



BRINGING
SMART
POLICIES
TO LIFE

ANNUAL REPORT 2021



WELCOME TO THE 2021 AFI ANNUAL REPORT

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Group of youth's in central Ethiopia, East Africa. (hadynyah/iStock)

PART ONE: THE AFI NETWORK



Indian girls using digital tablet, Thar Desert, Rajasthan, India. (hadynyah/iStock)

MESSAGE FROM THE CHAIR

Dr. Jesús De La Fuente Rodríguez
President, Comisión Nacional Bancaria y de Valores
(CNBV) Mexico, Chair, AFI's Board of Directors



“

On behalf of AFI's Board of Directors, it is my pleasure and honor to present AFI's 2021 Annual Report. The world continued to grapple with uncertainty and adverse impacts of the COVID-19 pandemic over the last year. The vibrancy and resilience of the AFI network during such times is a testament to the critical importance of financial inclusion for the stability and integrity of the financial sector and inclusive economies. The members remained highly engaged across all AFI activities, benefitting from peer-to-peer engagement as well as country-specific support, as they strived to respond effectively and smartly to protect the gains towards financial inclusion made over the past decades.

”

This year, we ushered in a new Board of Directors for the term September 2021 to September 2023 at the virtually held Annual General Meeting, convened in September 2021. I look forward to working closely with our newly elected Vice-Chair of the Board, Governor Ariff Ali of the Reserve Bank of Fiji and our new Board members from the National Bank of Cambodia, Banque Centrale de la République de Guinée (BCRG) and Central Bank of Tunisia to guide and steer the network in achieving our collective mission and further strengthening the AFI community.

Looking ahead, there are important opportunities that can be harnessed to accelerate the global policy agenda on financial inclusion, with AFI playing a leadership role. Work is already underway to understand how AFI's position as a global policy leadership alliance can be further augmented through the potential transition to Intergovernmental Organization (IGO) status. The IGO status could help to ensure long-term ownership of AFI by our members' countries. We remain mindful that this transition would need to be attained while maintaining the current institutional membership model, the principles underpinning AFI's DNA, and the peer cooperation model, which have proven instrumental in AFI's success. The Board and I look forward to guiding the Management Unit, together with the newly formed IGO Special Committee, towards achieving this significant milestone.

I wish to express my gratitude to the Management Unit of AFI for their unwavering dedication towards supporting AFI members to achieve their Maya Declaration commitments. AFI continued to deliver high-quality services in an agile and demand-driven manner despite the challenging operating environment this year. The results of this dedication are evident in the high member satisfaction levels seen in 2021. I commend AFI's Executive Team, led by Executive Director, Dr. Alfred Hannig for its exemplary leadership, foresight, and readiness to adapt to new challenges and to harness emerging opportunities.

To my colleagues on the Board of Directors and Board Committees, I thank you for your passion and dedication to the network and encourage us all to continue working closely with the membership in advancing guidance and implementation of financial inclusion policies and elevating our network's global voice. I am confident that together we can drive meaningful policy change through upholding AFI's mission and empowering our members to accelerate financial inclusion for all.

ABOUT THE AFI NETWORK

AFI is a global policy leadership alliance owned and led by member central banks and financial regulatory institutions with the common objective of advancing financial inclusion at country, regional and international levels.

AFI partners with regulators, international organizations, and private sector leaders to drive practical solutions and facilitate the implementation of impactful policy changes through its cooperative model that embeds peer learning, knowledge exchange and peer transformation.

AFI's operations and programs are funded through membership subscriptions and funder contributions.

VISION

Making financial services more accessible to the world's unbanked.

MISSION

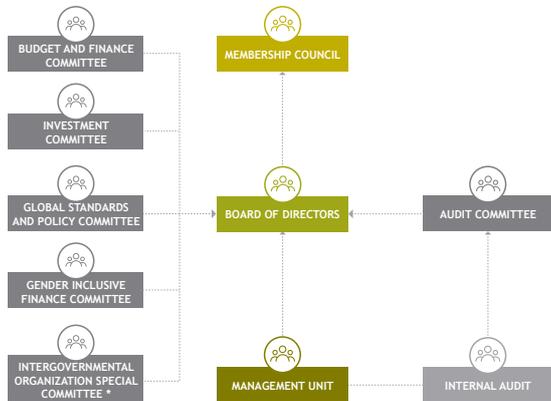
Empowering policymakers to increase access and usage of quality financial services for the unserved and underserved through formulation, implementation, and global advocacy of sustainable and inclusive policies.

MEMBERSHIP

As of the end of 2021, the membership of the AFI network stood at 101 member institutions (comprising 84 Principal Members and 17 Associate members, representing 89 countries). Sub-Saharan Africa continued to be the region with the highest number of members at 42 institutions followed by Asia (South, East, and Southeast Asia), Latin America and the Caribbean, Middle East and North Africa, Eastern Europe, and Central Asia and the Pacific.

GOVERNANCE

AFI'S GOVERNANCE STRUCTURE



* Non-permanent Committee of the Board

MEMBERSHIP COUNCIL

AFI's Membership Council is comprised of Principal and Associate Members and meets once a year at the Annual General Meeting (AGM). All members have the right to attend the AGM, but only Principal Members can vote on decisions at the AGM. At the AGM, the Membership Council receives the AFI's performance report, ratifies appointments of Board and Committee members, and approves strategic decisions with overall impact on the AFI network.

BOARD COMMITTEES

AFI's Board Committees provide specialized support to the Board of Directors in overseeing AFI's direction and activities. In September 2021, AFI established two new Committees, namely the Investment Committee and the Intergovernmental Organization Special Committee.

AUDIT COMMITTEE (AC)

The Audit Committee supports the Board by providing oversight of the governance, risk management, and internal control practices of AFI. The members are Banco Central de Reserva de El Salvador (Chair), Bank of Tanzania (Vice-Chair), Royal Monetary Authority of Bhutan, Banque de la République du Burundi, and Banco de Moçambique.

BUDGET AND FINANCE COMMITTEE (BFC)

The BFC provides oversight of AFI's financial strategy and resource management to ensure that AFI remain well-resourced and financially sustainable to continue serving its members. The members are Bank of Papua New Guinea (Chair), Central Bank of The Gambia (Vice-Chair), Superintendencia de la Economía Popular

y Solidaria de Ecuador¹, Bank of Uganda, Central Bank of the Republic of Uzbekistan, and the Bill & Melinda Gates Foundation.

GLOBAL STANDARDS AND POLICY COMMITTEE (GSPC)

The GSPC provides quality assurance on high-impact policy lessons recommended by AFI's Working Groups to be endorsed as Financial Inclusion Policy Models for members' voluntary adoption, as well as guidance and advice on AFI's programmatic direction and engagement with international Standard-Setting Bodies (SSBs). The members are Bangko Sentral ng Pilipinas (Chair), Bank of Zambia (Vice-Chair), Royal Monetary Authority of Bhutan, Banco Central de Reserva de El Salvador, Central Bank of The Gambia, Palestine Monetary Authority, and Bank of Tanzania.

GENDER INCLUSIVE FINANCE COMMITTEE (GIFC)

The GIFC provides leadership on advancing and promoting women's financial inclusion in the AFI network and the strategic implementation of the Denarau Action Plan. The members are Bank of Ghana (Chair), Bangladesh Bank (Vice-Chair), Bank Al-Maghrib Morocco, Palestine Monetary Authority, Banco Central del Paraguay, Bank of Uganda and Reserve Bank of Zimbabwe.

INVESTMENT COMMITTEE

The Investment Committee oversees the governance and management of the AFI's Endowment Fund and supports the Board in monitoring the investment strategies, performance, and effectiveness of the AFI Endowment Fund, according to Board-approved AFI's Endowment Fund Policy and Investment Guidelines. The members are: Central Bank of Seychelles (Chair), Nepal Rastra Bank (Vice-Chair), Central Bank of the Bahamas, Central Bank of Egypt, and Banco Central de Timor-Leste.

INTERGOVERNMENTAL ORGANIZATION SPECIAL COMMITTEE (IGOSC)

The IGOSC oversees the process of transitioning AFI to IGO status and provides strategic guidance to the Board and Management Unit on the legal form and structure of the prospective IGO. The members are Banco Nacional de Angola, Bangladesh Bank, Banque de la République du Burundi, Superintendente de Bancos del Ecuador, Bank Al-Maghrib Morocco, Central Bank of Nigeria and Centrale Bank van Suriname. The IGOSC is established as a non-permanent Committee of the Board.

1 Appointed to the BFC in December 2021 to fill the vacancy previously held by the Central Bank of Tunisia before the institution was appointed to AFI's Board of Directors in September 2021.

AFI BOARD OF DIRECTORS, 2021

The AFI network is led by AFI's Board of Directors, which has the primary mandate of providing strategic guidance to AFI's Management Unit and oversight of the organization's direction and activities. Members of AFI's Board of Directors serving in the current Board term running from September 2021 to September 2023 are:



**Dr. Jesús De La Fuente¹
Rodríguez (Chair)**

Comisión Nacional Bancaria
y de Valores (CNBV) Mexico



**Ariff Ali²
(Vice-Chair)**

Governor, Reserve
Bank of Fiji



Martin Galstyan

Governor, Central Bank
of Armenia



Maha Prasad Adhikari

Governor, Nepal Rastra
Bank (NRB)



Dr. Patrick Njoroge

Governor, Central Bank
of Kenya (CBK)



José Cantero Sienra

President, Banco Central
del Paraguay (BCP)



Neav Chanthana

Deputy Governor, National
Bank of Cambodia



Dr. Karamo Kaba³

Governor, Banque Centrale
de la République de Guinée
(BCRG)



Nadia Gamha

Deputy Governor, Central
Bank of Tunisia



Dr. Alfred Hannig

Executive Director, Alliance
for Financial Inclusion

Non-voting member and Secretary
to the AFI Board of Directors

1 Assumed the role of AFI Board Chair at the 2021 AGM and was represented by Juan Pablo Graf Noriega until October 2021

2 Reserve Bank of Fiji was elected as Board Vice-Chair in December 2021

3 Represented by Dr Louncény Nabe until November 2021

The following Board members served on the Board for part of the ongoing term:



Juan Pablo Graf Noriega

CNBV President, until October 2021. Replaced by Dr. Jesus De La Fuente.



Dr. Louceny Nabe

BRCG Governor, until November 2021. Replaced by Dr. Karamo Kaba.

The following Board members rotated out of the AFI Board at the conclusion of the 2021 AGM:



Tarek Amer

Governor Central Bank of Egypt



Tiémoko Meyliet Koné

Governor (Former), Banque Centrale des États de l'Afrique de l'Ouest



Bayarsaikhan Dembereldash

Chair, Financial Regulatory Commission of Mongolia



Maiava Atalina Ainu'u-Enari

Governor, Central Bank of Samoa



Bastien Bedossa

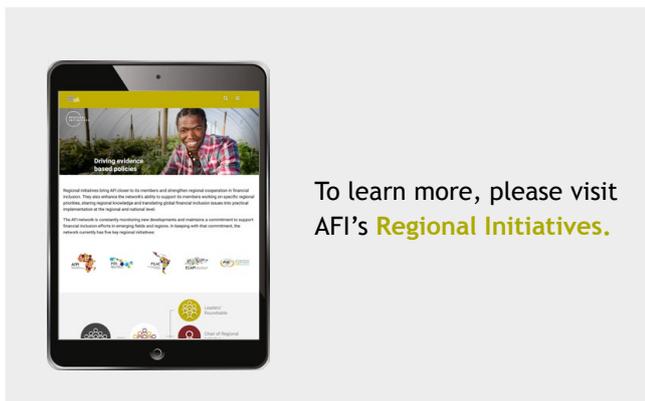
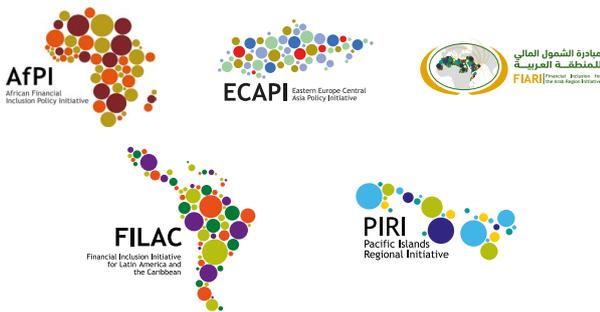
Deputy Head of Financial Systems, French Development Agency

External non-voting Board member

REGIONAL LEADERSHIP

Regional Initiatives bring AFI closer to its members and strengthen regional cooperation in financial inclusion. They also enhance the network’s ability to support its members working on specific regional priorities, sharing regional knowledge, and translating global financial inclusion issues into practical implementation at the regional and national level.

AFI’s Regional Initiatives are driven through a leadership structure comprising a Leaders’ Roundtable and an Expert Group on Financial Inclusion Policy (EGFIP). The Leaders’ Roundtable comprises heads of institutions from AFI member institutions in the respective regions and is responsible to provide strategic guidance, oversight, and monitoring of the work plans of AFI Regional Initiatives. The EGFIP also comprises senior technical officials from AFI member institutions from the regions. Their main responsibility is to develop regional frameworks or guidelines for addressing regional financial inclusion challenges. The AFI’s Management Unit provides coordination and technical support to the meetings and activities of the Leaders’ Roundtable and those of the technical group of experts.



WORKING GROUPS

AFI’s Working Groups comprises technical officials from the AFI network. The Working Groups lead the development of practical network-wide regulatory and policy guidance and inputs for AFI’s policy models.

Each Working Group has a gender focal point who enables the incorporation of the pillars of the Denarau Action Plan (DAP) into the policy guidance. The Working Group members also offer their practical technical expertise for peer-reviews and in-country missions to support policy implementation.

Each Working Group is led by a Chair and two Co-Chairs elected by Working Group members annually with tenures as specified in the respective Working Group’s charter.

7 AFI has seven working groups focusing on the major policy areas identified through the financial inclusion mandates of the members.

74% 75 of AFI’s 101 member institutions are involved in at least one of the seven AFI Working Groups based on the institutional policy priorities.

-  CONSUMER EMPOWERMENT AND MARKET CONDUCT (CEMC) WORKING GROUP
-  DIGITAL FINANCIAL SERVICES (DFS) WORKING GROUP
-  FINANCIAL INCLUSION DATA (FID) WORKING GROUP
-  FINANCIAL INCLUSION STRATEGY (FIS) PEER LEARNING GROUP
-  GLOBAL STANDARDS PROPORTIONALITY (GSP) WORKING GROUP
-  INCLUSIVE GREEN FINANCE (IGF) WORKING GROUP
-  SME FINANCE (SMEF) WORKING GROUP

PARTNERSHIPS

AFI engages and collaborates systematically with several broad categories of partners and stakeholders in the financial inclusion space:

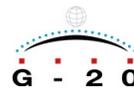
FUNDING PARTNERS



PRIVATE SECTOR PARTNERS



OTHER PARTNERS



FUNDING PARTNERS

Funding partners provide unique and substantial intellectual, technical, and financial contributions to advance AFI's mission and scale up AFI's services and offerings to support members. AFI formalizes partnerships with funding partners through a funding agreement.

In 2021, AFI continued to collaborate with funding partners **Agence Française de Développement (AFD)**, **Ministry of Finance of the Grand Duchy of Luxembourg** and **Germany's Federal Ministry for Economic Cooperation and Development (BMZ)** to scale up AFI's programmatic and in-country policy implementation support for members across the Sub-Saharan Africa and Arab Region. BMZ also provided funding support for the continued implementation of the second phase of AFI's Financial Inclusion for Forcibly Displaced Persons (FDPs) workstream.

AFI continued to receive funding support from its founding partner, the **Bill & Melinda Gates Foundation (BMGF)**, to implement AFI's Phase III Strategy and AFI's COVID-19 Policy Response.

The **German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU)** continued to provide funding support through the International Climate Initiative (IKI) for the implementation of AFI's Inclusive Green Finance (IGF) workstream, including capacity building and in-country implementation (ICI) support for IGF policies as well as supporting the IGF Working Group and further knowledge development in this area. BMU has extended its support till the end of 2023 through a second phase of its program with AFI.

AFI continued to receive funding from the **UK's Foreign, Commonwealth and Development Office (FCDO)** to support programs and in-country support for the advancement of safe and inclusive digital financial services (DFS). FCDO's funding supported key activities such as the Pacific Islands Regional Initiative (PIRI) Regional Regulatory Sandbox, member trainings and ICI support for four members.

The funding received from the **Mastercard Foundation** continued to support the implementation of the COVID-19 Policy Response initiative in Africa through peer learning activities and in-country policy implementation support to enable members to mitigate the effects of COVID-19 on businesses and individuals, especially for MSMEs, women and youth.

AFI continued to receive support from the **Swedish International Development Cooperation Agency (Sida)** for the implementation of its Gender Inclusive Finance (GIF) workstream.

21
POLICY
CHANGES

Since the partnership began in 2019, 21 GIF related policy changes have been reported by members and 18 in-country projects have been supported.

683
POLICY MAKERS

Building the capacity of financial policy makers and regulators has also been a core part of the partnership, with over 683 policy makers engaging in programs on gender inclusive finance during the last three years. More women than men participated in these programs over the past two years.

Flourish Ventures (formerly the Omidyar Network) continued to commit support for a new AFI Award - the "Nestor Espenilla Jr. Financial Innovation Award" - which will be announced at the 2022 Global Policy Forum.

As host institutions of AFI's Europe Representative Office (ERO), the **Ministry of Foreign and European Affairs** and **Ministry of Finance of the Grand Duchy of Luxembourg** continued to provide funding support for the office as well as programs hosted from the office, such as the Global Fintech Dialogue on Open Finance - Innovations and Inclusion. The dialogue facilitated peer-learning and exchange on convergence issues related to financial technology (FinTech) ecosystems between policymakers of developing and developed economies.



Read one of our workshop reports, **Consent, coverage and data protection: Cornerstones for the success of inclusive open finance.**

> [View here](#)

PRIVATE SECTOR PARTNERS

AFI's private sector partners provide the network with a combination of unique perspectives and intellectual insights for specific AFI policy areas and activities as part of AFI's Public-Private Dialogue (PPD) Platform maintained on cost-sharing basis with partners. AFI formalizes these partnerships through PPD Partnership Agreements.

AFI continued to partner with **Home Credit**, a POS-Lender originating from the Czech Republic and focusing on responsible lending primarily to people with little or no credit history. Home Credit contributed unique learnings to AFI members in the areas of financial literacy, rural financial inclusion, inclusive green finance and DFS.

As one of the founding partners in AFI's PPD Platform, **Mastercard** continued to engage with the AFI membership in facilitating policy dialogues on fostering innovation, sharing knowledge, and contributing to building regulators' capacity on emerging payments, digital ID, digital financial literacy, data privacy, artificial intelligence, central bank digital currencies (CBDC) and open finance.

As a PPD partner and payment network enabling the seamless movement of funds across borders, **Thunes** contributed to AFI initiatives on DFS transaction costs, data privacy, de-risking issues and solutions in the African region, and gender inclusive finance (GIF).

As a founding partner of AFI's PPD Platform, **Visa** deliberated and shared insights with members in thematic areas of GIF, CBDCs, merchant payments, and data privacy. Visa continued to contribute to capacity building activities, especially in the Pacific region, on trending issues in relation to digitization and financial inclusion.

AFI continued to benefit from its partnership with the **Vodacom Group**, a leading African communications company providing services including mobile voice, messaging, data, financial and converged services. Vodacom contributed unique learnings to AFI members in the areas of DFS and GIF, data privacy, de-risking in the African region, artificial intelligence, agent networks, inclusive green finance and other key interest areas to AFI members.

Additionally, AFI membership benefited from insights and deliberations on the PPD Platform with winners of AFI FinTech Showcase 2020. These emerging innovators intellectually contributed to dialogues on the topics of shared interests.

COLLABORATIONS

AFI engages in a broad range of knowledge and intellectual partnerships with institutions across the financial inclusion landscape. These are 'strategic knowledge resource partners', providing insights to enhance AFI's services and offerings to members, supporting members in policy development and implementation, and elevating the global voice of members as part of its collective responsibility to address global barriers to financial inclusion.

AFI continued to work with **Women's World Banking (WWB)** and the **University of Oxford** to conduct the third edition of the Leadership and Diversity Program for Regulators, targeting high-potential women leaders from member and non-member institutions with the objective to enhance gender diversity, under Action Point 10 of the Denarau Action Plan.



AFI also continued to run the **Certified Expert in Financial Inclusion Policy (CEFI)**, a unique online course providing a holistic overview on financial inclusion policy, jointly offered by AFI and **Frankfurt School of Finance & Management**. CEFI has been instrumental in developing financial inclusion professionals across the network and beyond. Participation during the COVID-19 pandemic has been recorded as higher compared to intakes before the pandemic.

AFI, in its role as **Implementing Partner for the G-20 Global Partnership for Financial Inclusion (G-20 GPMF)**, continued to engage and support the priorities of the Italian G-20 Presidency for 2021, led by the Italian Ministry of Economy and Finance, by presenting members' approaches to inclusive green finance in line with the presidency's theme, 'People, Planet and Prosperity'. The Italian G-20 presidency focused on addressing the disproportionate economic and social impact of the COVID-19 crisis on the most vulnerable and underserved segments of the society, and on micro, small and medium enterprise (MSMEs). AFI also started engaging with Bank Indonesia in preparation to support the priorities and deliverables of the incoming Indonesian G-20 Presidency to support the presidency's theme, 'Recover Together, Recover Stronger'.

AFI continued to collaborate with the **Intergovernmental Group of Twenty-Four on International Monetary Affairs and Development (G-24)** in co-hosting the annual policymakers' dialogue focusing on issues and practical policy changes to advance financial inclusion in the time of the global COVID-19 pandemic and to advance development of a Financial Inclusion Policy Framework that adopts a holistic approach to inclusive green finance, in line with the commitments under the member-adopted Kigali Statement. Discussions were enriched with high-level participation and contributions from Central Bank of Egypt, Central Bank of Kenya, Banco Central del Paraguay (BCP), Financial Stability Board (FSB), Banco de España, and the International Monetary Fund (IMF).

As observer of the Financial Action Task Force (FATF) and FATF-Style Regional Bodies (FSRBs), AFI continued to bring members' voice into the regional dialogues and platforms including **Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG)**, **Financial Action Task Force of Latin America (GAFILAT)**, **Asia/Pacific Group on Money Laundering (APGML)** and **Inter-Governmental Action Group against Money Laundering in West Africa (GIABA)**. AFI provided input for FATF consultations on **Opportunities and Risks of New Technologies for AML/CFT** and also presented at the workshop on Digital Identity and Operations Committee on the Impact of the FATF Standards on Financial Inclusion organized by APGML.

AFI was admitted into the membership of the **Global Advisory Group on Inclusive Financial Integrity**, convened by **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)**, with the objective of advancing global dialogue on unintended consequences of the FATF standards. Together, AFI and GIZ co-led the inception meeting of the Task Team on Inclusive Financial Integrity for Forcibly Displaced Persons, aimed at consolidating data and evidence towards driving regular dialogue between the FATF and key stakeholders in addressing the financial inclusion of FDPs.

AFI signed a Memorandum of Understanding with the **European Bank for Reconstruction and Development (EBRD)** in October 2021 with the objective to advance gender-inclusive finance and promote gender diversity in the financial sectors of mutually agreed countries. The collaboration leverages AFI and EBRD's extensive institutional knowledge and resources to strengthen existing gender inclusive finance policies, as well as the implementation capacities of current members.

AFI collaborated with the **Affirmative Finance Action for Women in Africa (AFAWA)** team of the African

Development Bank (AfDB) to develop seven African country case studies documenting members' journey in advancing women's formal financial inclusion, with a focus on SMEs, across member jurisdictions including Democratic Republic of Congo, Morocco, Nigeria, Rwanda, Senegal, Zambia, and Zimbabwe.

AFI continued to advance the objectives and workplan of the Financial Inclusion for the Arab Region Initiative (FIARI), in partnership with the **Arab Monetary Fund (AMF)**, **GIZ** and the **World Bank Group (WBG)**.

AFI collaborated with the **Centre for Sustainable Finance (CSF) at SOAS University London** to co-host an IGF webinar as part of the London Climate Action Week. The webinar featured presentations of policy initiatives, such as the reshaping of disaster response policies by Bangladesh Bank, expansion of the use of digital financial services by Bank of Ghana and capacity building workshops by Bank Al-Maghrib. Representatives from SOAS University also contributed to the G24 policymakers dialogue (discussed above).

AFI participated in engagements with various development partners by contributing technical input and knowledge-sharing on COVID-19 response and recovery including with the **International Monetary Fund**, **World Bank Group**, **World Economic Forum**, and **UN Secretary General's Special Advocate for Inclusive Finance for Development (UNSGSA) Reference Group**.

AFI participated in the **Bank for International Settlements-Financial Stability (BIS-FSI) Check-In Meeting** as an initiative to enhance cooperation arrangements on financial inclusion led by BIS-FSI. AFI was also represented by the Chair of AFI's Gender Inclusive Finance Committee, Second Deputy Governor Elsie Addo Awadzi of the Bank of Ghana, who presented on AFI's relevance and engagements with international SSBs, issues relating to proportionality in practice and ongoing efforts in sex-disaggregated data policies.

AFI continued to benefit from an extensive range of technical and intellectual partnerships with developed country policymaking and regulatory institutions to enrich capacity building and implementation support to members. The institutions included the **European Central Bank**, **European Banking Authority (EBA)**, **Monetary Authority of Singapore (MAS)**, **Banque de France**, **Deutsche Bundesbank**, **Bank of Italy**, **Luxembourg's Commission de Surveillance du Secteur Financier (CSSF)**, **Bank of Portugal**, **Bank of England**, and **Bank of Spain**.

PART TWO: PERFORMANCE



Peruvian woman preparing frost-resistant chuno, frozen potato, Andean Altiplano, Peru. (hadynyah/iStock)

MESSAGE FROM THE EXECUTIVE DIRECTOR

Dr. Alfred Hannig
Executive Director, AFI



“

We are pleased to bring you a report of AFI’s work for 2021. Throughout the past year, we were encouraged by the network’s strong resolve and commitment to advancing AFI’s mission through developing high-quality policy guidance and recording over 920 impressive policy changes at country level since AFI’s inception.

”

The year had begun with an optimistic approach in implementing AFI’s strategy and workplan based on expected recovery from the COVID-19 pandemic, opening of economies, and lifting of movement restrictions across the world. As we progressed through 2021, however, realities in different regions and countries necessitated the Management Unit to continue delivery of most services virtually.

We were fortunate that with the relaxing of travel restrictions in certain regions in the second half of the year, AFI had the opportunity to convene members under AFI’s Financial Inclusion Initiative for Latin America and the Caribbean (FILAC) initiative in a week-long hybrid event held in Quito, Ecuador in November 2021. Members affirmed the irreplaceable value of in-person meetings and face-to-face contact after two years of conducting activities virtually.

We have successfully upheld the aspirations of the Denarau Action Plan under the strategic guidance of the Gender Inclusive Finance Committee, as well as the tangible results than can be seen through members’ uptake of AFI’s ICI support and capacity building programs, such as the Leadership and Diversity Program for Regulators. Given the disproportionate impact of COVID-19 on women, we further strengthen our resolve to contribute to addressing the gender gap in financial inclusion.

AFI continued to deepen its policy guidance and leadership role through bringing member-led, practical policy content to members. Members endorsed two Financial Inclusion Policy Models in the policy area of MSME Finance and Digital Identify for Electronic Know Your Customer (e-KYC).

Although the Global Policy Forum could not be held for the second consecutive year, members convened the “Financial Inclusion Beyond the Pandemic: A Policy Leadership Dialogue” virtually as a high-level platform where AFI leaders exchanged early lessons from the COVID-19 policy response and important considerations for an inclusive and green recovery. AFI’s global voice also gained more recognition amongst international Standard-Setting Bodies, especially through AFI’s participation in the BIS-FSI Check-In Meeting for the first time in 2021.

In addition to delivering high-quality AFI services that empower members to develop and implement financial inclusion policies, the Management Unit also advanced key initiatives to leverage strategic opportunities arising from the current operating environment. These include:

1. The strategic opportunities approved by the membership in 2020, including:
 - > Enhanced impact: through guidance and ICI support to members;
 - > Improved delivery: through enhanced mode of service delivery and working arrangements; and
 - > Reinforced sustainability: through amendments of the overall AFI's global structure.
2. Leverage regional opportunities for in-person engagements as they arise.
3. Co-host the physical Global Policy Forum with the Central Bank of Jordan in September 2022.
4. Stronger on-the-ground regional presence in Latin America and the Caribbean through the opening of a Regional Office in Costa Rica to be closer to and serve our members.
5. Advance work on AFI's intergovernmental organization (IGO) status, led by the newly established IGO Special Committee.

6. Based on member demand, provide voluntary, network-wide recognized Financial Inclusion Country Assessments that will also reinforce AFI's country-level and program support.
7. Commence development of AFI's Phase IV Strategic Plan (2024-2029) since the Phase III Strategic Plan is ending in 2023.

I am grateful to the management and staff of AFI's Management Unit for their resolve and commitment to deliver on AFI's goals during another difficult operational year. We have been able to achieve our annual targets under the able guidance and support of the Board of Directors and Board Committees who are committed to upholding strong governance and accountability and empowering the management and staff.

I look forward to further strengthening collaborations in the coming year that enable us to realize AFI's vision of increasing access and usage of quality financial services for the unbanked and underserved populations without leaving anyone behind.

AFI IN NUMBERS

99%

Member engagement and satisfaction levels remained robust, with 99 percent of paid members using at least two AFI services

66%

66 percent of paid members holding at least one leadership role in the network during the year.

2

We also grew the AFI community, welcoming two new members to network, including the Central Bank of Iraq and Superintendencia de Bancos from the Dominican Republic.

2021 MILESTONES



2021 also marked several milestones for AFI, including the 10th year anniversary of members adopting the Maya Declaration



The fifth anniversary of the adoption of the Denarau Action Plan that captures the network's commitment to advance gender and women's financial inclusion.

HIGHLIGHTS OF KEY ACTIVITIES - MEMBERSHIP

MEMBERSHIP

AFI received annual subscriptions from 76 member institutions (66 Principal Members and 10 Associate Members). Membership fee continued to help support AFI's operations and delivery of services to support members' financial inclusion objectives.

“ I firmly believe AFI's DNA of Peer to Peer knowledge exchange of practical solutions between regulators and capacity building will facilitate the implementation of impactful policy changes that will benefit fellow regulators and provide further impetus to the good work which is already happening.

”
Governor Maha Prasad Adhikari, Nepal Rastra Bank

93

AFI members continued to advance policy changes with reported 93 policy reforms for 2021.



These changes included COVID-19 policy responses in addition to the policy changes in priority thematic areas for members and those corresponding to member-endorsed AFI Accords.



Maasai women carrying water to their village, Kenya. (hadynyah/iStock)

MEMBER ENGAGEMENT

AFI member engagement remained strong in 2021, with 99 percent of the paid members using at least two AFI services. Members continued to take up leadership roles in the governance of AFI with 66 percent of paid members holding at least one leadership role in the network in 2021.

“

The world has changed very much along with the mandates of central banks, and I thank AFI's membership and its founders, who made the network a reality. I'm proud that more countries are joining every year.

”

AFI Board Chair (Term 2019-2021), Governor Tarek Amer of the Central Bank of Egypt at the AGM on 8 September 2021

MEMBER SATISFACTION

8.53

The 2021 Member Needs Assessment (MNA) survey indicated a high overall level of satisfaction of AFI members, with the rating of 8.53 out of 10.

AFI measures member satisfaction across seven dimensions:

- (i) being a unique platform to meet and exchange with peers on financial inclusion;
- (ii) being a center of technical excellence on financial inclusion policy and regulation;
- (iii) status as an independent organization offers many advantages;
- (iv) providing additional guidance to members complimentary to standards set by SSBs;
- (v) representing members' view in the global arena;
- (vi) having resources members invest engaging in AFI activities worth the value; and
- (vii) facilitates ICI.



HIGHLIGHTS OF KEY ACTIVITIES - MEMBERSHIP



GOVERNANCE

MEMBERSHIP COUNCIL AND BOARD OF DIRECTORS

- > Ratified the appointment of Board members for the Board term commencing September 2021 to September 2023.
- > Ratified new Committee members for the Investment Committee for the term commencing September 2021 to September 2023 and the Intergovernmental Organization Special Committee for the term commencing September 2021 until AFI completes the process of transitioning into an IGO.
- > Approved amendments to the Articles of Association to recognize the newly established Investment Committee as a permanent Committee of the AFI Board.
- > Approved AFI's Annual Report and Audited Financial Report for Financial Year ended on 31 December 2020.
- > Received performance report on the implementation AFI's activities in line with the Board-approved Corporate Strategy and proposed operating budget for AFI.
- > Approved the Financial Inclusion Policy Models for MSME Finance and Digital Identity for Electronic Know Your Customer (e-KYC).
- > Received the updated Maputo Accord on SME Finance.

AUDIT COMMITTEE

- > Reviewed the Audited Financial Report of AFI for Financial Year ended 31 December 2020 which were certified as an unqualified report by external auditors.
- > Reviewed and endorsed updates to AFI's Key Risk Profile, Risk Appetite and Tolerance Levels.
- > Reviewed the recommendation for appointment of outsourced internal auditor.
- > Reviewed the progress and reports of internal audits.
- > Approved the internal audit plan.

BUDGET AND FINANCE COMMITTEE

- > Reviewed year-to-date financials and mid-year review of budget.
- > Reviewed the corporate strategy, operational plans, and budget for the Financial Year (FY) 2022.
- > Reviewed operational policies including finance, procurement, and human resources management.

GENDER INCLUSIVE FINANCE COMMITTEE

- > Provided strategic guidance on initiatives and opportunities to advance AFI's Gender Inclusive Finance (GIF) workstream based on the Strategic Implementation Framework of the Denarau Action Plan and in line with AFI's Phase III Strategy and strategic priorities of the network.
- > Provided guidance in the implementation of the third cohort of the Leadership and Diversity Program for Regulators in partnership with the Women's World Banking and the University of Oxford.
- > Provided strategic support to elevate members' voice on GIF at global platforms, including SSBs and International Women's Day communications campaign.

GLOBAL STANDARDS AND POLICY COMMITTEE

- > Reviewed and endorsed the Financial Inclusion Policy Models for MSME Finance and Digital Identity for Electronic Know Your Customer.
- > Provided guidance on the implementation of AFI's technical workstreams.
- > Reviewed the recommendation to introduce voluntary, network-wide recognized Financial Inclusion Country Assessments for members.
- > Provided guidance on AFI's engagement with global SSBs with a view to enhance AFI members' representation and voice and encourage peer learning between SSBs and AFI members on the impact of the implementation of global financial standards on national financial inclusion policies.

REGIONAL INITIATIVES

Under AfPI, members developed guidance on Regulatory Approaches to Digital Payments Transaction Costs in Sustaining Financial Inclusion in Africa; Scoping and Assessment Report on Responsible Digital Credit in Africa; Scoping and Assessment Report on MSMEs Access to Finance Ecosystem in Africa; Digital Credit Regulation in Tanzania; and Policy Catalogue on MSME Financing in Africa.

Under FILAC, members convened a Regional Event on Resilient and Inclusive Corporate Governance towards a Gender Focus in hybrid modality hosted from Quito, Ecuador. Members shared practical experiences on corporate governance that promoted equity between men and women in accessing hierarchical positions in the financial sector, and access to and use of financial products and services in historically excluded sectors.

Under PIRI, members reviewed opportunities to enhance PIRI members' role in public policy promotion as embedded in AFI's Phase III Strategy, specific COVID-19 interventions and support available from AFI to support members in their recovery journey, and progress of key workstreams for de-risking, fintech and climate action. Members provided guidance for key deliverables, including the PIRI Regional Regulatory Sandbox and capacity building initiatives.

Under the Eastern Europe and Central Asia Policy Initiative (ECAPI), members published regional knowledge products on interoperable regional payment system, framework for competency matrix for school children; and the regional framework on e-KYC and Digital ID, incorporating inputs from multiple consultations with members.

Under FIARI, members continued to support the implementation of the FIARI Workplan developed by the region's Financial Inclusion Task Force and implemented by FIARI partners to advance financial inclusion objectives in the region.

In the South Asia region, members convened a Virtual Leaders' Roundtable where a decision to formally launch an AFI South Asia Regional Initiative was taken to collectively chart a direction for the next phase of financial inclusion policymaking in the region.

In the Southeast Asia region, a collaboration was established with the ASEAN Working Committee on Financial Inclusion (ASEAN WC-FINC). As an outcome of this partnership a policy note on Digital Financial Literacy for ASEAN was finalized and endorsed by ASEAN WC-FINC members.



“

Financially excluded people around the world need a strong and effective AFI organization in the years to come... AFI will continue to be a fundamental player in financial inclusion and it's an honor to be part of AFI and its work.

”

AFI Board Vice-Chair (Term 2019-2021), President (Former), Juan Pablo Graf Noriega, Comisión Nacional Bancaria y de Valores (CNBV) at the AGM on 8 September 2021

STRATEGIC APPROACH AND PERFORMANCE 2021: IMPLEMENTATION OF AFI'S PHASE III STRATEGY

AFI advanced the implementation of its Phase III Strategy aimed at strengthening AFI's position as a global policy leadership alliance and enhancing support for members' in-country implementation of financial inclusion policies. During 2021, AFI continued to be guided by three strategic objectives:

- 1 Guidance for devising financial inclusion policies and regulations
- 2 Enhancing implementation of evidence-based financial inclusion policies
- 3 Agenda-setting in the global financial inclusion discourse

1

STRATEGIC OBJECTIVE

Guidance for devising financial inclusion policies and regulation

ACHIEVEMENTS

AFI continued to support members' financial inclusion goals by providing practical guidance in developing financial inclusion policies and regulations, including devising policy and regulatory responses to address the impact of COVID-19 on financial inclusion in members' countries. Since AFI's establishment in 2009, over 920 policy changes were implemented by 94 member institutions, of which 93 were implemented in 2021.

In 2021, AFI produced 42 knowledge products, including two Policy Models, five Policy Frameworks, nine Special Reports, eight Guideline Notes, seven Case Studies, two Survey Reports, two Workshop Reports, seven Toolkits, five Factsheets, and one Policy Note. This rich body of work - significantly higher than publications in 2020 - cover a range of policy topics targeted at emerging members' needs, including priorities resulting from impact of COVID-19 pandemic.

“

In light of COVID-19, all countries need to employ a people-centric approach to protect the financial inclusion gains of the last decade, and to prevent falling back catastrophically in respect of progress towards the Sustainable Development Goals...Our policy responses to the pandemic, must leave no one behind.

”

Deputy Governor Gamal Negm, Central Bank of Egypt (CBE)

KEY ENABLERS

1. WORKING GROUPS

As travel and movement restrictions continued in 2021 across many AFI members' countries, AFI maintained virtual Working Group meetings, which received active participation from Working Group members.

The Working Groups developed member-based knowledge products that offer practical tools for financial inclusion policy reforms.

20

The Working Groups conducted 20 virtual meetings (16 management meetings and four technical webinars) and were able to generate 33 policy-related knowledge products.

14

They also undertook 14 peer reviews across the seven policy thematic areas.

To ensure that policy guidance from AFI embeds practical policy solutions to close the gender gap in financial inclusion, all Working Groups appointed focal points to incorporate gender inclusive finance perspectives across their deliverables.

In 2021, the high impact policy lessons documented by the Working Groups culminated in two more financial inclusion policy models by AFI members, approved at the AGM. The following policy models were aligned to international good practices and codified members' experiences as evidence in the effective implementation of the respective thematic policy area:

- > **Policy Model for Digital Identity and Electronic Know Your Customer (e-KYC)**, developed by the AFI's Global Standards Proportionality Working Group (GSPWG), codifies best practices from AFI members countries and other global experiences, to provide members with a set of principles to be considered in developing or reviewing their digital ID and e-KYC policies and regulations.
- > **Policy Model for MSME Finance, developed by AFI's SME Finance Working Group (SMEFWG)**, provides guidance to members through a set of principles and key elements to be considered for developing or reviewing their MSMEs finance policies.

THE HIGHLIGHTS FROM AFI'S WORKING GROUPS ACTIVITIES IN 2021 INCLUDE:



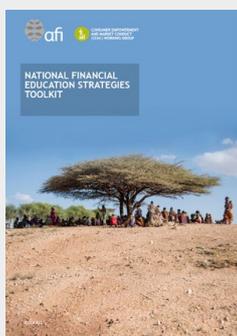
The Consumer Empowerment and Market Conduct Working Group (CEMCWG) conducted two peer reviews with the Bank of Lesotho on National Financial Education Strategy and Regulation on Disclosure of Information. One peer review with the Royal Monetary Authority (RMA) of Bhutan on Bhutan's Financial Literacy Capability measurement, and one peer review on Bangladesh Bank's Financial Literacy Guidelines. CEMCWG also published the following knowledge products:

- > **Consumer Protection for Digital Financial Services: A Survey of the Policy Landscape** (jointly developed with DFSWG) examines the state of consumer protection regulations for digital financial services in AFI member countries and provides practical insights for policymakers on how to use the related policy model.
- > **Guideline Note on Data Privacy for Digital Financial Services** (jointly developed with DFSWG) to provide non-binding guidance for a comprehensive, risk-based, and proportionate policy and regulatory framework for data privacy for digital financial services, with a focus on data privacy issues relevant to DFS rather than conventional financial services.
- > **Guideline Note on Digital Financial Literacy** (jointly developed with DFSWG) presents key considerations for regulators and policymakers to understand, develop, facilitate policies, and design interventions to advance digital financial literacy.

- > **Digital Financial Literacy Toolkit** (jointly developed with DFSWG) aims to provide practical guidance to AFI members and other financial inclusion policymakers on formulating and implementing Digital Financial Literacy (DFL) strategies and interventions, and then monitoring and evaluating its continuous progress in a systematic and efficient way.
- > **National Financial Education Strategies Toolkit** provides practical steps, tips, examples, and checklists to guide key stakeholders through the four stages of creating an NFES: pre-formulation, formulation, implementation, and monitoring and evaluation.
- > **Policy Framework on Financial Competency Matrix for Children and Youth** describes financial competencies in four categories: knowledge, skills, attitude and behavior covering not only financial literacy but also financial capability.
- > **Guideline Note on Integrating Vulnerable Groups in National Financial Education Programs and Strategies** provides guidance on implementing a national financial education strategy aiming to effectively reach the most vulnerable market segments.
- > **Financial Education Programs Monitoring & Evaluation Toolkit** aims to support AFI member institutions in setting up a system to facilitate evidence management and documentation on the effectiveness of their FEPs.
- > **Guideline Note on Financial Consumer Protection during a Crisis** provides a framework to develop effective consumer protection regulations, inclusive consumer awareness and financial education initiatives that go beyond the COVID-19 pandemic.



Consumer Protection for Digital Financial Services: A Survey of the Policy Landscape



National Financial Education Strategies Toolkit



Policy Framework on Financial Competency Matrix for Children and Youth



Guideline Note on Integrating Vulnerable Groups in National Financial Education Programs and Strategies

> To see all 2021 publications, go to page 65

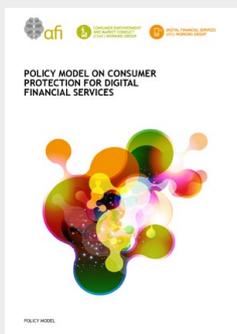


The Digital Financial Services Working Group (DFSWG) jointly developed the Policy Model on Consumer Protection for DFS with CEMCWG which was approved by the AFI membership. The DFWWG also undertook peer reviews of Bank of Zambia’s Setting the Interchange for the National Financial Switch (NFS), State Bank of Pakistan’s Digital Bank Regulatory Framework (Exposure Draft), Central Bank of Lesotho’s Draft Payment Systems Bill, Bank of Mozambique’s Payment Fintech Regulation and Supervision Framework, Banque Centrale des États de l’Afrique de l’Ouest (BCEAO)’s Draft of Regulatory Sandbox and Central Bank of Nigeria’s Draft of National FinTech Strategy. DFWWG published the following knowledge products:

- > **Cybersecurity from the Perspective of the Financial Regulator and Supervisors in Peru Case Study** showcases how the regulatory and supervisory authorities of Peru’s financial sector, Superintendence of Banks, Insurance and Private Pension Fund Administrations (SBS) develops its cybersecurity roadmap and prepares the financial sector, including the insurance and private pension fund industries, to deal with cybersecurity threats or mitigate their effects.
- > **Innovative Regulatory Approaches Toolkit** provides a structured approach to the implementation of innovative regulatory approaches, including innovation facilities for authorities with jurisdiction over financial products and services, and aggregates a variety of resources and case studies to provide

guidance for regulators, whilst also complementing existing guidance on innovative facilities by AFI and other stakeholders providing additional practical evaluation tools.

- > **Case Studies of Multisectoral Approaches to Integrating DFS for Women’s Financial Inclusion** (jointly developed with GIF workstream) explores whether the use of DFS in sectors other than financial services can be used to accelerate women’s financial inclusion.
- > **Policy Framework on the Regulation, Licensing and Supervision of Digital Banks** provides guidance contemplating strategies regarding digital banks, with a view to promote financial inclusion.
- > **Digital Financial Literacy Toolkit** provided practical guidance to AFI members and policymakers on formulating and implementing DFL strategies and interventions.
- > **Guideline Note n° 45-Digital Financial Literacy** presents key considerations for regulators and policymakers to understand, develop, facilitate policies, and design interventions at advancing digital financial literacy.
- > **Guideline Note n° 43-Data Privacy for Digital Financial Services (DP4DFS)** provided a series of non-binding guidance for a comprehensive, risk-based, and proportionate policy and regulatory framework for DP4DFS.
- > **Consumer Protection for Digital Financial Services: A Survey of the Policy Landscape** examines CP4DFS regulations in AFI member countries and provides practical insights for policymakers on how to use the related policy model.



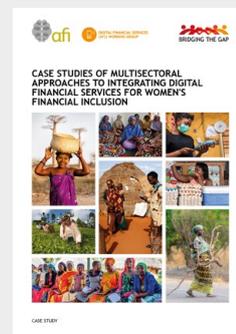
Policy Model on Consumer Protection for DFS



Innovative Regulatory Approaches Toolkit



Guideline Note on Data Privacy for Digital Financial Services



Case Studies of Multisectoral Approaches to Integrating DFS for Women’s Financial Inclusion

> To see all 2021 publications, go to page 650



The Financial Inclusion Data Working Group (FIDWG) published the following knowledge products:

- > **National Financial Inclusion Strategy Monitoring and Evaluation Toolkit** (jointly developed with FISPLG) provides practical guidance on systematically and efficiently monitoring and evaluating progress and results of National financial inclusion strategy (NFIS) interventions. It draws from experiences of the Financial Inclusion Strategy Peer Learning Group (FISPLG) in formulating the NFIS and FIDWG in defining key indicators to measure progress and results of the implementation of NFIS as well as clarifies what M&E entails in the context of formulation, implementation and measurement of progress, and results of NFIS.
- > **Guideline Note on Demand-side Approach to Inclusive Green Finance Data Collection** (jointly developed with IGFWG) proposes a first approach on collecting inclusive green finance (IGF) related data from the demand-side, which is necessary to assess the needs of vulnerable populations, potential economic impacts of climate events and help policymakers drive effective policy interventions.
- > **Policy Framework on MSME Data Collection: A Guide for Gender Inclusive Finance** provides guidance on MSMEs finance data collection with a specific focus on gender issues and disaggregated data for women-led MSMEs.
- > **Data Collection Processes and Defining Micro, Small and Medium Enterprises Case Study** (jointly developed with SMEFWG) summarizes a series of

considerations that the Moroccan SMEs Observatory had to keep in view for achieving a coordinated approach to MSMEs data collection in their country.



The Financial Inclusion Strategy Peer Learning Group (FISPLG) undertook peer review as follows: Bank of Uganda’s NFIS Mid-Term Review, Ministry of Finance Ewastini’s NFIS Mid-Term Review and Eswatini Financial Inclusion Bill, and São Tomé e Príncipe’s Peer Review of NFIS. The following knowledge products were published by FISPLG:

- > **Gender Savings Groups: Formalizing Village Savings Groups with a Gender Lens-Egypt Case Study** focuses on the Central Bank of Egypt (CBE) which is developing a gender-inclusive financial system that addresses barriers faced by women and has brought women’s financial inclusion to the forefront of its policy agenda. It explores CBE’s initiatives, such as the Savings Groups project to enhance financial literacy among women so they can avail financial services and products that suit their needs.
- > **Guideline Note on Bringing the Informal Sector Onboard** (jointly developed with SMEFWG) discusses how policymakers and practitioners can engage with the informal sector to increase its access to formal finance, which might not immediately result in formalization altogether but may eventually incentivize it, presenting real-world experiences to allow policymakers and practitioners to learn from developing and emerging economies.



Policy Framework on MSME Data Collection: A Guide for Gender Inclusive Finance



National Financial Inclusion Strategy Monitoring and Evaluation Toolkit



Guideline Note on Bringing the Informal Sector Onboard



Gender Savings Groups: Formalizing Village Savings Groups with a Gender Lens-Egypt Case Study

> To see all 2021 publications, go to page 65

- > **Bringing the Informal Sector Onboard Toolkit** (jointly developed with SMEFWG) outlines the different tools that policymakers have to onboard the informal sector.
- > **Mitigating the Impact of Pandemic Crises on National Financial Inclusion Strategy (NFIS) Policy Note** aims to deploy an effective financial inclusion pandemic crisis management taskforce (FIPCM), to mitigate the impact of a pandemic outbreak on a NFIS, ensuring continuation of NFIS activities, harnessing financial inclusion progress made.
- > **Guideline Note on Integrating Inclusive Green Finance Policies into NFIS** supports AFI member institutions to accelerate the development of IGF policies that enhance sustainable potential for economic growth and to manage the financial risks associated with climate change.
- > **National Financial Inclusion Strategy Monitoring and Evaluation Toolkit** provides practical guidance in systematically and efficiently monitoring and evaluating progress and results of NFIS interventions aimed at promoting financial inclusion.



The **Global Standards Proportionality Working Group (GSPWG)** published the Policy Model for Digital Identity and Electronic Know Your Customer (e-KYC), which provides guidance to countries looking to develop or improve their digital ID system and leverage them for e-KYC, enabling them to build robust, interoperable, inclusive and sustainable systems, thus contributing to achieving financial inclusion goals and inclusive

financial integrity. GSPWG also undertook the following peer reviews: Central Bank of Egypt’s E-KYC Regulation and Policy Framework, and Superintendencia de la Economía Popular y Solidaria de Ecuador’s Green Bonds Framework.

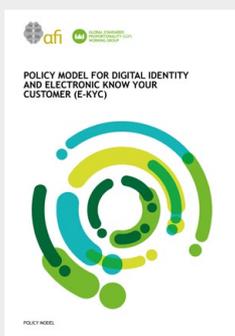


The **SME Finance Working Group (SMEFWG)** developed the following knowledge products:

- > **Case Study on Alternative Financing in the Republic of Belarus: Leveraging on Leasing for MSME Financing** shares the collaborative and inter-agency support leading to the growth of the MSMEs sector and financing, particularly in the Republic of Belarus. It dives into the role of the Bank of the Republic of Belarus (DBRB), which is championing the country’s leasing finance efforts. The study also touches on COVID-19 related support to local businesses, and how the nation’s digitalization efforts have increased financial inclusion.
- > **Agricultural MSME Financing in Uganda: A Response to COVID-19 Case Study** looks at the current state of financing for the agricultural sector in Uganda, highlighting the initiatives being taken to overcome the COVID-19 pandemic challenges.
- > **Data Collection Processes and Defining Micro, Small and Medium Enterprises** summarizes a series of considerations that the Moroccan SMEs Observatory had to consider before achieving a coordinated approach to MSMEs data collection in their country.



Guideline Note on Integrating Inclusive Green Finance Policies into NFIS



Policy Model for Digital Identity and Electronic Know Your Customer (e-KYC)



Agricultural MSME Financing in Uganda: A Response to COVID-19 Case Study



Data Collection Processes and Defining Micro, Small and Medium Enterprises

> To see all 2021 publications, go to page 65

- > **Policy Framework on MSME Data Collection: A Guide for Gender Inclusive Finance** provides guidance on MSMEs finance data collection with a specific focus on gender issues and disaggregated data for women-led MSMEs.
- > **Guideline Note n° 44-Bridging the Informal Sector Onboard** discusses how policymakers and practitioners can engage with the informal sector to increase its access to formal finance.



The Inclusive Green Finance Working Group (IGFWG) conducted peer reviews on the Bhutan Green Finance Roadmap for the Royal Monetary Authority of Bhutan as well as for the ESRM Guidelines developed by the Superintendencia de Economía Solidaria e Popular de Ecuador, and developed the following knowledge products:

- > **Special Report Promoting Inclusive Green Finance Initiative and Policies** (jointly developed with the IGF workstream) focuses on the first “P” of AFI’s 4P Framework of Promotion, Provision, Protection and Prevention, which includes policies and initiatives that prepare and stimulate the private sector to offer financial services to qualified beneficiaries for green projects or related climate action.
- > **Special Report on Disaster Resilience Through Financial Inclusion** examines the roles of financial regulators in disaster risk reduction (DRR) from a financial inclusion perspective, highlighting examples of good practices in the AFI network.

It also establishes links between financial inclusion and DRR and adapts the four DRR areas to the context of financial inclusion from a financial regulation perspective.

- > **Special Report Greening the Financial Sector Through Provision Policies: The Role of Central Banks** examines how central banks and other financial regulatory institutions are involved to green the financial system through provision policies. Highlighting real-world experience and know-how in the AFI network, this report provides a comprehensive review of approaches AFI members have taken to roll out a sustainable green finance agenda.
- > **Guideline Note on Demand-side Approach to Inclusive Green Finance Data Collection** addresses the scarcity of data on green activities and proposes a first approach to collecting inclusive green finance (IGF) related data from the demand-side. Demand-side data is critical in assessing the needs of vulnerable populations, potential economic impacts of climate events, and existing mechanisms on the ground to help policymakers drive effective policy interventions.
- > **Guideline Note on IGF integration into NFIS** aims to support AFI member institutions to accelerate the development of IGF policies that enhance the sustainable potential for economic growth and to manage the financial risks associated with the impacts of climate change. It was designed to guide institutions looking to incorporate IGF into their national financial inclusion strategies (NFIS).



Special Report Promoting Inclusive Green Finance Initiative and Policies



Special Report on Disaster Resilience Through Financial Inclusion



Guideline Note on Demand-side Approach to Inclusive Green Finance Data Collection



Special Report Greening the Financial Sector Through Provision Policies: The Role of Central Banks

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2. REGIONAL INITIATIVES EXPERTS GROUPS

AFI's Regional Initiatives continued to advance initiatives through policy development supported by the technical groups known as the Experts Group on Financial Inclusion Policy (EGFIP).

In 2021, the EGFIP and regional leaders met both in person and virtually due to travel and movement restrictions. Using both modalities, the Regional Initiatives were able to develop programs that address region-specific challenges using the expertise of members in the respective regions. This provided supervisory tools, regulatory frameworks, and capacity to support members' in-country implementation of financial inclusion goals. Regional leaders also met virtually to provide strategic guidance to steer the financial inclusion progress in the regions.



AFRICAN FINANCIAL INCLUSION POLICY INITIATIVE (AFPI)

In 2021, members in the region spearheaded the development and publication of a Policy Catalogue on MSME Financing in Africa. The main objective of the catalogue is to highlight the current landscape of MSMEs financing policies in Africa to provide key learnings on policies that regulators can implement to enhance access to finance for MSMEs in their respective jurisdictions. In addition, a special report on Regulatory Approaches to Digital Payments Transaction Costs in Sustaining Financial Inclusion in Africa was published. This special report aims to enhance the capacity of policy makers in the region on the various regulatory approaches they can implement regarding transaction costs for digital payments, to ensure affordability for customers and sustainability for the service providers. During the reporting period, members started working on a regional framework on supervision of FinTechs in Africa; the policy framework is expected to be published by the second quarter of 2022.

AFI's annual African Financial Inclusion Policy Initiative (AfPI) leaders' roundtable was held under the theme "Innovative regulatory approaches to counter de-risking/exclusion of women, youth and MSME from accessing financial services during the COVID-19 pandemic in Africa". The roundtable was attended by 12 high level leaders (Governors and Deputy Governors) and 11 representatives of leaders from the Africa region. Two meetings of the AfPI Expert Group on

Financial Inclusion Policy (EGFIP) were also held during the reporting period. The meetings were attended by 26 participants where they discussed and agreed the deliverables for 2021.



PACIFIC ISLANDS REGIONAL INITIATIVE (PIRI)

In 2021, the Pacific Regional Regulatory Sandbox was launched to attract, spur and support growth in FinTech across the Pacific and other regions. PIRI members also published knowledge products including a Special Report: Disaster Resilience Through Financial Inclusion.

AFI continued to support members' capacity building needs through programs conducted virtually in conjunction with regional technical meetings and in technical collaboration with PPD partners, such as the AFI's Virtual Member Training on Regional Regulatory Sandbox for Fintech Innovations: Experiences and Perspectives which provided guidance for PIRI members to implement the regional regulatory sandbox. Members also received practical knowledge on designing a national and/or regional regulatory sandbox.

AFI also supported PIRI members, such as the Central Bank of Solomon Islands (CBSI), in launching its third National Financial Inclusion Strategy (NFIS 3), by providing technical grant assistance for activities such as the development of regulatory sandbox guidelines and standard operating procedures as well as policies that foster greater women's financial inclusion and bolster green finance initiatives.

“

The resulting and continuous sharing of practical knowledge and experiences among the AFI network members is invaluable for CBSI, as it provides the capacity to shape policies to promote financial inclusion and prescribe appropriate interventions to drive the work of financial inclusion undertaken nationally.

”

Governor Luke Forau, Central Bank of Solomon Islands at the launch of its third National Financial Inclusion Strategy

PIRI members in the EGFIP and Roundtable meeting shared opportunities to enhance PIRI members' role in public policy promotion as embedded in AFI's Phase III Strategy; received update on specific COVID-19 interventions and support available from AFI to

support members in their recovery journey as well as the progress of work undertaken by the EGFIP on key PIRI workstreams for de-risking, FinTech and climate action. PIRI members also guided the EGFIP deliverables for 2021-2022 including the PIRI Regional Regulatory Sandbox and capacity building initiatives.



FINANCIAL INCLUSION INITIATIVE FOR LATIN AMERICA AND THE CARIBBEAN (FILAC)

AFI members from Latin America and the Caribbean organized virtual and hybrid events in response to discussions with regional members on peer learning about women's leadership, inclusive green finance, and gender inclusive finance.

Among others, the events discussed how to foster women leadership in the financial sector while focusing on international best practices, drawing on lessons from AFI's wide peer network in promoting access to and the use of quality financial products and services in historically excluded sectors.

On the technical side, the events offered a comprehensive understanding of the technical aspects of gender and green inclusive finance, their emerging intersects and how to integrate them in national financial inclusion strategies.

In the FILAC EGFIP, during the Leaders Roundtable and Public-Private Dialogue (PPD) Training conducted virtually, AFI members from Latin America and the Caribbean engaged in open dialogue on the role of DFS in women led MSMEs.



FINANCIAL INCLUSION FOR THE ARAB REGION INITIATIVE (FIARI)

Throughout 2021, AFI continued to support members in developing and conducting activities for the region in collaboration with FIARI partners to achieve their financial inclusion goals. In 2021, AFI and FIARI partners started supporting the Central Bank of Iraq in its journey to develop a National Financial Inclusion Strategy with key pillars on digital finance inclusion for women, youth and FDPs. AFI provided a roadmap and guidance to the Central Bank of Iraq through an In-Country-Implementation program aiming to increase

skills and support the implementation of an efficient secretariat.



EASTERN EUROPE AND CENTRAL ASIA POLICY INITIATIVE (ECAPI)

AFI members from Eastern Europe and Central Asia published the case study on Supervision of Outsourcing of Digital Services by Banks, and a special report on Interoperability of Cross-border Remittance Systems in the EECA Region. Members also worked with the CEMCWG on the Policy Framework on Financial Competency Matrix for Children and Youth and developed a Regional Framework on e-KYC and Digital ID.

ECAPI members in the EGFIP meeting shared policy initiatives in response to the pandemic focusing on thematic areas such as digital financial services, financial education and literacy, consumer protection, MSMEs financing and addressing needs of the disadvantaged groups such as women, youth and those living in remote areas. The EGFIP also endorsed a concrete action plan for 2022 focusing on developing knowledge products on financial education in schools and impact assessment indicators for risk-based supervision of market conduct.

Public Private Dialogue, Developed-Developing Country Dialogue and capacity building events were held virtually on topics such as Financial Literacy for Rural areas and MSMEs, regulatory technology (RegTech) and supervisory technology (SupTech) for effective supervision of DFS and Infrastructure readiness for Open Finance.

AFI INITIATIVES AND COLLABORATION IN OTHER REGIONS

Asia

AFI organized a tailored capacity building program for member institutions in South Asia on the topic of Digital Financial Literacy in March 2021. The members expressed interest in forming closer regional collaboration on financial inclusion topics. As an outcome of this request, a South Asia Leaders Roundtable was organized in November where leaders expressed interest to formalize and launch the South Asia Regional Initiative program to advance financial inclusion in the region. The regional program will be launched in 2022.

AFI collaborated with the ASEAN Working Committee on Financial Inclusion (WC-FINC) to address specific priorities of the ASEAN member states. As an outcome of this successful collaboration a regional Policy Note on Digital Financial Literacy was launched and endorsed by ASEAN WC-FINC in 2021. ASEAN WC-FINC has expressed interest to continue this collaboration towards implementation in 2022 and beyond.

“
It seems to me that AFI strives to carry out meaningful activities, which is very good, which is reflected not only in the variety of participants, but also in the quality of the exhibitors and the way in which each one is organized in an excellent way.
”

Participant of Bank Negara Malaysia (BNM)-AFI Virtual Member Training on Digital Banks: Business Model to Reach the Last Mile, held in 17-19 August 2021

AFI published a report for the second edition of the Knowledge exchange program which was co-hosted by the Bank of Thailand on the topic: Harnessing the Potential of FinTech in Deepening Financial Inclusion: Practical Regulators Exposition. The main objective of the program was to share the learnings and experiences of enabling FinTech ecosystems from developing and developed country financial regulators, private sector, and other key stakeholders.

3. COVID-19 POLICY RESPONSE

Responding to members’ need to implement policy responses, AFI continued to implement the COVID-19 Policy Response Project to support members to mitigate the impact of COVID-19 on their financial inclusion objectives. Key activities included:

- > Peer-learning through technical webinars and Public-Private Dialogues (PPD) on data privacy for DFS, youth’s financial inclusion, and MSME finance during COVID-19 recovery.
- > Development of an online course on Crisis Response and Financial Inclusion, to be launched in 2022.
- > Publication of a Special Report on ‘Mitigating the Impact of COVID-19 on Gains in Financial Inclusion: Early Lessons from Regulators and Policymakers’.
- > Commencement of knowledge products development in areas of SSB Response to COVID-19 and Africa experience, DFS policies during COVID-19, role of platform economies, financial inclusion of youth and effects of COVID-19, rural financial inclusion, closing the gender gap, consumer protection during a crisis, and linkages between health and DFS.
- > Provision of ICI support to seven members (five grants and two technical support) to design and execute policy responses to mitigate the impact of COVID-19. Key policy areas included DFS and MSME finance.



Harnessing the Potential of FinTech in Deepening Financial Inclusion: Practical Regulators Exposition



Interoperability of Cross-border Remittance Systems in the EECA Region



Policy Note on Digital Financial Literacy



Mitigating the Impact of COVID-19 on Gains in Financial Inclusion: Early Lessons from Regulators and Policymakers

> To see all 2021 publications, go to page 65

2

STRATEGIC OBJECTIVE

Enhancing implementation of evidence-based financial inclusion policies

ACHIEVEMENTS

AFI continued to provide tailored support to members according to their financial inclusion policy goals and corresponding to the stage of their financial inclusion journey. In 2021, due to restrictions on travel and movement, AFI delivered most of its capacity building programs virtually.



Overall, 683 members with representation from 72 AFI member institutions attended the programs, 23 per Corporate Scorecard. In addition, 20 members received ICI support for advancing high-impact financial inclusion policies.



“

It is a very new topic and there is really little experience on the spectrum and is rather theoretical. It seems to me that the presentations and points of view have been cutting edge, the best that can be known worldwide. Thanks AFI.

”

Participant of BNM-AFI Virtual Member Training on Digital Banks: Business Model to reach the last mile, held on August 17–19, 2021

KEY ENABLERS

1. PRACTICAL CAPACITY BUILDING PROGRAMS

AFI continued to conduct practical capacity building programs that matched the needs and demands of its members, leveraging policy guidance developed by the Working Groups and Regional Initiatives.

Member-led programs were supplemented with technical input from the private sector partners, non-member regulators, other international development organizations and relevant local stakeholders in host institution countries, for a more holistic application of financial inclusion policies.



The number of female participants remained higher than their male counterparts for two consecutive years. AFI also piloted hybrid capacity building activities through the training held in Quito, Ecuador in November, targeting AFI members from the Latin America and the Caribbean.



Selected trainings were conducted in dual sessions to provide convenient time options for members from different time zones. All programs incorporated gender considerations into their design.

2. DEMAND-DRIVEN, CUSTOMIZED IN-COUNTRY IMPLEMENTATION SUPPORT

AFI continued to provide members with in-country implementation (ICI) support in 2021 through three types of services: (a) technical support; (b) policy grant; and (c) policy advisory. A large proportion of ICI support focused on thematic areas of Financial Inclusion Strategy and Gender Inclusive Finance, followed by Consumer Empowerment & Market Conduct and Financial Inclusion Data, in line with overall members’ policy implementation priorities.

In 2021, AFI provided 20 new ICIs, including:



Banco de Moçambique: To enhance the financial capability of the population in Mozambique with a focus on disadvantaged groups, especially women.



Reserve Bank of Zimbabwe (RBZ): To build sustainable access to and usage of quality financial services by women, MSMEs, youth, people living with disabilities and rural farmers, with support for NFIS II, a DSS report and policy recommendations on closing the gender gap.



Superintendencia de la Economía Popular y Solidaria (SEPS) de Ecuador: To improve the quality of female financial inclusion and increase the proportion of women-led medium enterprises from 39 percent in 2017 to 49 percent by 2024.



Bank of Ghana (BoG): Development of a holistic and coordinated policy and regulatory framework and financial literacy framework that promote inclusive finance in Ghana.



Bangko Sentral ng Pilipinas: Technical support to build the agent registry and develop a RegTech tool that benefits BSP with effective supervision, consumer protection and financial inclusion monitoring.



Palestine Monetary Authority (PMA): Demand-side survey to include sex disaggregated data and digital awareness roadmaps.



Banco Central de Reserva (BCR) de El Salvador: Conducting demand-side surveys, including mapping climate vulnerabilities, and developing a data system.



Nepal Rastra Bank (NRB): Supporting implementation of financial literacy framework in Nepal.



State Bank of Pakistan (SBP): Supporting implementation of Gender Policy.



Banque de la République du Burundi (BRB): Review of the NFIS and Knowledge Exchange Visits on digital financial services.



National Bank of Rwanda (BNR): Supported the MSMEs Financial Literacy and Savings and Credits Groups digitization strategy project.



Central Bank of Kenya: Supporting implementation of 2021 FinAccess Household Survey.



Central Bank of Liberia (CBL): Supporting implementation of Financial Inclusion Baseline Survey.



Reserve Bank of Malawi: Scale up and regulation of Electronic Payments/ DFS and developing a Strategy for Gender Inclusive Finance.



Bank of Sierra Leone: Supporting the development of an NFIS.



Ministry of Finance of the Kingdom of Eswatini: To formulate a road map to include FDPs into the NFIS and mainstream financial inclusion policy.



Senegal's Ministry of Finance: Supporting the development of Islamic finance and financial literacy framework.



National Bank of Cambodia: Collection of sex-disaggregated data to support the development of Financial Education Strategy with a DFI approach.



Centrale Bank van Suriname: Conducting a financial inclusion demand side survey.



Central Bank of Egypt (CBE): Inclusion of women into the formal financial sector.

Travel restrictions and social distancing requirements continued to create challenges for physical activities to be conducted in AFI members' countries, leading to some delays in completing ICI projects.

During the year, AFI continued its support to members on ICIs that were started in 2020, such as the grant to Financial Regulatory Commission (FRC) of Mongolia and Royal Monetary Authority (RMA) of Bhutan for Inclusive Green Finance policies.

In 2021, five dedicated in-country tailored trainings on IGF also took place for members in Ecuador, Kingdom of Eswatini, Nepal, Samoa, and with BCEAO, including participation of ecosystem actors beyond the member institution's staff.

“

An innovative approach is needed, based on minimizing the risks for small businesses ... that allows for the promotion of new business models and reduced unemployment to support strong and inclusive growth.

”

Tiémoko Meyliet Koné, Governor (Former), Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO) at the opening of the virtual exclusive member training on narrowing the financial gap for MSMEs.

3. KNOWLEDGE PARTNERSHIP ENGAGEMENT WITH FINANCIAL REGULATORS POLICYMAKERS FROM DEVELOPED COUNTRIES

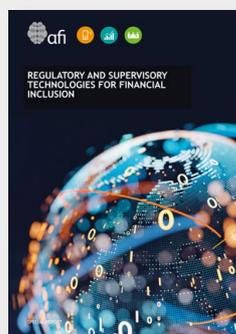
AFI continued to engage with developed countries' regulators to deepen the implementation of the Developing-Developed Countries Dialogue (3D) workstream that aims to enable peer-learning on topics of convergence and mutual interest.

The following engagements were undertaken in 2021:

- > **Czech National Bank:** The institutions provided technical input at AFI's Virtual Global Fintech Dialogue on Open Finance.
- > **Banco de España:** The institution participated as a speaker in the High-Level Multi-Stakeholder Dialogue on Central Bank Digital Currencies and Financial Inclusion held during AFI's Policy Leadership Dialogue in September 2021 and provided insights on the importance of stakeholders in designing CBDCs with secure infrastructure that builds user confidence. The institution also participated as a speaker at the Regional Training on Resilient and Inclusive Corporate Governance Towards a Gender Focus

co-hosted by AFI and member institutions, SEPS and SBS in Ecuador. The institution also participated and contributed at the high-level at the G24 policymakers' dialogue and the Virtual Global Fintech Dialogue on Open Finance.

- > **European Banking Authority (EBA):** The institution provided technical inputs during capacity building programs and dialogues organized by AFI, including 3D event at ECAP1 on RegTech and SupTech for effective supervision of DFS. EBA also contributed to the knowledge product on Regulatory and Supervisory Technologies for Financial Inclusion.



Read our knowledge project, **Regulatory and Supervisory Technologies for Financial Inclusion.**

> [View here](#)

- > **Bank of Italy:** The institution provided technical insights at AFI's CEMC WG meeting on Impact Assessment for Market Conduct Risk-Based Supervision on 20 October 2021. The institution also participated and contributed at the high-level at the G-24 policymakers' dialogue.
- > **Luxembourg's Commission de Surveillance du Secteur Financier (CSSF):** The institutions provided technical inputs during AFI's Virtual Global Fintech Dialogue on Open Finance as well as virtual peer-learning for the Central Bank of Uzbekistan on cybersecurity.
- > **Ministry of Foreign and European Affairs and Ministry of Finance of the Government of the Grand Duchy of Luxembourg:** Co-hosted AFI's Global Fintech Dialogue on Open Finance - Innovations and Inclusion.

3

STRATEGIC OBJECTIVE

Agenda-setting in the global financial inclusion discourse

ACHIEVEMENTS

In 2021, AFI continued to elevate members' voice and highlight members' practical experiences through various global platforms, such as the G-24 and G20 GPFI as well as engagements with international Standard-Setting Bodies (SSBs) including Bank of International Settlements (BIS), FSI, FATF and FSRBs.



AFI members' voice received stronger recognition at the forums with a growing acknowledgement of the importance of financial inclusion issues in maintaining financial system stability.

Due to ongoing COVID-19 pandemic challenges, AFI decided to postpone the annual AFI Global Policy Forum for the second year to safeguard health and safety of its members and team. However, a Virtual Policy Leadership Dialogue was convened to provide a continued high-level dialogue between members on priority issues, especially the impact and recovery from the pandemic.

KEY ENABLERS

1. VIRTUAL POLICY LEADERSHIP DIALOGUE

Over 25 leaders of the AFI network convened at the virtual dialogue on "Financial Inclusion Beyond the Pandemic" from 28-30 September 2021. The event attracted 160 participants from the network and beyond. Members exchanged insights on ways to unwind temporary relief measures, ensure a sustainable and inclusive recovery, and achieve the goals set out in the 2030 Agenda for Sustainable Development.

Policy issues relating to high-impact lessons on inclusive growth for MSMEs, the future of data and achieving an inclusive green recovery were brought to the table. Members also deliberated on digital transformation initiatives that have the potential to protect and further accelerate financial inclusion gains in the coming years, such as SupTech and central bank digital currencies.

2. VIRTUAL ANNUAL GENERAL MEETING

Although the Global Policy Forum (GPF) could not be held in 2021, the AFI Membership Council comprising Principal and Associate Members convened the AFI Annual General Meeting (AGM) on 8 September 2021 through virtual teleconference. At the AGM, members received the presentation of the AFI Annual Report and Audited Financial Statements for the Financial Year ended 31 December 2020, and a full management performance report since the last AGM held in September 2020.

Members undertook the following decisions at the AGM:

- > Ratified the Financial Inclusion Policy Models for MSME Finance and Digital Identity for Electronic Know Your Customer.
- > Received the report of AFI's performance since the last AGM held in September 2020.
- > Received an update on the research undertaken to explore the Intergovernmental Organization (IGO) Status for AFI.
- > Received the updated Maputo Accord on SME Finance.
- > Ratified the appointment of Comisión Nacional Bancaria y de Valores (CNBV) Mexico as the new Chair of the AFI's Board of Directors for the September 2021 to September 2023 term.
- > Ratified new members to serve on AFI's Investment

Committee and Intergovernmental Organization (IGO) Special Committee.

- > Approved amendments to AFI's Articles of Association to recognize the newly established Investment Committee as a permanent Committee of the AFI Board.

3. ENGAGEMENT WITH STANDARD-SETTING BODIES (SSBS) AND GLOBAL VOICE

AFI, with guidance of the Global Standards and Policy Committee (GSPC), engaged with international SSBs on policy frameworks to facilitate effective implementation of financial inclusion policies in the network and positioning AFI's technical and content leadership in the global discourse on financial inclusion.

“

We rely on a common vision to increase access of quality financial services for the underserved and excluded, and to advance sustainable financial inclusion.

”

Dr. Bernard Kibesse, Deputy Governor, Bank of Tanzania

G20 GLOBAL PARTNERSHIP FOR FINANCIAL INCLUSION (GPFI)

AFI engaged with and supported the Italian G-20 Presidency in its role as an Implementing Partner of the GPFI over the years. AFI continued to bring members' experiences on practical policy implementation to contribute to the priorities of Italian G24 presidency, addressing the disproportionate economic and social impact of the COVID-19 crisis on the most vulnerable and underserved segments of the society, and on MSMEs. In preparation to support the incoming Indonesian G-20 Presidency for 2022, AFI also commenced engagements with the Presidency on its focus areas, including digital financial inclusion and SMEs finance with a view to support through providing practical use case examples and potential knowledge.

FATF-STYLE REGIONAL BODIES

AFI continued to participate as an official Observer of the FATF-Style Regional Bodies (FSRBs) in the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), Financial Action Task Force of Latin America (GAFILAT), Asia/Pacific Group on Money Laundering (APGML) and Inter-Governmental Action Group against Money Laundering in West Africa (GIABA). AFI conducted outreach and explored participating as an observer in additional FSRBs, particularly the Committee of Experts on the Evaluation of Anti-Money Laundering Measures

and the Financing of Terrorism (MONEYVAL) and the Middle East and North Africa Financial Action Task Force (MENAFATF).

AFI participated in outreach sessions hosted by the FATF President on Opportunities and Risks of New Technologies for AML/CFT. AFI provided inputs to three FATF consultations in the topics of: (1) new proliferation financing requirements; (2) FATF project on the unintended consequences of the FATF standards; and (3) revised FATF guidance on virtual assets service providers. In addition, AFI also made presentations at an APGML workshop on Digital Identity and at the APGML Operations Committee on Impacts of the FATF standards on financial inclusion.

ANNUAL G-24/AFI POLICYMAKERS' ROUNDTABLE

AFI co-hosted the second virtual roundtable with the Intergovernmental Group of Twenty-Four (G-24) on the theme “Inclusive Green Finance: A Pathway to Sustainable COVID-19 Recovery?” on 13 April 2021 at the sidelines of the virtual IMF and World Bank Group Spring Meetings. The Roundtable was attended by more than 170 participants, including 100 representatives from 37 AFI member institutions. 30 central bank governors, deputy governors, ministers, and other leaders from both developing and developed countries were present at the Roundtable. The leaders shared practical experiences and recommendations towards establishing Inclusive Green Finance as a powerful contributor to strategies for national and global economic recovery from the ongoing pandemic. The Roundtable also received a presentation by Prof. Dr. Ulrich Volz from SOAS, University of London, of the report which he co-authored with AFI on the ability of financial inclusion to enable and support climate change adaptation and mitigation.

“

Climate change does not give us the luxury of waiting, testing, and pondering ... we are all affected by these issues and the solutions needs to be coordinated and implemented across countries, sectors, and institutions.

”

President José Cantero Sienna, Banco Central del Paraguay

Key policy take-aways included the: (1) impact of price and financial instability on social issues underscored the strength of policymakers in mitigating and building resilience against the negative impacts of the climate emergency, crucially, through the advocacy of IGF;

(2) importance of IGF as a rapidly evolving area in the fast-emerging global green finance discussion in which a significant body of policy guidance and case studies has now been developed within the AFI network; (3) need for strategic collaboration and constructive dialogue on IGF including with private sector stakeholders to promote more progress and milestones in this area; and (4) co-ordination of solutions across countries, sectors and institutions.

IMF SPRING MEETINGS WORKSHOP ON ‘LEVERAGING DIGITAL MONEY TO FACILITATE REMITTANCES’

AFI with member institutions, Bangladesh Bank (BB) and State Bank of Pakistan (SBP), participated in the IMF workshop to share experiences of members in implementing digital ID solutions and their relevance for remittances. The outcomes of the workshop were envisaged to inform future IMF work in this area.

GLOBAL FORUM ON REMITTANCES, MIGRATION AND DEVELOPMENT

AFI presented its Inclusive Financial Integrity toolkit developed by the GSPWG at the Global Forum to an audience of several hundred private sector, civil society and development practitioners.

CENTRAL BANK OF THE FUTURE - CLIMATE CHANGE AND FINANCIAL INCLUSION ROUNDTABLE

AFI provided a theme-setting presentation, together with CFI and Innovation for Poverty Action. The event was funded by the Bill & Melinda Gates Foundation and organized by the University of Michigan and aimed to create a vision for the “Central bank of the future” concept focusing on how emerging technologies could support central banks in their efforts to promote financial inclusion, growth, and development. AFI’s presentation attracted interest for further cooperation and recognition for AFI’s thought leadership in Inclusive Green Finance.

UN SECRETARY-GENERAL’S SPECIAL ADVOCATE FOR INCLUSIVE FINANCE FOR DEVELOPMENT (UNSGSA) REFERENCE GROUP MEETING

AFI participated in the meeting held virtually, and shared AFI’s recent work particularly focusing on COVID-19 response and recovery efforts which was among the key focus of the meeting.

HM QUEEN MAXIMA AND BIS INNOVATION ROUNDTABLE

AFI was represented at technical level at the virtual roundtable meeting which focused on discussing central bank digital currencies (CBDCs) and financial inclusion. The meeting was also attended by some AFI member institutions. AFI shared AFI’s ongoing work in the area of CBDCs.

2021 INTERNATIONAL WOMEN’S DAY (IWD) CAMPAIGN

AFI organized a network-level campaign featuring all the women heads of institution from across the AFI network and the members of the Gender Inclusive Finance Committee, who contributed thought leadership blogs and supplemented by a social media campaign to enhance the visibility of AFI’s gender inclusive finance workstream globally.



GLOBAL STANDARDS PROPORTIONALITY (GSP) WORKING GROUP

“Women economic empowerment is achieved when women are able to participate in economic decision-making at all levels, from the household to international institutions.”

Sally Abdel Kader
Central Bank of Egypt
Chair of GSPWG



“Globally, women play an important role in creating, contributing and improving the wealth of a country. We must find a way to make it easier for them to access financial products and services.”

afi

Marie-Jose Ndaya Illunga
Deputy Director
Banque Centrale du Congo

BRIDGING THE GAP

SIXTH INCLUSIVE AND SUSTAINABLE FINANCE RESEARCH CONFERENCE

AFI presented AFI's ongoing work in Green Inclusive FinTech at the conference jointly organized jointly by the University of Luxembourg, ADA, and the European Investment Bank.

EUROPEAN MICROFINANCE WEEK

AFI technical staff participated as panelists for the panel discussion on 'Outcome-driven regulation' and 'The Regulatory Response to Climate Change'. The latter session also involved a representative from SEPS Ecuador invited by AFI to participate as a panelist.

4. ENGAGEMENT WITH STAKEHOLDERS

PUBLIC-PRIVATE DIALOGUE (PPD)

AFI continued to enhance the engagement with public and private partners through the PPD platform both at global and regional level. Under this platform, policymakers and regulators engaged in open dialogue with the private sector leaders on financial inclusion regulatory implementation challenges, especially the impact of COVID-19 on MSMEs and vulnerable groups. The following initiatives were undertaken in 2021:

High-Level PPD Meetings

- a. On 4 February 2021, AFI held the high-level virtual Public-Private Dialogue (PPD) Leaders' meeting on COVID-19: lessons and opportunities for recovery

and advancing inclusive finance and growth in 2021 and beyond. In addition to members from the network, private sector representatives from GSMA, Home Credit, Mastercard, Pezsha, Thunes, and Visa shared their perspectives.

- b. On 30 September 2021, AFI conducted the virtual Public-Private Dialogue (PPD) Leaders' meeting on the theme of 'Advancing Financial Inclusion in the Context of COVID-19 Recovery'. AFI leaders from member institutions and PPD partners expressed appreciation for the moderation of dialogue and shared experiences from various sectors.

Technical-Level PPD Meetings

- a. On 31 March 2021, a technical-level PPD on "Spurring financial inclusion in rural areas: overcoming challenges through Public-Private collaboration" was organized by AFI for all members. Representatives from Arifu, FINCA, Home Credit, Kiva, Ooredoo, Standard Chartered, Vodacom and participated along with AFI members.
- b. On 18 May 2021, a PPD for members in Africa region was organized on "Data Privacy for Digital Financial Services", where Mastercard, Thunes, Visa participated on behalf of the private sector.
- c. On 9 June 2021, a technical PPD for members of the Latin America and the Caribbean region was organized on "Advancing financial inclusion of women-led MSMEs: overcoming challenges through

INCEPTION MEETING OF THE TASK TEAM ON INCLUSIVE FINANCIAL INTEGRITY FOR FORCIBLY DISPLACED PERSONS

The task team co-led by AFI and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) served to consolidate data and evidence towards driving regular dialogue between the Financial Action Task Force (FATF) and key stakeholders in addressing the financial inclusion of FDPs through:

- > increased awareness and enhanced collaboration among relevant stakeholders to address the unique AML/CFT/CPF-related barriers faced by FDPs; and
- > strengthened consideration of FDPs in the adoption of FATF Standards and related guidance, including implementation of national and sectoral risk assessments that cover FDPs towards preventing unintended consequences of the FATF Standards.



Public-Private collaboration” where FINCA, Mastercard, Visa shared their expertise to the discussion.

- d. On 24 June 2021, a PPD on “Effective delivery of Financial Literacy in Rural Areas and for MSMEs through digital tools - issues and Public- Private solution” was organized under ECAPI. Private sector was represented by Arifu, Association for Financial Literacy Development, Home Credit, and Sber.
- e. On 5 July 2021, a PPD on Public-Private synergies to promote and strengthen financial inclusion of young people in Africa in the context of COVID-19 was organized for the African region with Celo participating from the private sector.
- f. On 11 August 2021, the PPD on “Access to financial services for women, FDPs, and MSMEs in the COVID-19 context: Issues and Public-Private solutions” was held under AfPI with Mastercard, Thunes, Visa, and Vodacom participating in the dialogue.
- g. On 21 October 2021, AFI conducted a virtual PPD on “Leveraging Digital Financial Services for Inclusive Green Finance” which was attended by 70 participants from 38 AFI member institutions in 35 countries. The PPD featured presentations by AFI’s PPD partners, Vodacom, and Home Credit. The insights gathered from the dialogue will be integrated into the upcoming knowledge product being developed by the DFS Working Group and the IGF Working Group on Leveraging DFS for IGF.
- h. On 18 November 2021, AFI conducted a virtual PPD on “MSMEs Recovery from the COVID-19 Pandemic: African Members Perspective” where private sector players and AFI members examined the current state of MSMEs in Africa following the pandemic, recovery interventions through regulatory and market solutions, market trends and public-private solutions to support MSME recovery in Africa.

Trainings Supported by Selected AFI PPD partners

Three PPD trainings were delivered in collaboration with Visa in 2021:

- > AFI PPD Training on “Accelerating Digital Payments in the South Pacific through Public-Private Collaboration” (4 August 2021)
- > AFI PPD Training on “Contactless for Expanding an Inclusive Digital Payments System and Member Training on Regulatory Reforms to Accelerate Adoption of Merchant Payments” (10 August 2021)
- > AFI PPD Training on “Deepening Financial Inclusion in the Pacific through Digital Financial Literacy” (30 November 2021)

Other PPD partners contributed their technical expertise in the following forums:

- (i) Maldives Monetary Authority (MMA)-AFI Virtual Member Training on Strategic Approach to Digital Financial Literacy (DFL) on 17-18 March 2021
- (ii) Bank Negara Malaysia (BNM)-AFI Virtual Member Training on Consumer Protection and Financial Education for Digital Financial Services on 26-30 April 2021
- (iii) AFI Virtual Member Training on Regional Regulatory Sandbox for Fintech Innovations: Experiences and Perspectives on 13-15 September 2021
- (iv) AFI Virtual Workshop on Toolkit for Gender Inclusive Policy Development on 22-24 September 2021
- (v) Banque Centrale des États de l’Afrique de l’Ouest (BCEAO)-AFI Virtual Member Training on Policies Supporting MSME Financing on 4-7 October 2021
- (vi) AFI Virtual Member Training on Leveraging Opportunities and Minimizing Risks for Inclusive Open Finance on 27-28 October 2021
- (vii) AFI Virtual Regional Training on Infrastructure Readiness for Open Finance - Unlocking the benefits for Inclusive Growth on 28 October 2021
- (viii) Central Bank of Iraq (CBI)-AFI Virtual Technical Workshop on the Financial Inclusion of Forcibly Displaced Persons (FDPs) on 3 November 2021
- (ix) Superintendencia de Bancos del Ecuador (SBS)-Superintendencia de la Economía Popular y Solidaria de Ecuador (SEPS)-AFI Hybrid Regional Training on Resilient and Inclusive Corporate Governance Towards a Gender Focus on 24-26 November 2021 in Ecuador

“

At Visa, we are pleased to partner with the Alliance for Financial Inclusion to help support digital financial services that advance inclusive and equitable economic growth for everyone, everywhere. AFI’s country led-approach and peer-to-peer engagement have been a critical tool for policymakers in this moment of rapid digitization. AFI’s advocacy fosters open dialogue among regulators, private sector providers and across sectors, helping to advance a more sustainable and vibrant future.

”

Beth Hurvitz, Senior Vice President, Global Head of Social Impact at Visa

AFI INCLUSIVE FINTECH SHOWCASE 2022

The Showcase is an initiative under the 2018 Sochi Accord with AFI’s membership committed to “create and participate in platforms for systemic dialogue and partnership among regulators and policymakers with FinTech companies and technology providers”.

AFI received applications to participate in the 2022 AFI Inclusive Fintech Showcase, which showcases the world’s most promising FinTech and RegTech innovators that are enhancing access to and the usage and quality of formal financial services for low-income populations in developing countries and emerging markets.

First, second and third place finalists will receive exclusive invitations to participate in AFI Public-Private Dialogue activities for one year, and to participate in AFI’s GPF 2022 in Jordan.

VIRTUAL GLOBAL FINTECH DIALOGUE ON OPEN FINANCE - INNOVATIONS AND INCLUSION

AFI co-hosted with the government of Luxembourg, the second Global FinTech Dialogue as part of AFI’s 3D Platform and implemented under the umbrella of the Sochi Accord. The event was attended by representatives from 50 countries, including 121 officials from 34 member institutions of AFI in 33 countries.

AFI member institutions provided insights on their different stages of policy and regulatory maturity for FinTech and digital innovations, complemented by perspective-sharing by financial regulatory institutions from developed economies.

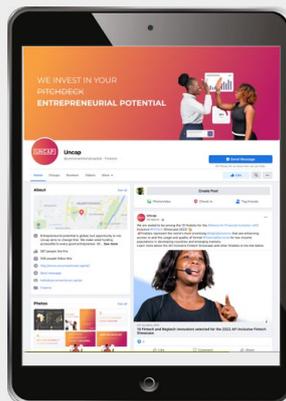
AFI INCLUSIVE FINTECH SHOWCASE 2022 - WINNERS



1

GROWTH PLATFORM

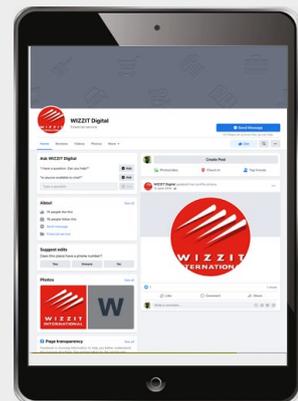
Stood out for its promising #DigitalSolution as a leading innovation in #FinancialInclusion that is enhancing access to, and the usage and quality of formal financial services.



2

UNCAP

Awarded for its innovative digital platform granting access to funding to early-stage entrepreneurs.



3

WIZZIT DIGITAL

Awarded for its digital solution to cater to the financial needs of disadvantaged groups including #women, rural populations and #MSMEs.

5. MAYA DECLARATION COUNTRY COMMITMENTS

AFI continuously encouraged members to update their commitments in the AFI Data Portal and to make new commitments. The Maya Declaration Platform has been instrumental in galvanizing ICI support and raising country profile on financial inclusion initiatives undertaken by AFI member institutions.

72% 72 percent of AFI members have made a Maya Declaration Commitment.

In 2021, AFI members continued to update their targets made under their Maya Declaration Commitments (MDC) aligning with the several Member Accords endorsed at the annual Global Policy Forums. Most of the commitments made by members relate to the Sochi Accord in the area of Fintech for Financial Inclusion, followed by the Sasana Accord related to Measuring Financial Inclusion.



The distribution of Maya Declaration Commitments under the different accords is as follows:



27%
OF TOTAL MDCs



12%
OF TOTAL MDCs



12%
OF TOTAL MDCs



8%
OF TOTAL MDCs



7%
OF TOTAL MDCs



3%
OF TOTAL MDCs

31%
OF TOTAL MDCs

Other policy areas such as consumer protection, financial literacy, national financial inclusion strategy, financial inclusion data frameworks and credit information system

PART THREE: FINANCIAL REPORT



STATEMENT BY THE MANAGEMENT UNIT

We, Alfred Hannig and Chee Soo Yuen, being members of the Management Unit of Alliance for Financial Inclusion (“the Organisation”), state that, in the opinion of the Management Unit, the financial statements set out on pages 5 to 35 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the International Organisations (Privileges and Immunities) Act 1992 in Malaysia so as to give a true and fair view of the financial position of the Organisation as of 31 December 2021 and of its financial performance and cash flows for the financial year ended on that date.



Dr. Alfred Hannig
Executive Director



Chee Soo Yuen
Chief Operations Officer

12 May 2022

INDEPENDENT AUDITORS’ REPORT TO THE MEMBERS OF ALLIANCE FOR FINANCIAL INCLUSION

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Alliance For Financial Inclusion (“the Organisation”), which comprise the statement of financial position as at 31 December 2021, and the statement of income and expenditure and statement of cash flows of the Organisation for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 5 to 35.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Organisation as at 31 December 2021, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and the requirements of the International Organisations (Privileges and Immunities) Act 1992 in Malaysia.

BASIS OF OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE AND OTHER ETHICAL RESPONSIBILITIES

We are independent of the Organisation in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

RESPONSIBILITIES OF THE MANAGEMENT UNIT FOR THE FINANCIAL STATEMENTS

The Management Unit of the Organisation is responsible for the preparation of financial statements of the

Organisation that give a true and fair view in accordance with MFRSs, IFRSs, and the requirements of the International Organisations (Privileges and Immunities) Act 1992 in Malaysia. The Management Unit is also responsible for such internal control as the Management Unit determines is necessary to enable the preparation of financial statements of the Organisation that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Organisation, the Management Unit is responsible for assessing the ability of the Organisation to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Unit either intends to liquidate the Organisation or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Organisation as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Organisation, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Organisation.

- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Unit.
- (d) Conclude on the appropriateness of the Management Unit's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Organisation to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Organisation or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Organisation, including the disclosures, and whether the financial statements of the Organisation represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management Unit regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER MATTERS

This report is made solely to the members of the Organisation, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT
LLP0018825-LCA & AF 0206
Chartered Accountants

Lee Wee Hoong
03316/07/2021 J
Chartered Accountant

Kuala Lumpur
12 May 2022

STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	USD 2021	USD 2020
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	154,504	182,614
Right-of-use asset	8	16,517	38,540
		171,021	221,154
CURRENT ASSETS			
Receivables	9	1,824,211	1,991,781
Cash and bank balances	10	20,500,004	19,366,742
		22,324,215	21,358,523
TOTAL ASSETS		22,495,236	21,579,677
FUND AND LIABILITIES			
FUND			
Accumulated funds	11	7,714,843	7,297,918
TOTAL FUND		7,714,843	7,297,918
LIABILITIES			
Non-current liabilities			
Lease liabilities	8	-	16,213
Current liabilities			
Deferred income	12	11,216,351	12,013,576
Other payables and accruals	13	3,547,219	2,229,542
Lease liabilities	8	16,823	22,428
		14,780,393	14,265,546
TOTAL LIABILITIES		14,780,393	14,281,759
TOTAL FUND AND LIABILITIES		22,495,236	21,579,677

STATEMENT OF INCOME AND EXPENDITURE

For the financial year ended 31 December 2021

	Note	USD 2021	USD 2020
INCOME			
Donor funder		9,861,231	6,506,129
Donor - PPD partner		535,500	212,500
Membership subscription fee		3,571,475	3,924,000
Fixed deposit interest		22,535	84,045
		13,990,741	10,726,674
OTHER INCOME			
Other income		30,803	12,631
Realised gain on foreign exchange rates		-	1,878
Unrealised gain on foreign exchange rates		-	93
Over accrual of travel expenses - sponsorship		-	170,043
		14,021,544	10,911,319
EXPENDITURE			
Auditors' remuneration:			
- audit fees		12,043	9,677
- non-audit fees		14,452	11,252
- under provision in prior year		4,235	-
- out of pocket expenses		5,480	-
Bank charges		17,542	13,308
Bad debt		7,272	-
Communication, publication and media cost		162,727	133,776
Contract services fee		1,874,163	1,559,686
Depreciation of property, plant and equipment	7	64,465	61,846
Depreciation of right-of-use asset	8	22,023	3,671
Equipment expense		29,711	-
Event and logistic expenses		74,666	13,785
Impairment loss on receivables	9	72,795	-
Grant disbursement		3,015,632	1,023,653
Interest expense on lease liabilities		910	218
Office and general supplies		36,211	27,643
Other indirect costs		1,330	927
Professional fees		68,993	76,667
Realised loss on foreign exchange rates		11,284	-
Recruitment fees and expenses		28,194	27,392
Repair and maintenance expenses		140,415	181,863
Staff costs		7,549,681	6,696,653
Telecommunication expenses		82,860	61,840
Travel expenses - staff		145,417	105,704
Travel expenses - sponsorship		153,520	-
Unrealised loss on foreign exchange rates		8,598	-
		(13,604,619)	(10,009,561)
SURPLUS OF INCOME OVER EXPENDITURE BEFORE TAXATION FOR THE FINANCIAL YEAR (CONTINUED)		416,925	901,758
TAXATION	14	-	-
SURPLUS OF INCOME OVER EXPENDITURE AFTER TAXATION FOR THE FINANCIAL YEAR		416,925	901,758

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	Note	USD 2021	USD 2020
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		17,666,742	9,751,445
RECEIPTS			
Cash receipts from donors and membership fee		15,482,069	16,569,302
Interest received		24,130	132,486
Realised foreign exchange rates		17,614	-
Net cash flows from fixed deposits with a licensed bank with maturity over three months		31,110	750,000
		15,554,923	17,451,788
LESS: PAYMENTS			
Auditor's remuneration		29,816	5,970
Bank charges		10,808	8,147
Contract services fee		3,272,302	1,018,915
Communication, publication and media cost		142,405	47,210
Event and logistic expenses		40,610	1,173
Grant disbursement		3,261,764	905,734
Lease payment		23,835	3,788
Other indirect costs		1,310	498
Office and general supplies		17,446	20,402
Professional fees		121,854	45,621
Repair and maintenance expenses		153,082	199,470
Realised foreign exchange rates		-	5,979
Recruitment fees and expenses		21,196	16,408
Staff costs		7,056,375	6,655,820
Travel expenses - staff		49,801	242,669
Travel expenses - sponsorship		174,770	287,543
Telecommunication expenses		66,799	71,144
Unrealised foreign exchange rates		8,598	-
		14,452,771	9,536,491
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,102,152	7,915,297
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	10(b)	18,768,894	17,666,742

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2021

1. GENERAL INFORMATION

The Alliance For Financial Inclusion (“the Organisation”) is managed by the Management Unit of the Alliance For Financial Inclusion. The Alliance For Financial Inclusion is an organisation registered under the International Organisations (Privileges and Immunities) Act 1992 in Malaysia.

The registered office of the Organisation is located at 2, Jalan Dato Onn, Kuala Lumpur, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

The financial statements were authorised for issue in accordance with Board of Directors meeting on 11 May 2022.

2. PRINCIPAL ACTIVITIES

The Organisation is principally engaged in the activities of promoting and developing evidence-based policy solutions that help to improve the lives of the poor. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Organisation set out on pages 5 to 35 have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and the provisions International Organisation (Privileges and Immunities) Act 1992 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of the adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 5 to the financial statements.

The financial statements of the Organisation have been prepared under the historical cost convention except as otherwise stated in the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 PROPERTY, PLANT AND EQUIPMENT

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within “other income” and “other expenses” respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Organisation, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date they are available for use.

The principal annual rates used for this purpose are as follows:

- > Motor vehicles 20%
- > Office equipment 20%

- > Office renovation 20%
- > Computer software 20%
- > Computer hardware 20%

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted as appropriate.

4.2 LEASES

The Organisation accounts for a contract, or a portion of a contract, as a lease when it conveys the right-of-use to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- (a) there is an identified asset;
- (b) the Organisation obtains substantially all the economic benefits from use of the asset; and
- (c) the Organisation has the right to direct use of the asset.

The Organisation considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Organisation obtains substantially all the economic benefits from use of the asset, the Organisation considers only the economic benefits that result from the use of the asset.

In determining whether the Organisation has the right to direct use of the asset, the Organisation considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Organisation considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Organisation applies other applicable MFRSs rather than MFRS 16.

In determining the lease term, the Organisation considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Organisation reassesses the lease term upon the occurrence of a significant event or change

in circumstances that is within the control of the Organisation and affects whether the Organisation is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in the lease term results in a remeasurement of lease liabilities.

All leases are accounted for by recognising right-of-use assets and lease liabilities except for:

- (a) leases of low value assets; and
- (b) leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate implicit in the lease unless (as is typically the case) this is not readily determinable, in which case the Organisation's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- (a) amounts expected to be payable under any residual value guarantee;
- (b) the exercise price of any purchase option granted in favour of the Organisation if it is reasonably certain to exercise that option; and
- (c) any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- (a) lease payments made at or before commencement of the lease;
- (b) initial direct costs incurred; and
- (c) the amount of any provision recognised where the Organisation is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are

amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Organisation revises its estimate of the term of any lease (because, for example, it reassesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the revised discount rate which is the interest rate implicit in the lease for the remaining lease term, if the rate can be readily determined, or the lessee's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined. The carrying value of the lease liability is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining revised lease term.

When the Organisation renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- (a) if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional right-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- (b) in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount; and
- (c) if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect partial of the full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Organisation to use an identified asset and require services to be provided to the Organisation by the lessor, the Organisation has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and their useful life.

Lease term for the current and the comparative periods are as follows:

- > Office premise 2 years

4.3 IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amount of assets, except for financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGU") to which the asset belongs.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated to reduce the carrying amount of the assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately.

An impairment loss on assets is reversed if, and only if, there has been a change in the estimates used to

determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Such reversals are recognised as income immediately in profit or loss.

4.4 FINANCIAL ASSETS

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at Fair Value Through Profit or Loss ("FVTPL"), directly attributable transaction costs.

The Organisation determines the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below:

(i) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process. Financial assets are carried net of any impairment losses, if any.

(ii) Financial assets measured at fair value

Financial assets that are debt instruments are measured at Fair Value Through Other Comprehensive Income ("FVTOCI"), if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequently to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in

other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives). The Organisation had elected an irrevocable option to designate its equity instruments not held for trading other than investments in subsidiaries, associates and joint ventures at initial recognition as financial assets measured at FVTPL.

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in profit or loss. Dividends on equity instruments are recognised in profit or loss when the Organisation's right to receive payment is established.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Cash and bank balances are measured at amortised cost. Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less and are used by the Organisation in the management of its short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

4.5 FINANCIAL LIABILITIES

Financial liabilities are classified according to the substance of the contractual arrangements entered into and meet the definition of a financial liability.

Financial liabilities are recognised in the statement of financial position when, and only when, the Organisation becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at FVTPL or financial liabilities at amortised cost.

(i) Financial liabilities measured at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes derivatives entered into by the Organisation that does not meet the hedge accounting criteria. Derivatives liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss except for the Organisation's own credit risk increase or decrease which is recognised in other comprehensive income. Net gain or losses on derivatives include exchange differences.

(ii) Financial liabilities measured at amortised cost

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability extinguished or transferred to

another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4.6 IMPAIRMENT OF FINANCIAL ASSETS

The Organisation recognises an allowance for expected credit loss ("ECL") for all debt financial assets not held at fair value through profit or loss. ECL is based on the difference between the contractual cash flows due in accordance with the contracts and all the cash flows that the Organisation expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the original effective interest rate of the assets.

Impairment losses for receivables and contract assets that do not contain a significant financing component are recognised based on the simplified approach within MFRS 9 using the lifetime ECL. During this process, the probability of non-payment by the receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime ECL for the receivables.

Impairment for other receivables are recognised based on the general approach within MFRS 9 using ECL model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial assets. For those in which the credit risk has not increased significantly since initial recognition of the financial assets, 12-month ECL is recognised. For those in which credit risk has increased significantly, lifetime ECL is recognised.

The Organisation defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment delays more than 30 days past due in making contractual payments and past due information.

The probabilities of non-payments by other receivables adjusted by forward looking information and multiplied by the amounts of the expected losses arising from defaults to determine the 12-month or lifetime ECL for the other receivables.

4.7 EMPLOYEE BENEFITS

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted

basis and are expensed when employees rendered their services to the Organisation.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Organisation.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

The Organisation makes contributions to a statutory provident fund and pension fund. The contributions are recognised as a liability after deducting any contributions already paid and as an expense in the period in which the employees render their services.

4.8 FAIR VALUE MEASUREMENTS

The fair value of an asset or a liability, except for lease transactions; is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement method adopted assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Organisation measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Organisation has considered the following characteristics when determining fair value:

- (a) the condition and location of the asset; and
- (b) restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

- (a) a liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and
- (b) an entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

4.9 FOREIGN CURRENCIES

(a) Functional and presentation currency

Items included in the financial statements of the Organisation are measured using the currency of the primary economic environment in which the Organisation operates ("the functional currency"). The financial statements are presented in United States Dollar, which is the functional and presentation currency of the Organisation.

(b) Foreign currency translations and balances

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of each reporting period are translated into functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost, are translated using the historical rate as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

4.10 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer net of sales and service tax, returns, rebates and discounts. The Organisation recognises revenue when (or as) it transfers control over of the asset. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(a) Membership fee

Membership fee is recognised on annual basis over the membership period.

(b) Donations

(i) Donor funder

Donations from corporations and foundations are recognised on the accrual basis.

(ii) Donor - PPD partner

AFI's Public-Private Dialogue (PPD) platform represents a unique, global collaboration of public and private sector decision-makers working together to advance financial inclusion. The parties are interested to engage in intellectual exchange within the framework of the PPD platform that raises awareness of private sector insights, unique know-how, and technical expertise to support AFI Members in designing and implementing financial inclusion policies. AFI's PPD partners are committed to the financial sustainability of the PPD Platform and contribute technical and financial resources to ensure that sustainability, as well as to strengthen delivery of select aspects of AFI's Capacity Building and Technical Training program for policymakers and regulators. These contributions are recognised on receipts basis.

4.11 INTEREST INCOME

Interest income is recognised as it accrues, using the effective interest method.

5. ADOPTION OF NEW MFRSS AND AMENDMENT TO MFRSS

5.1 NEW MFRSS ADOPTED DURING THE CURRENT FINANCIAL YEAR

The Organisation adopted the following Standards of the MFRS framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year.

TITLE	EFFECTIVE DATE
Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 17, MFRS 4 and MFRS 16)	1 January 2021
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 Leases)	1 April 2021 (early adopt)

Adoption of the above Standards did not have any material effect on the financial performance or position of the Organisation.

5.2 NEW MFRSS THAT HAVE BEEN ISSUED, BUT ONLY EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER 1 JANUARY 2022

TITLE	EFFECTIVE DATE
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 101 Classification of Liabilities as Current or Non-current	1 January 2023
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17 Initial Application of MFRS 17 and MFRS 9 - Comparative Information	
Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2023
Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes)	1 January 2023
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Organisation is in the process of assessing the impact of implementing these Standard and Amendments, since the effects would only be observable for the future financial years.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

6.1 CHANGES IN ESTIMATES

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Management Unit are of the opinion that there are no significant changes in estimates since the end of the reporting period.

6.2 CRITICAL JUDGEMENTS MADE IN APPLYING ACCOUNTING POLICIES

There are no critical judgements made by management in the process of applying the Organisation's accounting policies that have a significant effect on the amounts recognised in the financial statements.

6.3 KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Depreciation of property, plant and equipment

The Organisation estimates the useful lives of property, plant and equipment at the time the assets are acquired based on historical experience, the expected usage, wear and tear of the assets, and technical obsolescence arising from changes in the market demands or service output of the assets. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to changes in the factors mentioned above. Changes in these factors could impact the useful lives and the residual values of these assets; therefore future depreciation charges could be revised.

(b) Impairment of receivables

The Organisation uses the simplified approach to estimate a lifetime expected credit loss allowance for all receivables. The Organisation develops the expected loss rates based on the payment profiles of past payment trends and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

7. PROPERTY, PLANT AND EQUIPMENT

	BALANCE AS AT 1.1.2021 USD	ADDITIONS USD	DEPRECIATION CHARGE FOR THE FINANCIAL YEAR USD	BALANCE AS AT 31.12.2021 USD
2021				
CARRYING AMOUNT				
Motor vehicles	6,918	-	(6,234)	684
Office equipment	27,819	-	(13,789)	14,030
Office renovation	17,497	-	(6,273)	11,224
Computer software	99,935	2,711	(27,939)	74,707
Computer hardware	30,445	33,644	(10,230)	53,859
	182,614	36,355	(64,465)	154,504

	31 DECEMBER 2021		
	COST USD	ACCUMULATED DEPRECIATION USD	CARRYING AMOUNT USD
Motor vehicles	31,169	(30,485)	684
Office equipment	68,946	(54,916)	14,030
Office renovation	31,363	(20,139)	11,224
Computer software	142,183	(67,476)	74,707
Computer hardware	76,283	(22,424)	53,859
	349,944	(195,440)	154,504

	BALANCE AS AT 1.1.2020 USD	ADDITIONS USD	DEPRECIATION CHARGE FOR THE FINANCIAL YEAR USD	BALANCE AS AT 31.12.2020 USD
2020				
CARRYING AMOUNT				
Motor vehicles	13,152	-	(6,234)	6,918
Office equipment	39,161	2,368	(13,710)	27,819
Office renovation	23,770	-	(6,273)	17,497
Computer software	100,511	26,871	(27,447)	99,935
Computer hardware	36,106	2,521	(8,182)	30,445
	212,700	31,760	(61,846)	182,614

	31 DECEMBER 2020		
	COST USD	ACCUMULATED DEPRECIATION USD	CARRYING AMOUNT USD
Motor vehicles	31,169	(24,251)	6,918
Office equipment	68,946	(41,127)	27,819
Office renovation	31,363	(13,866)	17,497
Computer software	139,472	(39,537)	99,935
Computer hardware	42,639	(12,194)	30,445
	313,589	(130,975)	182,614

8. LEASES

THE ORGANISATION AS LESSEE

Right-of-use asset

	BALANCE AS AT 1.1.2021 USD	ADDITIONS USD	DEPRECIATION CHARGE FOR THE FINANCIAL YEAR USD	BALANCE AS AT 31.12.2021 USD
CARRYING AMOUNT				
Office premise	38,540	-	(22,023)	16,517

	BALANCE AS AT 1.1.2020 USD	ADDITIONS USD	DEPRECIATION CHARGE FOR THE FINANCIAL YEAR USD	BALANCE AS AT 31.12.2020 USD
CARRYING AMOUNT				
Office premise	-	42,211	(3,671)	38,540
			USD 2021	USD 2020
LEASE LIABILITIES				
Balance as at 1 January			38,641	-
Additions			-	42,211
Lease payments			(22,728)	(3,788)
Interest expense			910	218
Balance as at 31 December			16,823	38,641
Represented by:				
Current liabilities			16,823	22,428
Non-current liabilities			-	16,213
Lease liabilities owing to non-financial institutions			16,823	38,641

- (a) The following are the amounts in income and expenditure:

	USD 2021	USD 2020
Depreciation of right-of-use asset	22,023	3,671
Interest expense on lease liabilities	910	218
	22,933	3,889

- (b) Right-of-use asset and lease liabilities are denominated in Euro.
- (c) The Organisation leases a lease contract that include extension and termination options. This is used to maximise operational flexibility in terms of managing the asset used in the Organisation's operations. Management exercises its judgement in determining whether this extension and termination option is reasonably certain to be exercised.

As at the end of each reporting period, there are no undiscounted potential future rental payments that are not included in the lease term.

9. RECEIVABLES

	USD 2021	USD 2020
RECEIVABLES		
Third parties	1,879,207	1,895,989
Less: Impairment losses	(72,795)	-
	1,806,412	1,895,989
OTHER RECEIVABLES		
Other receivables	117	8,372
Total receivables, net of prepayments	1,806,529	1,904,361
Prepayments	17,682	87,420
	1,824,211	1,991,781

- (a) Receivables are non-interest bearing and the normal credit terms of receivables granted by the Organisation ranged from 30 to 180 days (2020: 30 to 180 days). They are recognised at their original invoices amounts, which represent their fair values on initial recognition.

The Organisation did not renegotiate the terms of any receivables in the current financial year.

- (b) Impairment for receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

The Organisation uses an allowance matrix to measure the expected credit loss of receivables from individual customers. Expected loss rates are calculated using the roll rate method based on their common credit risk characteristics which is age of customer relationship.

During this process, the probability of non-payment by the receivables is adjusted by forward looking information, i.e. gross domestic product and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within the statement of profit or loss and other comprehensive income. On confirmation that the receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise significant judgement in determining the probability of default by receivables and appropriate forward looking information.

The reconciliation of movements in the impairment losses on receivables are as follows:

	31 DECEMBER 2021		
	LIFETIME ECL ALLOWANCE USD	CREDIT IMPAIRED USD	TOTAL ALLOWANCE USD
At 1 January 2021	-	-	-
Charged for the financial year	9	72,786	72,795
At 31 December 2021	9	72,786	72,795

10. CASH AND BANK BALANCES

	USD 2021	USD 2020
Cash and bank balances	8,078,766	7,540,776
Fixed deposits with licensed banks	12,421,238	11,825,966
	20,500,004	19,366,742

(a) Deposits with licensed banks of the Organisation has maturity periods ranging from 30 days to 365 days (2020: 30 days to 365 days).

(b) Deposits with licensed bank:

- i) Deposits with Standard Chartered Berhad with interest rates ranging from 0% to 1.50% (2020: 0.37% to 1.51%) per annum; and
- ii) Deposits with Maybank Berhad with interest rates ranging from 2.00% to 3.00% (2020: Nil).

(c) For the purpose of the statement of cash flows, cash and cash equivalents comprise the following as the end of the financial year:

	USD 2021	USD 2020
Cash and bank balances	8,078,766	7,540,776
Fixed deposits with a licensed bank		
- not more than three months	10,690,128	10,125,966
- more than three months	1,731,110	1,700,000
LESS:		
Fixed deposits with a licensed bank more than three months	(1,731,110)	(1,700,000)
Cash and cash equivalents included in the statement of cash flows	18,768,894	17,666,742

11. ACCUMULATED FUNDS

	USD 2021	USD 2020
NON-DISTRIBUTABLE		
Accumulated funds balance brought forward	7,297,918	6,396,160
Surplus of income over expenditure after taxation for the financial year	416,925	901,758
Accumulated funds balance carried forward	7,714,843	7,297,918

12. DEFERRED INCOME

	Note	USD 2021	USD 2020
Deferred income - funders	(a)	10,443,846	11,429,481
Membership fees	(b)	772,505	584,095
		11,216,351	12,013,576

(a) Deferred income arose from funders are advances received for services rendered which are yet to be recognised as revenue due to performance obligation yet to fulfil by AFI at the end of the reporting period.

(b) Deferred income arose from members are advances received for FY2022 (2020: FY2021) membership fee.

(c) Deferred income at the beginning of the period recognised as revenue during the year amounting to USD 9,329,338 (2020: USD 6,556,604).

13. OTHER PAYABLES AND ACCRUALS

	USD 2021	USD 2020
Other payables	318,563	197,137
Accruals	3,228,656	2,032,405
	3,547,219	2,229,542

14. TAXATION

The income of the Organisation is tax exempt in accordance with the provisions of Section 44(6) of the Income Tax Act, 1967.

15. EMPLOYEE BENEFITS

	USD 2021	USD 2020
Salaries and bonus	6,983,279	6,188,377
Defined contribution plan	314,378	332,329
Other employee benefits	156,006	175,947
	7,453,663	6,696,653

16. FINANCIAL INSTRUMENTS

(A) CAPITAL MANAGEMENT

The primary objective of the capital management of the Organisation is to ensure that the Organisation would be able to continue as a going concern. The Organisation monitors and manage its capital structure and makes adjustments to it, in light of changes in economic condition. The Organisation's policies and procedures involve obtaining funding from donors, partners and members to ensure, as far as possible,

that it will always have sufficient liquidity to meet its liabilities when due. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2021 and 31 December 2020.

The Organisation is not subject to any externally imposed capital requirements.

(B) CATEGORIES OF FINANCIAL INSTRUMENTS

	USD 2021	USD 2020
FINANCIAL ASSETS AT AMORTISED COST		
Receivables (excluding prepayments)	1,806,529	1,904,361
Cash and bank balances	20,500,004	19,366,742
	22,306,533	21,271,103
Financial liabilities at amortised cost		
Other payables and accruals	3,547,219	2,229,542
Lease liabilities	16,823	38,641
	3,564,042	2,268,183

(A) METHOD AND ASSUMPTION USED TO ESTIMATE FAIR VALUE

The fair values of financial assets and financial liabilities are determined as follows:

- (i) Financial instruments that are not carried at fair value and whose carrying amounts are at reasonable approximation of fair values.

The carrying amounts of financial assets and financial liabilities, such as receivables and other receivables, other payables and accruals and lease liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of the current portion of lease liabilities are reasonable approximations of fair values due to the insignificant impact of discounting.

- (ii) Lease liabilities accounted for as long term financial liabilities

The fair value of these financial instruments are estimated based on future contractual cash flows discounted at incremental borrowing rate for similar type of borrowing or leasing arrangements at the end of the reporting period.

The carrying amounts of the lease liabilities are reasonable approximations of fair values due to the insignificant impact of discounting.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(A) FINANCIAL RISK MANAGEMENT

The overall financial risk management objective of the Organisation is to ensure that it creates value for its members while minimising potential adverse effects on its performance. The Organisation is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk and foreign currency risk. Information on the management of the related exposures are detailed below:

(i) Credit risk

Cash deposits and receivables may give rise to credit risk which requires loss to be recognised if a counter party fails to perform as contracted. The counter parties are major licensed financial institutions, government agencies, corporation and other foundations. It is the Organisation's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Organisation is exposed to minimal credit risk.

The Organisation's primary exposure to credit risk arises through its receivables and deposits with financial institutions.

The Organisation applies the simplified approach to measure expected credit losses ('ECL') which uses a lifetime expected loss allowance for its receivables. To measure ECL, receivables have been grouped based on shared credit risk characteristics and the days past due. The Organisation considers any receivable having significant balances and more than 180 days overdue are deemed credit impaired.

The following table provides information about the exposure to credit risk and ECLs for receivables as at the end of the reporting period which are grouped together as they are expected to have similar risk nature.

	GROSS CARRYING AMOUNT USD	LOSS ALLOW- ANCE USD	NET BALANCE USD
2021			
Current (not past due)	1,803,426	(9)	1,803,417
Past due			
More than 365 days	75,781	(72,786)	2,995
	1,879,207	(72,795)	1,806,412
2020			
Current (not past due)	1,861,785	*	1,861,785
Past due			
More than 365 days	34,204	*	34,204
	1,895,989	*	1,895,989

* Amount is negligible.

Exposure to credit risk arises mainly from membership fee. The Organisation historical experience in the collection of account receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amount provided for collection losses is inherent in the Organisation's trade receivables.

No expected credit losses were recognised arising from the deposits with financial institutions because the probability of default by these financial institutions were negligible.

Exposure to credit risk

As at the end of each reporting period, no collateral has been obtained by the Organisation. The maximum exposure of the Organisation to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

Credit risk concentration profile

As at 31 December 2021, other than the amount owing by three (2020: three) major receivables constituting approximately 74% (2020: 61%) of the total receivables of the Organisation, the Organisation does not have any significant concentration of credit risk related to any individual customer or counterparty.

(ii) Liquidity and cash flow risk

Liquidity risk arises mainly from general funding and business activities. The Organisation actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In liquidity risk management strategy, the Organisation measures and forecasts its cash commitments and maintains a level of cash and bank balances deemed adequate to finance the Organisation's activities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Organisation's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

	ON DEMAND OR WITHIN ONE YEAR USD	ONE TO FIVE YEARS USD	OVER FIVE YEAR USD	TOTAL USD
AS AT 31 DECEMBER 2021				
Other payables and accruals	3,547,219	-	-	3,547,219
Lease liabilities	17,046	-	-	17,046
	3,564,265	-	-	3,564,265
AS AT 31 DECEMBER 2020				
Other payables and accruals	2,229,542	-	-	2,229,542
Lease liabilities	22,728	17,046	-	39,774
	2,252,270	17,046	-	2,269,316

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Organisation would fluctuate because of changes in market interest rates.

The exposure of the Organisation to the interest rate risk arises primarily from its interest bearing assets and liabilities. The Organisation manages its interest rate exposure on its fixed deposit and debts by maintaining mainly fixed rate deposits and lease liabilities.

Sensitivity analysis for fixed rate deposits placed with a licensed bank and lease liabilities at the end of the reporting period is not presented as it is not affected by changed in interest rates.

The following tables set out the carrying amounts, the weighted average effective interest rate ("WAEIR") as at the end of each reporting period and the remaining maturities of the financial instruments of the Organisation that are exposed to interest rate risk:

	WAEIR %	WITHIN 1 YEAR USD	1 - 2 YEARS USD	TOTAL USD
AS AT 31 DECEMBER 2021				
Fixed rates				
Fixed deposits with a licensed bank	0.71	12,421,238	-	12,421,238
Lease liabilities	3.17	16,823	-	16,823
AS AT 31 DECEMBER 2020				
Fixed rates				
Fixed deposits with a licensed bank	1.06	11,825,966	-	11,825,966
Lease liabilities	3.17	22,428	16,213	38,641

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Organisation is exposed to foreign currency risk on transactions that are denominated in currencies other than its functional currency. In mitigating foreign currency risk, the Organisation matches its foreign payable against receivables denominated in the same foreign currency. Movement in Foreign exchange rates are closely monitored to ensure the Organisation's exposures minimised.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Organisation's surplus of income over expenditure after taxation to a reasonably possible change in the Ringgit Malaysia ("RM"), Euro ("EUR"), and Pound Sterling ("GBP") exchange rates against the United States Dollar ("USD") respectively, with all other variables held constant. 3% is the sensitivity rate used when reporting foreign currency risk exposures internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates.

Foreign currency exposure	UNITED STATES DOLLAR USD	RINGGIT MALAYSIA USD	WEST AFRICAN CFA FRANC USD	EURO USD	COLOMBIAN PESO USD	POUND STERLING USD	TOTAL USD
2021							
FINANCIAL ASSETS							
Receivables	1,439,735	-	-	283,671	-	83,123	1,806,529
Cash and bank balances	18,768,466	1,339,761	2,470	387,581	1,726	-	20,500,004
	20,208,201	1,339,761	2,470	671,252	1,726	83,123	22,306,533
FINANCIAL LIABILITIES							
Other payables and accruals	(3,547,219)	-	-	-	-	-	(3,547,219)
Lease liabilities	-	-	-	(16,823)	-	-	(16,823)
Net financial assets / (liability)	16,660,982	1,339,761	2,470	654,429	1,726	83,123	18,742,491
Less: Net financial (assets) / liability denominated in the entity's functional currencies	(16,660,982)	-	-	-	-	-	(16,660,982)
Currency exposure	-	1,339,761	2,470	654,429	1,726	83,123	2,081,509

Foreign currency exposure	UNITED STATES DOLLAR USD	RINGGIT MALAYSIA USD	WEST AFRICAN CFA FRANC USD	EURO USD	COLOMBIAN PESO USD	POUND STERLING USD	TOTAL USD
2020							
FINANCIAL ASSETS							
Receivables, net of prepayments	1,075,931	-	-	271,568	-	556,862	1,904,361
Cash and bank balances	18,435,997	344,209	5,735	578,091	2,710	-	19,366,742
	19,511,928	344,209	5,735	849,659	2,710	556,862	21,271,103
FINANCIAL LIABILITIES							
Other payables and accruals	(2,229,542)	-	-	-	-	-	(2,229,542)
Lease liabilities	-	-	-	(38,641)	-	-	(38,641)
Net financial assets / (liability)	17,282,386	344,209	5,735	811,018	2,710	556,862	19,002,920
Less: Net financial (assets) / liability denominated in the entity's functional currencies	(17,282,386)	-	-	-	-	-	(17,282,386)
Currency exposure	-	344,209	5,735	811,018	2,710	556,862	1,720,534

	USD 2021	USD 2020
EFFECT ON SURPLUS OF INCOME OVER EXPENDITURE AFTER TAXATION		
RM/USD		
- strengthen by 3%	7,399	1,879
- weaken by 3%	(7,399)	(1,879)
EUR/USD		
- strengthen by 3%	19,681	23,671
- weaken by 3%	(19,681)	(23,671)
GBP/USD		
- strengthen by 3%	2,137	17,305
- weaken by 3%	(2,137)	(17,305)

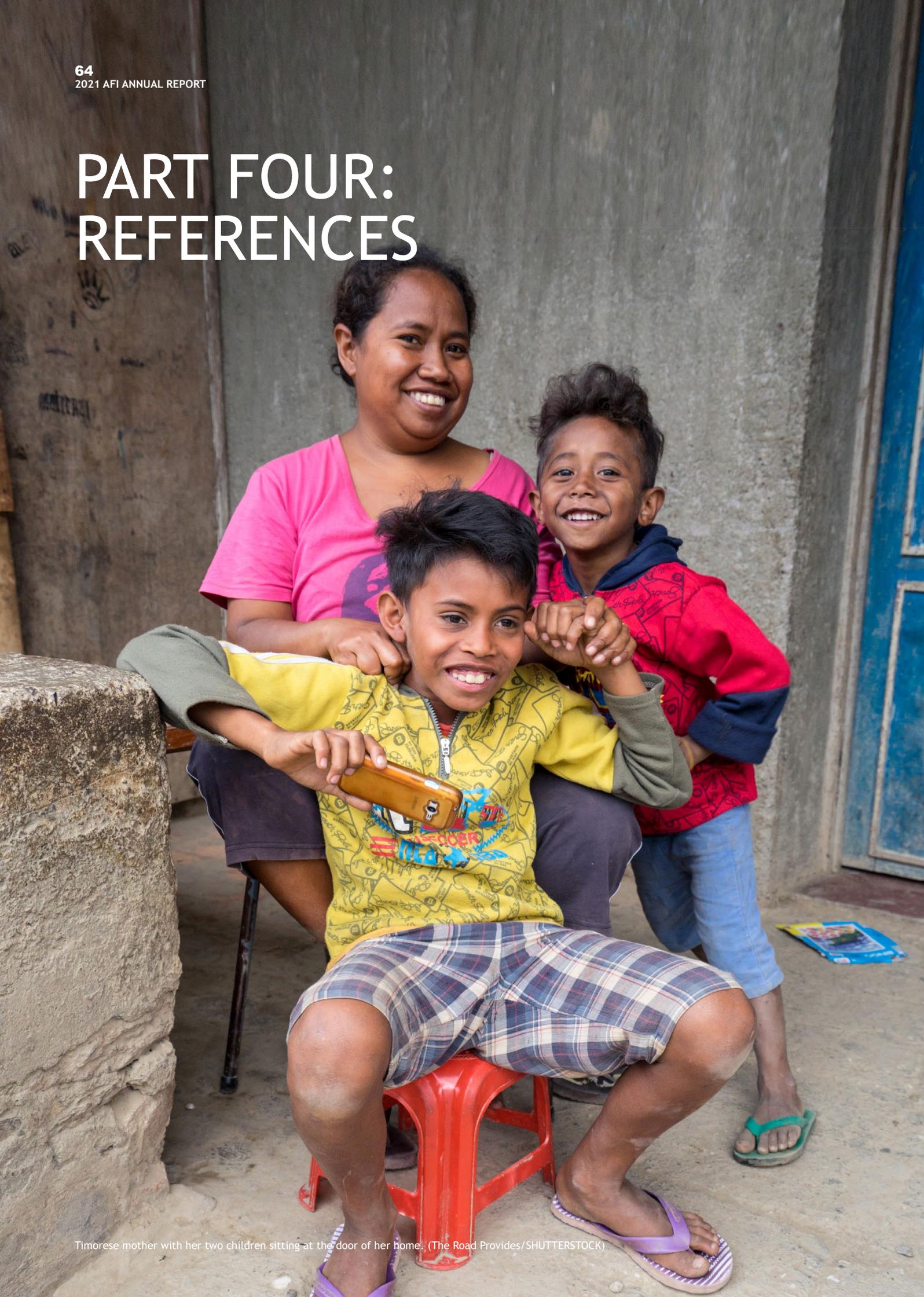
18. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

During the financial year, the Government of Malaysia imposed various phases of the Movement Control Order (“MCO”) in response to the resurgence of the 2019 Novel Coronavirus infection (“COVID-19”) pandemic, followed by the announcement of the National Recovery Plan (“NRP”) in June 2021, which details a roadmap to control the COVID-19 pandemic while progressively reopening society and the economic sectors towards the new normal under four progressive phases.

Going forward, the Organisation intends to have a mix of virtual activities and in person activities to leverage on the advantages provided by the two delivery modalities, while limiting their adverse impact.

As at the date of authorisation of the financial statements, the COVID-19 pandemic situation is still evolving and uncertain. The Organisation will continue to actively monitor and manage its funds and operations to minimise any impact arising from the COVID-19 pandemic.

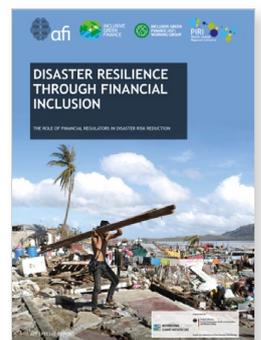
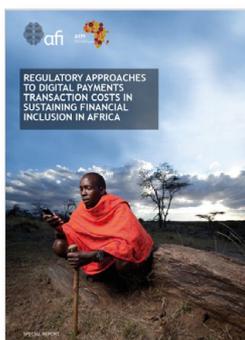
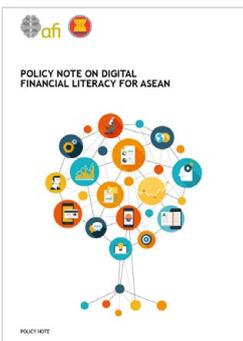
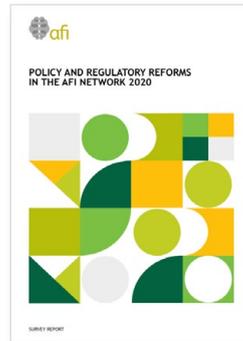
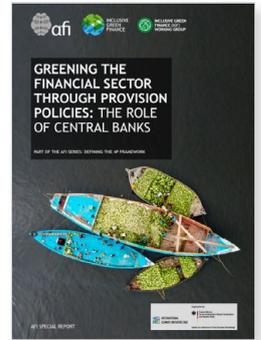
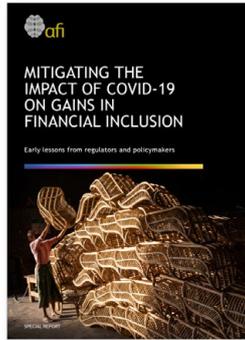
PART FOUR: REFERENCES



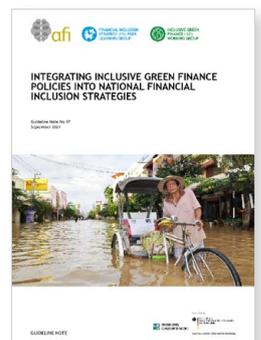
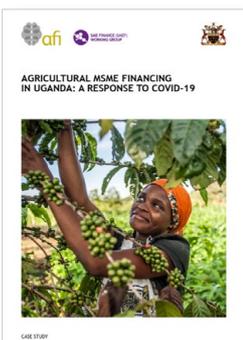
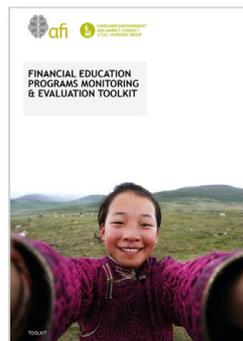
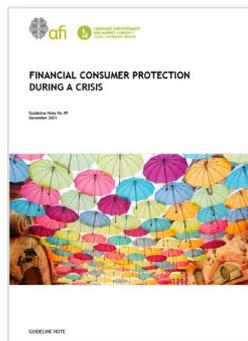
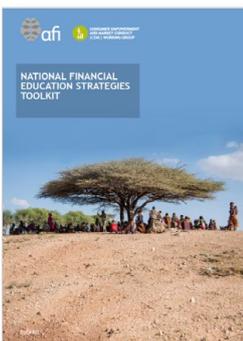
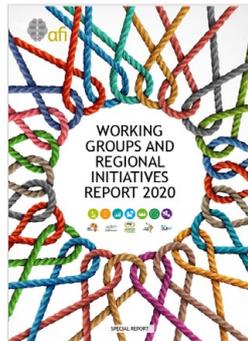
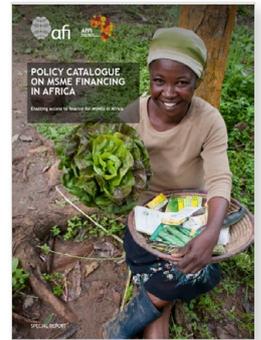
Timorese mother with her two children sitting at the door of her home. (The Road Provides/SHUTTERSTOCK)

AFI KNOWLEDGE PRODUCTS

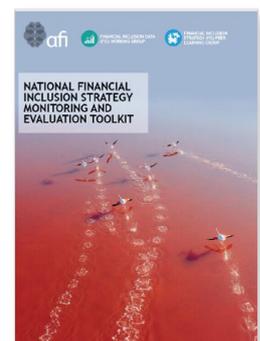
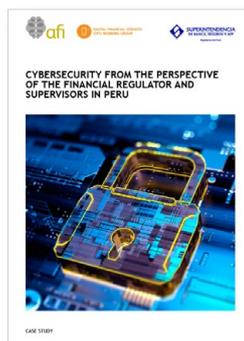
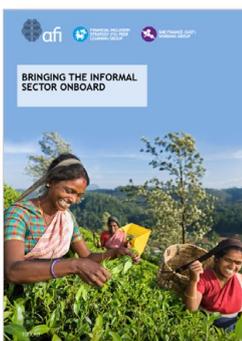
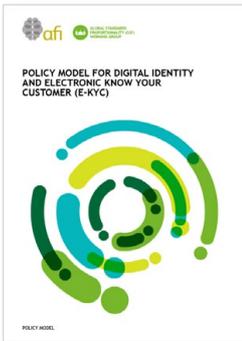
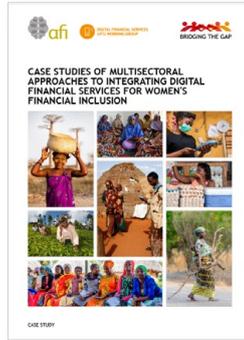
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2021 AFI CALENDAR OF EVENTS

GOVERNANCE MEETINGS

23 February	Global Standards and Policy Committee Meeting	Virtual Teleconference
31 March	Audit Committee Meeting	Virtual Teleconference
27 May	Gender Inclusive Finance Committee Meeting	Virtual Teleconference
7 May	Global Standards and Policy Committee Meeting	Virtual Teleconference
11 May	Audit Committee Meeting	Virtual Teleconference
18 May	Global Standards and Policy Committee Meeting	Virtual Teleconference
10 June	Board of Directors Meeting	Virtual Teleconference
15 July	Budget and Finance Committee Meeting	Virtual Teleconference
15 July	Global Standards and Policy Committee Meeting	Virtual Teleconference
27 July	Audit Committee Meeting	Virtual Teleconference
29 July	Board of Directors Meeting	Virtual Teleconference
8 September	Annual General Meeting	Virtual Teleconference
5 October	Budget and Finance Committee Meeting	Virtual Teleconference
27 October	Investment Committee Meeting	Virtual Teleconference
18 November	Audit Committee Meeting	Virtual Teleconference
18 November	Budget and Finance Committee Meeting	Virtual Teleconference
6 December	Gender Inclusive Finance Committee Meeting	Virtual Teleconference
9 December	Board of Directors Meeting	Virtual Teleconference

GLOBAL EVENTS

13 April	G-24/AFI Policymakers' Roundtable at the IMF/WBG Virtual Spring Meetings	Virtual Teleconference
28-30 September	Financial Inclusion Beyond the Pandemic: A Policy Leadership Dialogue	Virtual Teleconference

FUNDER AND PUBLIC-PRIVATE DIALOGUE (PPD) PARTNERS MEETINGS

4 February	AFI Leaders' Virtual Public-Private Dialogue Roundtable on "COVID-19: lessons and opportunities for recovery and advancing inclusive finance and growth in 2021 and beyond"	Virtual Teleconference
31 March	AFI Virtual Public-Private Dialogue Roundtable "Spurring financial inclusion in rural and remote areas: overcoming challenges through Public-Private collaboration"	Virtual Teleconference
4 August	AFI Virtual PPD Training on "Accelerating Digital Payments in the South Pacific through Public-Private Collaboration"	Virtual Teleconference
21 October	AFI Virtual PPD on "Leveraging Digital Financial Services for Inclusive Green Finance"	Virtual Teleconference

REGIONAL INITIATIVES MEETINGS

25 February	AfPI EGFIP Meeting	Virtual Teleconference
18 May	PIRI EGFIP Meeting	Virtual Teleconference
19 May	PIRI Leaders Roundtable	Virtual Teleconference
8 June	FILAC EGFIP Meeting	Virtual Teleconference
9-10 June	Annual FILAC Leaders' Roundtable & PPD Training	Virtual Teleconference
23 June	ECAPI EGFIP & Member Training	Virtual Teleconference
24 June	ECAPI PPD & 3D	Virtual Teleconference
9 August	AfPI EGFIP Meeting	Virtual Teleconference

REGIONAL INITIATIVES MEETINGS *continued*

10 August	AFI's PPD Training on Contactless for Expanding an Inclusive Digital Payments System and Member Training on Regulatory Reforms to Accelerate Adoption of Merchant Payments	Virtual Teleconference
11 August	AfPI Public-Private Dialogue and Developed - Developing Country Dialogue on "Supervisory approaches and mechanisms to facilitate fintech innovations"	Virtual Teleconference
12 August	Annual Leaders' Roundtable of the African Financial Inclusion Policy Initiative (AfPI) on "Innovative regulatory approaches to counter de-risking/exclusion of women, youth and MSME from accessing financial services during the COVID-19 pandemic in Africa"	Virtual Teleconference
13-15 September	PIRI: AFI Member Training on Regulatory Sandbox & FinTech Innovation: Experience and Perspectives	Virtual Teleconference
14 October	ECAPI EGFIP Meeting	Virtual Teleconference
17 November	South Asia Leaders Roundtable	Virtual Teleconference
22-26 November	Regional Training on Inclusive Green Finance (IGF) in Latin America and the Caribbean region	Hybrid
29 November	PIRI EGFIP Meeting and Workshop on Pacific Regional Sandbox SOP	Virtual Teleconference
30 November	PIRI PPD with Visa and Virtual Meeting on Deepening Financial Inclusion in the Pacific through Digital Financial Literacy	Virtual Teleconference

WORKING GROUP MANAGEMENT MEETINGS

2 March	AFI Working Group Leaders Virtual Meeting	Virtual Teleconference
9 March	CEMCWG Management Meeting	Virtual Teleconference
9 March	GSPWG Management Meeting	Virtual Teleconference
16 March	FIDWG Management Meeting	Virtual Teleconference
16 March	SMEFWG Management Meeting	Virtual Teleconference
23 March	DFSWG Management Meeting	Virtual Teleconference
23 March	FISPLG Management Meeting	Virtual Teleconference
23 March	IGFWG Management Meeting	Virtual Teleconference
20 April	Working Group Leaders Workshop on Team Effectiveness	Virtual Teleconference
7 September	Working Group Convergence	Virtual Teleconference
19 October	CEMCWG Management Meeting	Virtual Teleconference
2 November	FIDWG Management Meeting	Virtual Teleconference
9 November	IGFWG Management Meeting	Virtual Teleconference
17 November	SMEFWG Management Meeting	Virtual Teleconference
23 November	FISPLG Management Meeting	Virtual Teleconference
24 November	DFSWG Management Meeting	Virtual Teleconference
29 November	GSPWG Management Meeting	Virtual Teleconference

CAPACITY BUILDING PROGRAMS

26-28 April	Bank Negara Malaysia (BNM) - AFI Virtual Member Training on Consumer Protection for Digital Financial Services	Virtual Teleconference
14-17 June	AFI Virtual Member Training on Inclusive Green Finance - From Concept to Practice	Virtual Teleconference
28 June - 1 July	Banque Centrale de Tunisie (BCT) - AFI Virtual Member Training on Strengthening Agent Network for Digital Financial Services	Virtual Teleconference
17-19 August	Bank Negara Malaysia (BNM) - AFI Virtual Member Training on Digital Bank: To Reach the Last Mile	Virtual Teleconference
4-7 October	Banque Centrale des États de l'Afrique de l'Ouest (BCEAO) - AFI Member Training on Policies on Supporting SME Finance	Virtual Teleconference
27-28 October	Virtual Member Training (MT) on Leveraging Opportunities and Minimizing Risks for Inclusive Open Finance	Virtual Teleconference
28 April	SME Finance Working Group and FID Working Group Webinar on Data	Virtual Teleconference

GLOSSARY OF TERMS

3D	Developing-Developed Countries Dialogue	FILAC	Financial Inclusion Initiative for Latin America and the Caribbean
AFAWA	Affirmative Finance Action for Women in Africa	FinTech	Financial Technology
AfDB	African Development Bank	FISPLG	Financial Inclusion Strategy Peer Learning Group
AFI	Alliance for Financial Inclusion	FSB	Financial Stability Board
AfPI	African Financial Inclusion Policy Initiative	FSRBs	FATF-Style Regional Bodies
AGM	Annual General Meeting	FY	Financial Year
AMF	Arab Monetary Fund	G20	Group of Twenty, consisting of governments and central bank governors from 20 major economies
AML/CFT	Anti-Money Laundering/Combating the Financing of Terrorism	G-24	Intergovernmental Group of Twenty-Four on International Monetary Affairs and Development
APGML	Asia/Pacific Group on Money Laundering	GAFILAT	Financial Action Task Force of Latin America
ASEAN	ASEAN Working Committee on Financial Inclusion (WC-FINC)	GIABA	Inter-Governmental Action Group against Money Laundering in West Africa
WF-FINC		GIF	Gender Inclusive Finance
BFC	Budget and Finance Committee	GIFC	Gender Inclusive Finance Committee
BMGF	Bill & Melinda Gates Foundation	GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit or German Society Agency for International Cooperation, Ltd.
BMZ	Germany's Federal Ministry for Economic Cooperation and Development	GPF	Global Policy Forum
BNM	Bank Negara Malaysia	GPFI	Global Partnership for Financial Inclusion
CBDC	Central bank digital currencies	GSPC	Global Standards and Policy Committee
CEFI	Certified Expert in Financial Inclusion Policy	GSPWG	Global Standards Proportionality Working Group
CEMCWG	Consumer Empowerment and Market Conduct Working Group	ICI	In-Country Implementation
COVID-19	Coronavirus Disease of 2019	IGF	Inclusive Green Finance
DAP	Denarau Action Plan: The AFI Network Commitment to Gender and Women's Financial Inclusion	IGFWG	Inclusive Green Finance Working Group
DFL	Digital Financial Literacy	IGOSC	Intergovernmental Organization Special Committee
DFS	Digital financial services	IMF	International Monetary Fund
DFSWG	Digital Financial Services Working Group	MENAFATF	Middle East and North Africa Financial Action Task Force
EBA	European Banking Authority	MNA	Member Needs Assessment
ECAPI	Eastern Europe & Central Asia Policy Initiative	MSMEs	Micro, Small and Medium Enterprises
EGFIP	Experts Group on Financial Inclusion Policy	MU	Management Unit
e-KYC	Electronic Know Your Customer	NFIS	National financial inclusion strategy
ERO	AFI's Europe Representative Office	PIRI	Pacific Islands Regional Initiative
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group	PPD	Public-Private Dialogue
FATF	Financial Action Task Force	RegTech	Regulatory Technology
FDPs	Forcibly displaced persons	SDGs	Sustainable Development Goals
FIARI	Financial Inclusion in the Arab Region Initiative	SMEFWG	SME Finance Working Group
FIDWG	Financial Inclusion Data Working Group	SMEs	Small and Medium Enterprises
		SSBs	Standard-Setting Bodies

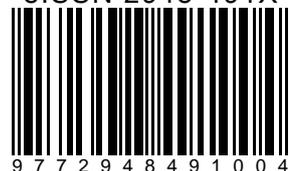
- SupTech** Supervisory Technology
 - UNSGSA** United Nations Secretary General's Special Advocate for Inclusive Finance for Development
 - WWB** Women's World Banking
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