

MITIGATING THE IMPACT OF PANDEMIC CRISES ON NATIONAL FINANCIAL INCLUSION STRATEGIES (NFIS) POLICY NOTE

A pandemic crisis can risk stalling a country's NFIS as national priority is given to mitigating the impacts of the pandemic on the economy. When NFIS progress is stalled, vulnerable groups are disproportionately affected. Whether in the pre-formulation, formulation or implementation phase, quick responses in a dramatically changed environment can ensure the continuation of NFIS activities to ensure that any financial inclusion progress is harnessed rather than lost.

By nature, NFIS entails coordination with various stakeholders from the public, private, and civil society sectors. While stakeholders typically have individual business continuity plans specifically designed for their institution and field of expertise, these documents lack coordination with other stakeholders to minimize disruptions to NFIS-related activities.

To mitigate the impact of a pandemic outbreak on a NFIS it is therefore crucial that a Terms of Reference (TOR) is agreed upon to define the purpose and structure of a Financial Inclusion Pandemic Crisis Management Taskforce (FIPCMT). This FIPCMT TOR also needs to take into account coordination activities with the National Crisis Coordinating body.

Agreement on and endorsement of the FIPCMT TOR by all stakeholders is necessary to enable a fast deployment of the FIPCMT which will become immediately necessary upon the triggering event of a pandemic. The FIPCMT TOR can be developed during each NFIS lifecycle phase.

1 THE NEED FOR A FINANCIAL INCLUSION PANDEMIC CRISIS MANAGEMENT TASKFORCE (FIPCMT)

Given that many NFIS stakeholders will be adversely affected by the pandemic, it is crucial that an ad-hoc FIPCMT is immediately deployed to streamline synchronized pandemic planning during the NFIS lifecycle. This will ensure that vital and priority actions continue to be undertaken to maintain progress and avoid a loss of momentum.

DEPENDING ON THE NFIS PHASE THE FOCUS AND APPROACH OF A FIPCMT WILL DIFFER:

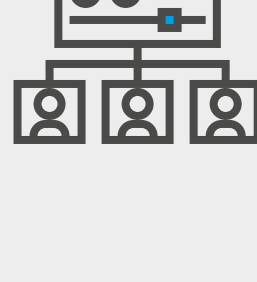
PRE-FORMULATION PHASE

For countries at the NFIS conception phase, the FIPCMT will, upon the occurrence of a pandemic, take charge of revision of the initial NFIS objectives in line with the changed circumstances created by the pandemic.



FORMULATION PHASE

When the pandemic event occurs during the NFIS Formulation phase the ad-hoc FIPCMT will intervene and coordinate and re-align ongoing stakeholder activities with the respective business continuity plans. The FIPCMT will also support the relevant NFIS governance entities to revise the NFIS objectives accordingly and help identify basic NFIS activities that can continue throughout the pandemic.

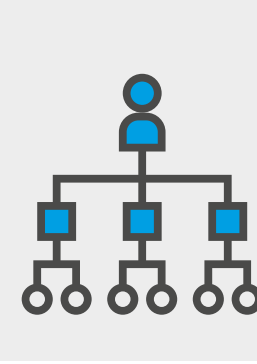


IMPLEMENTATION/EVALUATION PHASE

FROM THE START OF THE NFIS IMPLEMENTATION UNTIL THE MID-TERM REVIEW STAGE: an ad-hoc FIPCMT should address how the implementation of NFIS activities is affected and intervene with a realistic approach to ensure continuation of core activities which will have the most impact in achieving the NFIS objectives (which can themselves be subject to a revision in light of the pandemic impact and duration prognosis).



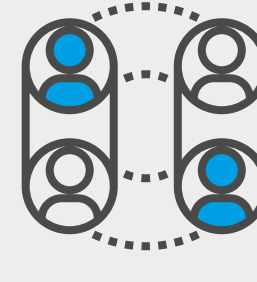
END STAGE OF IMPLEMENTATION: establishing a FIPCMT may not be necessary as it will have a limited effect on the finalization of an NFIS. However, preparations should start to develop a FIPCMT for the next NFIS.



2 ESTABLISHING A FIPCMT

AD HOC NATURE

The FIPCMT is conceived to be a temporary ad hoc taskforce with a mandate triggered by a pandemic event and operating terms which are approved by all stakeholders. The choice of a "TASKFORCE" allows for an easier approval process instead of the establishment of a committee which may trigger additional approval mechanisms from stakeholders which may slow down the approval process as well as the functioning of the unit in times of crisis.



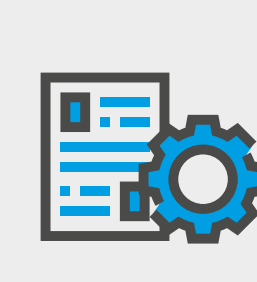
KEY STAFF

Senior management of primary or lead NFIS stakeholders should be responsible for developing, communicating, testing and executing the pandemic plan and translating it into specific policies, processes and procedures. Should such key staff be unable to act swiftly, then a subset of executionary trained staff should take over the execution of responses and responsibilities. This should be set out in the pandemic plan, as devised by the FIPCMT.



TASKS

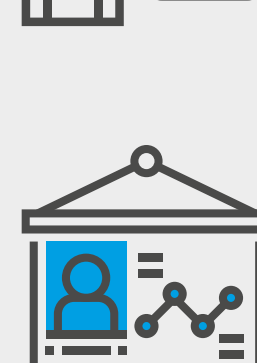
DEVELOP A PANDEMIC PLAN: The FIPCMT is in charge of the development of a pandemic plan. The pandemic plan should include a preventive program, documented strategy scaled to the stages of a pandemic outbreak, comprehensive framework to ensure the continuance of critical operations, a testing program and an oversight program to ensure that the plan is reviewed and updated. It must be sufficiently flexible to address a wide range of possible pandemic-related impacts while also reflecting an institution's size, complexity and business activities.



ENSURE ALIGNMENT WITH STAKEHOLDER BUSINESS CONTINUITY PLANS: The FIPCMT must ensure that a pandemic plan aligns with stakeholder business continuity plans and identify key stakeholder staff responsible for undertaking vital priority actions in an NFIS.

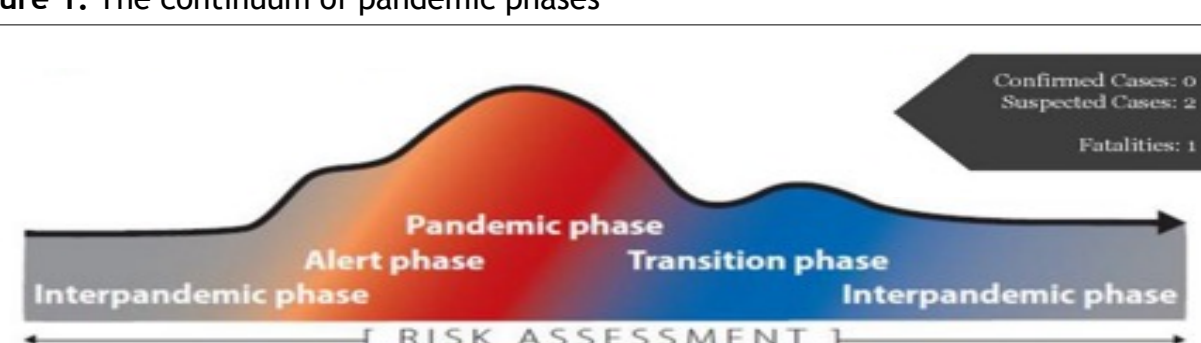


DEFINE THE RESPONSES AND RESPONSIBILITIES OF NFIS KEY STAFF: The FIPCMT should divide a pandemic plan into phases in accordance with the different stages of a pandemic (see graph below). The committee should identify the triggers of each phase as well as the various responses and responsibilities of NFIS key staff.



WHO'S GLOBAL PANDEMIC ALERT LEVEL

Figure 1: The continuum of pandemic phases*



* This continuum is according to a "global average" of cases, over time, based on continued risk assessment and consistent with the broader emergency risk management continuum.

Source: WHO

DEVELOP AND COMMUNICATE SUCCESSION PLANS: The development of succession plans for key stakeholder staff should be agreed upon in the FIPCMT's TOR and communicated clearly to all NFIS stakeholders who are involved in the NFIS formulation and implementation.

