI's long-term sustainability.

At the 2012 Global Policy Forum (GPF) in Cape Town, during the first Annual General Meeting, members unanimously supported the proposed transition process towards independence.



Further to our agreement made at the Annual General Meeting, we sent a questionnaire on the transition to independence to you at the end of November 2012. Some of the members have not yet returned the completed questionnaire. I wish to seize this opportunity to ask you to kindly return the completed questionnaire, preferably by the end of this month. Your views on this matter are important and will be the basis for the AFI Steering Committee Meeting on 6 March 2013. Let me also share with you that the feedback on AFI's independence has been 100% positive up to now.

We count on your full support in this participatory process that involves all AFI members.

Ladies and gentlemen,

As we are here today to explore opportunities for a joint initiative on financial inclusion in LAC, I am confident that, at the end of these two days of reflection, our members, regulators and policymakers, will agree on our follow-up activities.

We also hope that other stakeholders, including representatives from financial services providers, telecommunications companies, and international development agencies will come up with effective ways of supporting policy reforms on mobile/digital financial services in LAC. AFI is willing to facilitate and coordinate efforts to ensure that our activities run smoothly in LAC.

Let us continue to coordinate our efforts aiming at breaking down barriers that prevent access to high-quality, affordable and secure financial services.

Thank you for your attention.