

Alliance for Financial Inclusion Executive Director Alfred Hannig's Opening Remarks at the 2013 Global Policy Forum

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Her Majesty Queen Máxima of the Netherlands, UN Secretary-General's Special Advocate for Inclusive Finance for Development and Honorary Patron of the G20 Global Partnership for Financial Inclusion;

Dr. Zeti Akthar Aziz, Governor of Bank Negara Malaysia

Governor Tetangco

Superintendent Schydlowsky

Honorable Governors, Deputy Governors;

Dear members

Dear partners of AFI

Distinguished guests;

Ladies and Gentlemen;

First of all, let me admit to you that I never thought of having the opportunity to speak at an event between two such high caliber and charismatic individuals - Bill Gates and HM Queen Maxima of the Netherlands.

Let me take this opportunity to thank Bill Gates for his encouraging words, and the Bill & Melinda Gates Foundation. Without your funding AFI would not be here, it helped to create an institution which is really special and makes a difference.

Her Majesty Queen Máxima of the Netherlands, please allow me also to express on behalf of the AFI members our sincere gratitude for all your support that you have rendered to AFI since its inception. As it is the case today, AFI could always

count on you which was particularly important at the time when the network was in its childhood and started to walk. As an example, your undivided personal support created opportunities for AFI in terms of engaging successfully with global stakeholders such as the G 20 and Standard Setting Bodies. To have you at our side at so many occasions was key in making AFI a heard voice of emerging and developing countries in the area of financial inclusion. We want to thank you for that.

I want to say that I am delighted to see you all here in Kuala Lumpur to attend the 5th AFI Global Policy Forum. It is moving to see the enormous efforts taken by everyone present in this room to come to Malaysia from almost every place on the globe. We never before had 430 registered guests. It is overwhelming to see the dedication and common sense around a key topic in the world of today - financial inclusion!

Governor Zeti, allow me to take this opportunity to thank you and all the staff of Bank Negara Malaysia, for bringing us not only to this vibrant city of Kuala Lumpur but in particular to Sasana Kijang, Bank Negara's center of excellence. Since I met with you for the first time more almost 4 years ago I learned about your passion and personal commitment to create opportunities to foster talent in an environment that promotes innovation and best practices. I believe this is exactly the connecting point between BNM and AFI. We all are sharing the same vision. Thank you for the wonderful effort in co-organizing this event.

Greet last member who joined AFI and the 100th member. I also want to pay our special welcome to the last member who joined AFI.

I want to structure my remarks in three parts:

- (1) Looking back,
- (2) where are we now, and
- (3) where are we going to go from here:

To the first point: almost 5 years of AFI are lying behind us. I must admit that it does not feel like such a time. Perhaps it doesn't because we moved so fast. During this period, we have learned that having access to simple financial products can have a real, positive impact on peoples' lives. AFI has seen critical

financial inclusion policy progress on the country level, a rapid and steady growth in membership, the expansion of working groups and services, and the emergence of our global partnerships (*mention the AFI journey exhibit*).

Since Nairobi 2009 we were able to create sense of togetherness, among members and with very valuable partners (*such as CGAP, the World Bank Group, the Center for Financial Inclusion, private sector, and many others*), as equal partners around the table where knowledge drives the discussion. And there is friendship which is a great prerequisite for change we are looking for.

With a shared global agenda, namely the Maya Declaration, and strong national targets aiming at bringing a positive impact to the lives of the poor, AFI members are creating a global momentum for change. Launched in Mexico two years ago, the Maya Declaration framework is evolving with more serious commitments just a couple of hours away.

Another important milestone in AFI's journey was the decision of the members to move from a project status towards an independent international institution with its core budget funded by the members. This decision was taken at the GPF 2011 in Mexico driven by the vision to make AFI sustainable as an institution and a voice of its members.

Finally, financial Inclusion is no longer merely a development issue, it has entered the mainstream thinking of economic and financial policy making.

This point leads me to the second part of my remarks: Where are we now?

When AFI was created at the end of 2008 Lehmann Brothers had just fallen and the financial crisis had begun (*joke: it was not AFI's fault, please believe me*). We remember that at that time some observers felt that the crisis would fundamentally change central banking. It was commonplace to demand that central banks must worry about the health of the financial system, not just price stability. In the aftermath of the crisis, financial stability and so-called macro-prudential supervision became a priority task on the agenda of central banks around the world. Today, we see the tasks of most of our members being further expanded: Like G 20 leaders, the IMF, the World Bank and other multilateral institutions many of the AFI members have called for an improvement in the quality of economic growth such that it should be "inclusive". They are convinced that inclusive growth begins with financial inclusion and broader

access to finance. Following this insight, many of the AFI members witness a shift from pure monetary policy and focus on financial stability to a greater role in propelling and sustaining inclusive growth through more and better financial inclusion. This is where we are today and why we are here.

As a policy-driving network, AFI has a strong interest in practical policy experience which is the reason why we have chosen the topic of optimization of policies for stability and integrity, protection and inclusion for this Forum. Many of the AFI members have an impressive track record in both fulfilling their conventional tasks and at the same time have become financial inclusion policy champions in their own countries. These champions are with us in this room. I am very much looking forward to the session later today after the opening.

Where are we going from here? In the next couple of years AFI would like to find answers to at least to four fundamental questions:

- 1) How can we measure policy impact more accurately and at the same time inform policy decisions through better data?
- 2) What are the implications and opportunities of fast-developing new technologies for financial inclusion and how can our members best reap the benefits of technological change under their various mandates of stability, inclusion, etc.?
- 3) How can we best compile and provide practical information on country experience as a knowledge repository?
- 4) How can AFI members better engage with Standard Setting Bodies to allow for peer learning and exchange on practical examples of applying high level principles?

Today and tomorrow we will dig deeper into these questions in the coming days (*example technology, 6 sessions at the GPF*).

This forum also offers another opportunity for progress updates on Maya Declaration and the announcements of new commitments. We will launch the Sasana Accord to strengthen the Maya Declaration framework with quantifiable target setting and progress monitoring tools, using common indicators. We believe that, with the determination from AFI members and driven by peer

learning and also peer pressure, the “Universal access to financial services” is achievable in a foreseeable future. Together, as a financial inclusion community, we must keep the momentum, together we can make it.

Thank you all, AFI members, partners and others stakeholders, for your confidence in the AFI network.

Let me invite you to truly enjoy the 5th AFI Global Policy Forum!

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