



## GLOBAL STANDARDS AND POLICY COMMITTEE

### TERMS OF REFERENCE

#### Section 1: Establishment

1.1 The Alliance for Financial Inclusion (AFI) is the world's leading organization on financial inclusion policy and regulation. A member-owned network, AFI promotes and develops evidence-based policy solutions that help to improve the lives of the poor. Together, AFI members from more than 100 financial inclusion policymaking and regulatory institutions from over 90 countries are working to unlock the potential of the world's two billion unbanked through the power of financial inclusion.

1.2 In July 2016, AFI Board of Directors ("the Board") approved the establishment of the Global Standards and Policy Committee (GSPC), which expanded the mandate of the existing Global Standards Sub-Committee (GSSC), to take on additional roles in oversight of AFI's policy programs and global engagements.

#### Creation of the Global Standards Sub-Committee (GSSC)

1.3 Recognizing the importance of proportionate global standards for achieving greater financial inclusion, and complementing the existing initiatives of the global Standard Setting Bodies (SSBs), in 2013 AFI and G24 members together developed and supported a proposal to establish a peer learning initiative together with the SSBs: (a) to provide a structured mechanism for AFI members to review, and provide inputs to, initiatives by the SSBs to give due consideration to financial inclusion; and (b) to develop a comprehensive risk framework that takes full account of the risks of financial exclusion as well as the risks to financial integrity and stability.

1.4 The AFI member proposal for peer learning with the SSBs was unanimously endorsed at a Leaders' Roundtable held at the AFI Global Policy Forum (GPF) in Kuala Lumpur, Malaysia in September 2013. The leaders agreed that the proposal should begin with AFI members developing an internal mechanism within the network for sharing experiences with proportionate implementation of the global standards. With this in mind, the Steering Committee of AFI resolved to create a Sub-Committee to bring forward AFI's peer learning initiative with the SSBs, to be known as the Global Committee on all aspects of AFI's peer learning initiative with the SSBs, and for working together with the SSBs to support peer learning on country practices in the proportionate implementation of global standards.

#### Proposal for the Global Engagement Committee (GEC)

1.5 While extensive engagement with stakeholders and global bodies can complement AFI's work, it could also create risks to AFI's identity and ability to serve members. To address this challenge and to manage the risks, at the 22<sup>nd</sup> AFI Steering Committee meeting in June 2015 the Steering Committee agreed for the GSSC to broaden its mandate to include advising the Board and Management Unit on AFI's engagement with all external stakeholders including the SSBs.



### **Proposal for the Policy and Program Review Committee (PPRC)**

1.6 As AFI evolves towards becoming a policy leadership alliance in financial inclusion, it is critical to have effective member oversight and governance of AFI's policy work and programs. Therefore, at the 22<sup>nd</sup> AFI Steering Committee meeting in June 2015, the Steering Committee resolved to create a **Policy and Program Review Committee (PPRC)**. The PPRC was envisioned to be responsible for providing oversight on the policies developed by the AFI network and for offering program guidance in line with AFI's mandate as a financial inclusion policy leadership alliance.

### **The Merge of GSSC, PPRC, and GEC**

1.7 The key guiding principles in the design of the independent AFI governance structure is to have an effective structure that is efficient and well aligned to AFI's strategy and global practices in financial inclusion. Taking this principle into the consideration, the AFI Management Unit requested the Board to consider expanding the role of GSSC to include the functions of the PPRC and GEC, rather than establishing entirely separate committees. The merger of GSSC, PPRC, and GEC aims to optimize the existing expertise and resource available to the Board through other Board Committees and Management Unit resource base. At the 3<sup>rd</sup> Board Meeting in July 2016, the Board approved the merged committee under the name of **Global Standards and Policy Committee (GSPC)** and also approved to retain the existing members of the GSSC as members of the new GSPC. Subsequently, the establishment of the Committee as part of the AFI governance structure was ratified by the members at the 2016 AFI Annual General Meeting. In addition, the AFI Management Unit communicated to the GSSC members about their expanded roles.

### **Section 2: Membership**

2.1 The Global Standards and Policy Committee ("the Committee") shall comprise seven high-level representatives from seven AFI member institutions.

2.2 Appointments of members of the Committee shall be reflective of the membership of the AFI network, including with balanced economic, geographical and gender representation.

2.3 Appointments shall be in line with AFI Articles of Association. All nominations shall be evaluated and approved by the AFI Board of Directors. A Member of the Committee may seek renewal of membership in the Committee at the expiry of the term of the committee, in line with the Articles of Association and Terms of Reference of the Committee.

2.4 Each approved member institution shall appoint one committee member, whom will be the lead contact point. The institution may appoint a qualified alternate member.

2.5 The term of the membership of the committee shall be for two years with maximum membership term of two terms (four years).

2.6 The AFI Board of Directors shall determine the rotation of membership in the Committee.



2.7 A member may withdraw membership by providing a written notification to the Board with a copy to the Chair of the Committee. The AFI Board of Directors may appoint a replacement in line with the AFI Articles of Association and the Terms of Reference of the committee.

### **Section 3: Structure of the Committee**

3.1 The members of the Committee shall elect a Chair and Vice-Chair by a simple majority vote at the first meeting of the Committee.

3.2 The Chair shall be elected for a period of two years. The roles and responsibilities of the Chair are as follows:

- Facilitate discussion and preside over meetings;
- Liaise with AFI Management Unit on activities and programmes to promote AFI's engagement with stakeholders and guide AFI's programmatic direction;
- Report the work of the Committee to the Chairman of the AFI Board of Directors or a designated representative of the Board in writing, at least twice a year or more frequently if necessary; and
- Call for meetings of the Committee, with the support of the Secretariat.

3.3 The subsequent election of the Chair and Vice-Chair shall be agreed by members of the Committee by a simple majority vote.

3.4 The maximum term of office for Chair and Vice-Chair of the Committee is two terms.

3.5 The Vice Chair shall assume the roles and responsibilities of the Chair, in the absence of the Chair. In the absence of both Chair and Vice Chair, the members present shall elect a temporary chair for the meeting.

3.6 Any changes regarding the structure of the Committee shall be agreed by members of the Committee and recommended to the Board for approval.

### **Section 4: Roles and Responsibilities**

4.1 The Committee will provide leadership and strategic guidance on the activities undertaken by the AFI network with the objective of promoting engagement with global Standard-Setting Bodies (SSBs) to raise members' policy implementation challenges and guiding AFI's programmatic direction. The Committee is responsible to:

- (a) Provide overall strategic guidance on AFI's engagement and collaboration with international SSBs by integrating members' views to the SSBs.
- (b) and recommending how stakeholder input can be appropriately integrated into AFI's services to preserve AFI's identity and maintain its ability to serve members;
- (c) Guide AFI's programmatic direction to reflect the priority policy issues and needs of the member network;
- (d) Review high impact policy lessons recommended by AFI's Working Groups and decide based on the approved criteria on the policy lesson to be tabled to the Board for endorsement as Financial Inclusion Policy Models for members' voluntary adoption;



- (e) Advise on policy positions and public responses to sensitive issues or developments in the field of financial inclusion for the AFI network; and
- (f) Any other roles viewed necessary either by the Committee and/or the Board in promoting this objective.

4.2 The Committee may be assisted by technical evaluation support and resources from the AFI Management Unit, AFI Working Groups and additional consultancy support where necessary.

4.3 The Committee shall receive progress updates and background papers from the AFI Management Unit in its function as Secretariat at a frequency and in a format to be determined between the Committee and the Management Unit.

4.4 The Committee will report progress in writing to the AFI Board of Directors at least twice a year, or more frequently if necessary.

4.5 The Committee's decision making will be by consensus or simple majority vote where consensus cannot be reached.

#### **Section 5: Meetings and Interactions**

5.1 The Committee will meet at least twice per year, once via teleconference or alongside another AFI event, and at the annual AFI Global Policy Forum. Additional meetings by teleconference may be scheduled as deemed necessary by the Committee.

5.2 Meeting shall only commence with a quorum of four members present.

5.3 Dates and venues of the meetings for the following year will be determined at the meeting held during the AFI Global Policy Forum in the current year, where possible. The Committee may schedule virtual meeting(s) as necessary using teleconferences or other means necessary.

5.4 Call for meetings will be notified in writing no less than 30 days of the date of the meeting. The notice shall indicate the time, date and place of such meetings and whether the meeting will be held face-to-face or through other ways (conference call, teleconference, etc.).

5.5 The Secretariat, in consultation with the Chair shall prepare the notice of the meeting, along with the agenda and other related documentations.

5.6 Any member who is unable to participate in a meeting may be represented by the alternate member to participate in the meeting. The alternate member shall be advised to the Secretariat in advance. Notice of alternative representation to any meeting shall be made in writing to the Chair with a copy to the Secretariat, no later than two days prior to the meeting. The alternative representative shall have roles and responsibilities similar to the member who is to be represented.



5.7 The AFI Management Unit in addition to the Secretariat shall be entitled to attend all meetings of the Committee. The Committee may invite selected non-committee member(s) from within the AFI network or external stakeholder(s) with specified roles to the meetings.

5.8 The Secretariat shall organise and manage invitations, minutes, agenda and discussion papers of the meetings.

5.9 The Committee may continue to engage with each other via emails and other means necessary, outside the dates of the meetings.

### **Section 6: Secretariat**

6.1 The AFI Management Unit shall provide secretariat support to the Committee.

6.2 The Secretariat shall coordinate the meetings of the Committee, based on the dates agreed by the Committee and at the direction of the Chair.

6.3 The agenda of the meeting will be determined upon consultation with the members of the Committee and at the direction of the Chair. The Secretariat will seek input from members of the Committee before the date of the meeting, to determine the meeting agenda. Final agenda and related documentations shall be circulated at least four weeks before the date of the meeting.

6.4 Email correspondences will be the primary method of communication by the Secretariat. The Secretariat may consider other means of communication such as telephone calls to facilitate its work.

6.5 The Secretariat shall maintain relevant contact details of each member, alternate representative if any, and focal points for each institution represented on the Committee.

AFI Management Unit  
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