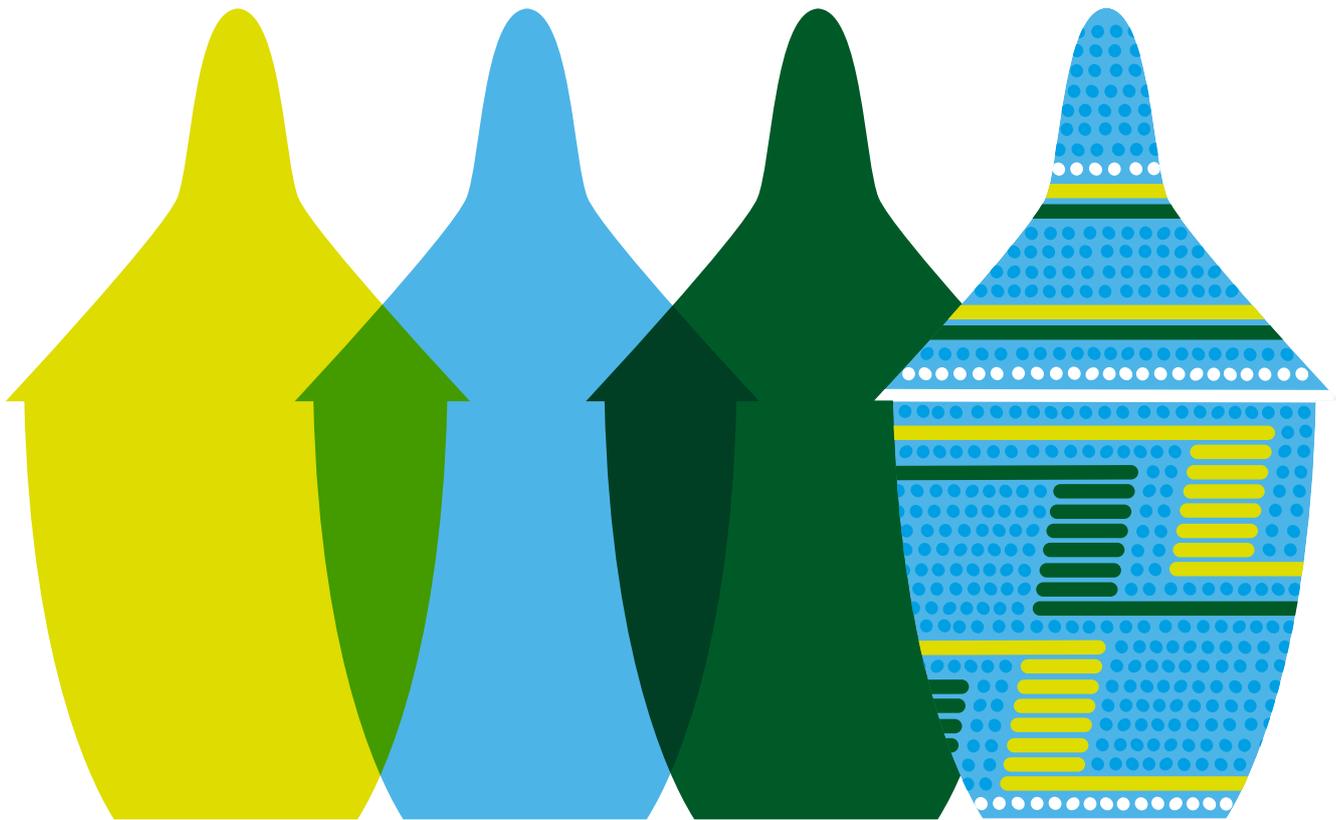




# 2019 AFI GLOBAL POLICY FORUM REPORT



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## INTRODUCTION

AFI marked the start of its second decade with a flurry of celebration at the 2019 AFI Global Policy Forum (GPF) in Kigali. It was a record-setting event with 741 participants from 84 countries coming together in the Rwandan capital for three days of learning and knowledge sharing on policies that have helped bring financial services to the world's 1.7 billion unbanked.

Co-hosted by the National Bank of Rwanda, the theme of the 2019 flagship event was “Using Technology for Inclusion of Women and Youth”, which explored how fast-paced innovations in financial technology (FinTech) are being harnessed to advance financial inclusion for women and youth.

Reinforcing the collective commitment of regulators and policymakers to accelerate national financial inclusion targets and leave no one behind, the AFI Membership Council unanimously endorsed the Kigali Statement. The two-page document calls on members to take clear and concerted steps to promote financial inclusion among the underserved to harness their economic potential.

AFI members also endorsed two new policy models – e-money and the AFI Core Set – at the Annual General Meeting (AGM) on 11 September, held in the lead up to the 2019 AFI GPF. The landmark documents draw on a range of experiences and approaches from across the AFI network to provide a compendium of best practices.

AFI members broke new ground at the 2019 AFI GPF by bringing emerging issues to the fore, from innovative financial services for forcibly displaced persons (FDPs) to inclusive green finance, which will shape the financial inclusion agenda for years to come. On the ground, the hard work of members is being felt with 837 Maya Declarations and 548 policy changes to date.

Since the visionary unveiling of AFI in 2008, membership has grown to 100 institutions from nearly 90 emerging and developing economies. The network remains united by the same core belief: that greater financial inclusion will lead to more inclusive economic growth, poverty reduction and stable financial systems.

In this report, we present the highlights and key outcomes of the 2019 AFI GPF, the world's most important annual event on financial inclusion.



## THE 2019 AFI GLOBAL POLICY FORUM USING TECHNOLOGY FOR INCLUSION OF WOMEN AND YOUTH

11-13 SEPTEMBER, KIGALI, RWANDA

## OUTCOMES OF THE 2019 AFI GPF

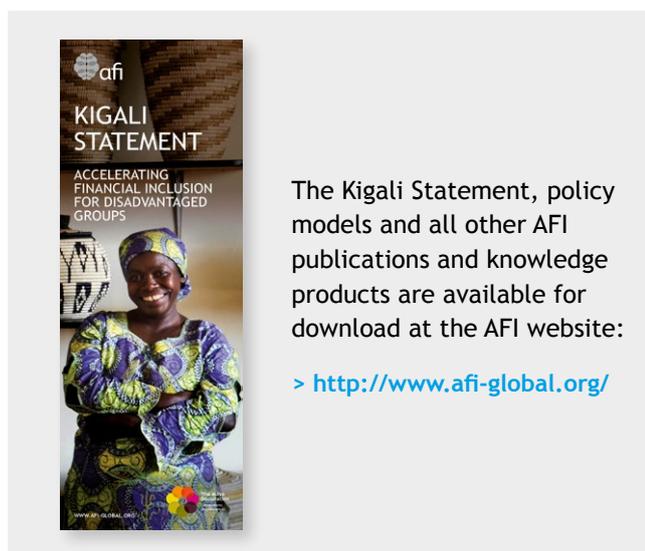
### KIGALI STATEMENT ON ACCELERATING FINANCIAL INCLUSION FOR DISADVANTAGED GROUPS

Named after the host city of the 2019 AFI GPF, the Kigali Statement is a collective commitment by members to accelerate the achievement of their financial inclusion targets and leave no one behind.

The two-page document calls on members to continue and intensify efforts to promote financial inclusion among underserved groups, such as women, youth, older persons, forcibly displaced persons and persons with disabilities, to harness their economic potential.

“  
With the Kigali Statement, the AFI network is ensuring that by implementing sustainable financial inclusion policies, no one is left behind.”

”  
Dr. Alfred Hannig, Executive Director, AFI



### AFI CORE SET POLICY MODEL

The AFI Core Set Policy Model was developed by AFI's Financial Inclusion Data Working Group (FIDWG) to provide regulators and policymakers from across the network with a shared starting point from which to collect data on the main dimensions of financial inclusion and develop national policies.

The objective of the policy model is to encourage institutions new to collecting financial inclusion data to use it, along with an array of AFI knowledge products and resources available, to measure and track the financial inclusion policies they have implemented.



### AFI E-MONEY POLICY MODEL

The AFI e-Money Policy Model provides guidance on developing proportionate key regulatory and policy measures for enabling, promoting and enhancing the use of e-money services and products in a country or jurisdiction.

Borne out of the network's extensive knowledge and experience, the policy model codifies successful approaches to e-money policies and regulatory approaches that have advanced financial inclusion and fostered a well-functioning e-money environment.

### MAYA DECLARATION COMMITMENTS

Members broke fresh ground this year with the announcement of Maya Declaration commitments from four new institutions – Central Bank of Mauritania, Central Bank of The Gambia, Central Bank of the Republic of Uzbekistan and Superintendencia de la Economía Popular y Solidaria de Ecuador – bringing the total to 79 institutions with commitments in 71 countries.

Maya Declaration commitments encourage members to set clear and transparent targets that help realize their national aspirations for an inclusive future. In line with the Kigali Statement, several members made commitments to enhance financial inclusion for:

- > **Women** (including Bank of Uganda, Central Bank of Eswatini and Ministry of Finance Eswatini, Central Bank of Seychelles, Comisión Nacional de Bancos y Seguros Honduras, Ministère de l'Économie et des Finances de Côte d'Ivoire and National Bank of Cambodia)

- > **Youth** (including Banco Central de la República Argentina, Bangladesh Bank, Banque Centrale de Mauritanie, Banque Centrale des Etats de l’Afrique de l’Ouest (BCEAO) and Reserve Bank of Malawi)
- > **Green finance** (including Central Bank of Solomon Islands and Superintendencia de la Economía Popular y Solidaria de Ecuador).

“  
We can only progress as much as the least privileged of us and transformative progress requires us to come together and share what best we know and learn from where we lack.  
”

Dr. Seeku Jaabi, Deputy Director, Central Bank of The Gambia

#### AFI BOARD CHAIR

*Central Bank of Egypt Governor Tarek Amer assumed the post of the new chair of AFI’s Board of Directors during the AFI Annual General Meeting.*

Governor Amer succeeds Governor Fazle Kabir of Bangladesh Bank. During his two-year term, Amer will be responsible for facilitating discussions, providing leadership guidance and presiding over the board’s meetings and carrying out its responsibilities in accordance with the AFI Articles of Association.

“  
I am honored for leading the AFI Board and contributing towards the independence and growth of the AFI Network. Looking forward to work with the esteemed Board members in strengthening the work and governance of the AFI Board.  
”

Tarek Amer, Governor, Central Bank of Egypt



## AFI MEETS THE PRESS

Speaking at a press conference two days before the official opening of the 2019 AFI GPF, National Bank of Rwanda Governor John Rwangombwa and AFI Executive Director Dr. Alfred Hannig highlighted the importance of aligning financial inclusion work with Sustainable Development Goals (SDGs) through adoption of the Kigali Statement on accelerating financial inclusion for underserved groups, including women, youth, older persons, forcibly displaced persons and persons with disabilities.

“  
With the Kigali Statement, the AFI network is ensuring that by implementing sustainable financial inclusion policies, no one is left behind,  
”

Supporting the aims of this landmark document, Governor Rwangombwa, said that the central bank was “looking to close any gap and have everyone financially included, which is a foundation of inclusive growth and the Sustainable Development Goals.” Governor Rwangombwa added that women were a key demographic the central bank was targeting through financial inclusion activities, and that “as technology comes on board, it complements these efforts and makes it easier to bring more women on board.”

Dr. Hannig noted AFI’s global impact, including more than 600 concrete policies solutions that have helped bring an estimated 650 million people into the formal financial system.

News coverage of the 2019 AFI GPF spread worldwide, with articles and video coverage appearing in over a dozen local and regional press outlets, including CNBC Africa and The New Times, Rwanda’s largest English-language newspaper.

# 2019 AFI GPF IN NUMBERS

741

Total participants  
(2018: 596)

473

AFI member participants  
(2018: 426)

24

Other partners  
(2018: 30)

305

Female participants  
(2018: 245)

72

AFI member institutions  
(2018: 84)

227

Other stakeholders  
(2018: 33)

436

Male participants  
(2018: 351)

17

Funding partners  
(2018: 15)

84

Total countries  
(2018: 96)



## AFI AWARDS

Each year, the AFI Awards recognize member institutions and individuals who have excelled in the advocacy of financial inclusion by demonstrating strong leadership, supporting peer learning services and standing up on national and global stages in support of AFI and its mission. The 2019 winners were:

### AFI YOUNG GENERATION AWARD

This award was presented to experts under 40 years old who have made a substantial contribution to AFI working groups and regional initiatives.

- > Akata Taito, Reserve Bank of Fiji
- > German San Lorenzo, Banco Central de la República Argentina
- > Carla Fernandes, Banco de Moçambique
- > Samuel Weng Yew Lee, Bank Negara Malaysia
- > Jahongir Aminjonov, National Bank of Tajikistan
- > Marwa Ali Elhosary, Central Bank of Egypt

### TECHNICAL LEADERSHIP AWARD

This award recognizes an individual who has provided outstanding technical expertise and leadership in AFI's working groups, regional initiatives and at AFI events.

- > Nadezhda Prasolova, Central Bank of the Russian Federation

### ADVOCACY CHAMPION AWARD - INCLUSIVE GREEN FINANCE

This award recognizes members who have stood up loud and proud on the global stage for AFI and its latest workstream, Inclusive Green Finance.

- > Banco Central del Paraguay
- > Bangladesh Bank
- > Reserve Bank of Fiji
- > Central Bank of Armenia

### SPECIAL RECOGNITION - AFI HOSTS

A special token of appreciation, a medallion, was given to institutions that undertook the invaluable task of hosting an AFI event between the 2018 AFI GPF and 2019 AFI GPF.

- > Central Bank of the Russian Federation
- > Bank Negara Malaysia
- > Bank of Tanzania
- > Reserve Bank of Fiji
- > Bank Al-Maghrib
- > Banco Central de Timor-Leste
- > Ministère de l'Économie et des Finances, Côte d'Ivoire
- > Banque Centrale des États de l'Afrique de l'Ouest
- > Central Bank of Egypt
- > Central Bank of The Bahamas
- > Bank of Zambia
- > Superintendencia de Banca, Seguros y AFP del Perú
- > Central Bank of Armenia
- > Central Bank of Solomon Islands
- > National Bank of the Republic of Belarus
- > Banco Central de la República Argentina
- > Banco de Portugal



### SPECIAL RECOGNITION - ECAPI MEETING

AFI recognized the seven member institutions that convened in Belarus in June 2019 for the first formal High-Level Policy Forum of the Eastern Europe and Central Asia Policy Initiative (ECAPI).

- > National Bank of the Republic of Belarus
- > Central Bank of Armenia
- > National Bank of Kazakhstan
- > Financial Regulatory Commission of Mongolia
- > Central Bank of the Russian Federation
- > National Bank of Tajikistan
- > Central Bank of Uzbekistan



### PEER LEADERSHIP AWARD

The AFI Peer Leadership Award - the highlight of the awards ceremony - recognizes leaders who have propelled peer learning in the network and provided policy guidance through the peer learning process, such as joint learning programs, knowledge exchanges and global and regional initiatives.

- > Central Bank of Egypt



### MAYA DECLARATION AWARD

The Maya Declaration Award recognizes an AFI member institution that has clearly defined and measurable financial inclusion targets and has demonstrated the most dedication in the network to reporting its targets, timelines and progress on the AFI Data Portal.

- > Bank of Zambia



# ANNUAL GENERAL MEETING (AGM)

The AGM of the AFI Membership Council was held on 11 September, a day ahead of the official opening of the 2019 AFI GPF. It was the fourth such gathering by the network as an independent, member-owned entity.

Kicking off a full day of sessions was a presentation on AFI's performance between September 2018 and August 2019. Presented by the AFI Management Unit, the AFI Performance Report focuses on membership engagement and commitments, member needs assessments, capacity building, working groups, regional initiatives and strategic partnership engagements.

Following the presentation, the Membership Council ratified the 2018 AFI Annual Report and audited financial statements for the financial year ending 31 December 2018. They then unanimously approved the Kigali Statement for Accelerating Financial Inclusion for Disadvantaged Groups as the key deliverable of the 2019 AFI GPF. The Kigali Statement aims to harness the economic potential of groups that are disproportionately financially excluded through concrete actions and collaborative initiatives across the AFI network.

The Council also ratified new financial inclusion policy models on e-money and the AFI Core Sets in line with AFI's Phase III strategic objective to issue policy and regulatory guidance for network-wide adoption.

The AGM concluded with Governor Tarek Amer of the Central Bank of Egypt assuming the role of AFI Board Chair. He replaces Bangladesh Bank Governor Fazle Kabir, who held the position for the maximum two-term period. Other new members were also welcomed to board, filling positions left vacant by outgoing members. The new members are: Central Bank of Armenia, Central Bank of Kenya, Comisión Nacional Bancaria y de Valores (CNBV) Mexico, Nepal Rastra Bank, Banco Central del Paraguay, as well as Agence Française de Développement (AFD) as an external non-voting board member.

The Council also ratified the appointment of the Palestine Monetary Authority as a new member of the Global Standards and Policy Committee (GSPC).

“ AFI has successfully transitioned from a solely donor-funded project into an independent member-owned organization and has strengthened its administrative and governance structures to ensure operational efficiency and good corporate governance.

”

Fazle Kabir, Governor, Bangladesh Bank

“ AFI has given us insight and understanding of the best practices of the ability to interact with you all to share experiences at various policymaker levels. And the way it has been happening it's not been theoretical. It has been applied. We see the ideas, then we go back home and we apply them.

”

Tarek Amer, Governor, Central Bank of Egypt



## AFI LEADERS' PUBLIC-PRIVATE DIALOGUE ROUNDTABLE ON THE EXTENDED RISKS OF DIGITAL FINANCIAL SERVICES

It is widely acknowledged that digital financial services (DFS) play a pivotal role in the provision of affordable and accessible payments and financial services to those who are disproportionately financially excluded, including women, youth and older persons.

However, without the concerted efforts of public and private sector stakeholders, digital finance and FinTech can also pose risks to the financial system and have a negative effect on financial inclusion, including to client protection, data privacy and financial literacy.

Recognizing that these risks may require new mitigation tools, including regulatory ones, AFI leaders and partners gathered at a public-private dialogue (PPD) roundtable to share strategic responses to DFS-related risks for financial inclusion. The high-level event is a platform to debate and exchange ideas on policy responses to important barriers to the advancement of financial inclusion worldwide.

During the two-hour session, AFI leaders and PPD partners developed a joint statement on risks and mitigation solutions to protect the gains that have been made in the uptake of DFS. Among the approaches discussed were:

- > **Activity-based regulation** - Regulators should aim to create a level playing field for all market players.
- > **Proportionate approach** - Policy solutions should be proportionate and consider the unique reality of every country.
- > **Client empowerment** - Clients should be adequately empowered by regulators to protect their own data and rights, which makes financial education essential.
- > **Collaboration** - Financial regulators are encouraged to collaborate with other regulating authorities, **both in their own country and in others.**
- > **Capacity building** - Special attention should be given to enhancing regulatory capacity and managing DFS-related risks and gender-related issues.
- > **Deploying customer-centric financial services**
  - Private sector players should deploy demand-based financial services and products that meet the needs of different market segments.

### NEXT STEPS

AFI's Management Unit will work with members in the network and PPD partners to build the capacity of members to implement these important policy responses.



## REGIONAL INITIATIVE MEETINGS

AFI's regional initiatives bring members together to build high-level consensus on financial inclusion policy issues and find innovative solutions to shared challenges. Members of the five regional initiatives met at Expert Group meetings and Leaders' Roundtables to discuss new and emerging policy issues, review progress and prepare action plans for 2020.



### AFRICAN FINANCIAL INCLUSION POLICY INITIATIVE (AFPI)

AfPI members shared their experiences implementing two policy frameworks for 2018 – DFS interoperability and innovative cross-border remittances – and identified support for related technical topics, knowledge products and capacity building activities. Members also reviewed and revised the Policy Framework for Responsible Digital Credit in Africa for submission to AfPI leaders.



### EASTERN EUROPE CENTRAL ASIA POLICY INITIATIVE (ECAPI)

Members of ECAPI, AFI's newest regional initiative, reaffirmed their regional commitment to DFS, market conduct regulation and supervision, financial education and impact measurement, and behavior-based design of financial education programs. They shared the first drafts of four knowledge products and committed to complete them as part of ECAPI's 2020 action plan.



### FINANCIAL INCLUSION FOR THE ARAB REGION INITIATIVE (FIARI)

FIARI was launched at the 2017 AFI GPF in Egypt by the Arab Monetary Fund, GIZ and AFI, with the World Bank joining later as an implementing partner. At the 2019 AFI GPF, six members of FIARI deliberated the potential for a regional policy framework that would enhance financial inclusion through FinTech. It was agreed that AFI would work with other partners from the regional initiative to assist AFI member institutions with this framework.



### FINANCIAL INCLUSION INITIATIVE IN LATIN AMERICA AND THE CARIBBEAN (FILAC)

FILAC members discussed gender and financial education and the importance of applying lessons from more advanced economies to foster initiatives elsewhere. The discussions focused on how FinTech could save time and resources and increase penetration and use of financial services, including savings, credit and microinsurance. Members requested that AFI begin addressing informal economies as a key topic, citing its correlation with financial exclusion.

“Since the central bank joined AFI, the support provided has been very important for financial inclusion activities in the country as the development of the National Financial Inclusion Strategy.” - Otto Boris Rodriguez, Vice President, Banco Central de Reserva de El Salvador



### PACIFIC ISLANDS REGIONAL INITIATIVE (PIRI)

PIRI members recommended endorsing the world's first regional regulatory sandbox for FinTech by adopting the Regional Regulatory Sandbox Guidelines and a proposed implementation plan. Members also agreed to merge the regional work stream and create the Disaster Preparedness and Response Subgroup under the Inclusive Green Finance Working Group (IGFWG) and immediately prepare a knowledge product on the subject.

## OPENING CEREMONY

With a bang of the ceremonial gong, Rwanda's Prime Minister Dr. Édouard Ngirente officially launched the 2019 AFI GPF and kick-started the world's most important financial inclusion event.

In his opening remarks, Prime Minister Ngirente highlighted how innovative technology could help disadvantaged groups, particularly youth, to access quality financial services and boost rates of financial inclusion.

"Financial inclusion is critical for the development of our economies," he said, before adding that any efforts to reach the world's remaining 1.7 billion unbanked must be collaborative.

Technology's ability to disrupt traditional banking services was reiterated by National Bank of Rwanda Governor John Rwangombwa, who used his welcoming remarks to highlight that "recent advancements in technology, and more specifically, digital financial services present great opportunities in reaching poor and remote communities, particularly here in Sub-Saharan Africa."

He also noted the importance of prioritizing gender equality and ensuring that women were financially included, explaining that Rwandan savings cooperatives, known locally as Umurenge SACCOs, had helped bring formal financial services to women in rural communities. He added that this success had helped lift the country's national rate of financial inclusion to 89 percent in 2016, compared with just 21 percent in 2008.

While AFI Executive Director Dr. Alfred Hannig welcomed innovative technology as a means of reaching unserved and underserved populations, he noted that regulatory institutions must work together to address the risks posed by this fast-moving area.



“

We are increasingly witnessing a global convergence of policy and regulatory solutions in the financial inclusion and the financial technology space. Underlying the convergence of such solutions are the concerns of financial regulators all around the world regarding the risks of technology.

”

Dr. Alfred Hannig, AFI Executive Director

He noted that while it was too early to make any conclusive statements, the complexity of the regulatory challenges prompted by the entrance of new financial market players – from mobile network operators to payment platforms and social networks – had made it “already apparent that global policy coordination and learning will be crucial to adopt policy choices that keep the risks in check while allowing to reap the benefits of the developmental value that such platforms when scaled may hold for financial inclusion.”

Meanwhile, Central Bank of Egypt Deputy Governor Lobna Helal congratulated the AFI network for its “continuous efforts and dedication” that have made it the “leading member-owned network of policymaking institutions for financial inclusion.”

Speaking on behalf of Governor Tarek Amer in his role as the incoming Chair of the AFI Board of Directors, Deputy Governor Helal said, “I intend to build upon the great work that has been accomplished to enhance the governance, strategic direction and further the develop the capacity of the network.” This, she concluded, would “enable [AFI] members to meet their individual needs and to deliver upon the aspirations of their people.”

“

Advancing financial inclusion is not a task for a single institution but a cooperative and supportive effort among different stakeholders.

”

Dr. Édouard Ngirente, Prime Minister of Rwanda.



# RWANDA'S FINANCIAL INCLUSION JOURNEY

## THEME SETTER

**Dr. Monique Nsanzabaganwa**, Deputy Governor, National Bank of Rwanda

## MODERATOR

**Kenneth Agutamba**, Chief Strategist, Impact Communication Strategies

## PANELISTS

**John Rwangombwa**, Governor, National Bank of Rwanda

**Waringa Kibe**, Country Director, Access to Finance Rwanda

**Rosemary Mbabazi**, Minister of Youth, Rwanda

**Dr. Diane Karusisi**, CEO, Bank of Kigali

*Song, dance and theatre captivated our audience while showcasing the significant strides Rwanda has made in financial inclusion. Supported by a choir, a troupe of actors told the story of one family's journey towards becoming financially included using digital financial services and how it improved their daily lives.*

For the National Bank of Rwanda, inclusion is a concept deeply rooted in society. Following large-scale civil unrest, the central government worked tirelessly to rebuild the country's political, social and economic fabric, transforming a nation in crisis into one of the world's fastest growing economies.

Working in tandem, the central bank embarked on a series of financial sector reforms that laid the foundations of its ambitious financial inclusion plans.

Crucially, it began conducting national surveys from 2008 onwards that provided snapshots on the state of financial inclusion in Rwanda, yielding data that identified gaps and informed policies to address the financial needs of the population. Key challenges identified included distance to financial services, levels of financial literacy, costs of accessing financial services and income levels.

Among its most successful responses was the 2009 launch of Umurenge SACCOs, local savings and credit groups that helped bring financial services to large swathes of Rwanda's population, particularly women living in rural areas. More than 47,000 Umurenge SACCOs now serve nearly 1.2 million people - roughly 80 percent being women -, providing 90 percent of Rwandans a financial access point within five kilometers of their home. Umurenge SACCOs became a main driver of financial inclusion, which doubled to 42 percent in 2012 from 21 percent in 2008.

Since then, National Bank of Rwanda has embarked on a mission to deepen financial inclusion by focusing innovative products, stakeholder engagement, policy and regulatory frameworks, strategies and laws, and data and measurements. By embracing technology and creating an enabling environment, digital financial services - particularly mobile money transactions - were able to flourish and become contribute significant to a jump in national financial inclusion rates to 68 percent in 2016.

Gender continued to be at the forefront of efforts with the mapping and digitizing of Umurenge SACCOs and the establishment of the government's gender monitoring office. National Bank of Rwanda has continued to set ambitious targets, including a Maya Declaration commitment made in 2017 to halve the financial inclusion gender gap to 5.5 percent in 2020 from 11 percent in 2016.



## RWANDAN ADULTS WITH ACCESS TO FORMAL AND INFORMAL FINANCIAL SERVICES

2008: 48 percent

2012: 72 percent (largely attributed to Umurenge SACCOs)

2016: 89 percent (largely attributed to mobile financial services)

2024 target: 100 percent

### CHALLENGES

- > High reliance on the informal sector
- > Low levels of financial literacy (especially digital and insurance)
- > Financial inclusion gap among women and youth
- > Exclusion among disabled persons and lowest income families.

### WHAT'S NEXT?

- > Agricultural insurance
- > Long-term savings scheme
- > Increase formal financial inclusion to 90 percent
- > Reduce the financial inclusion gender gap to two percent in 2024

- > Establish an inclusive interoperable infrastructure
- > Focus on financial education
- > Establish a consumer protection framework for financial services
- > Increase youth adoption of DFS to 70 percent in 2024 from 54 percent.

“

Financial inclusion takes its roots from the vision that without everyone on board, what you build cannot be sustainable, if it stands up at all.

”

Dr. Monique Nsanzabaganwa, Deputy Governor, National Bank of Rwanda

“

Financial inclusion is a key channel for sustainable and inclusive development. If you really want to develop your population, the best thing is for them to have access to financial services.

”

John Rwangombwa, Governor, National Bank of Rwanda



## RECOGNITION OF AFI'S NEW STRATEGIC FUNDING PARTNERSHIPS

### SPEAKERS

Lobna Helal, Deputy Governor, Central Bank of Egypt

Dr. Alfred Hannig, Executive Director, AFI

Bastien Bedossa, Deputy Head of Division, Financial Systems, Agence Française de Développement (AFD)

Natascha Beinke, Deputy Head of Division, Federal Ministry of Economic Cooperation and Development (BMZ)

Jo Lomas, UK High Commissioner to Rwanda and Non-Resident Ambassador to Burundi

Christina Wedekull, Head of Mission to Rwanda, Embassy of Sweden

*In a recognition ceremony, European government agencies outlined the importance of new funding partnerships with AFI, including the role they play in advancing the UN Sustainable Development Goals (SDGs).*

The aim of this high-level event was to recognize strategic and complementary collaborations with AFD, Germany's BMZ, Swedish International Development Cooperation Agency (Sida) and Britain's Department for International Development (DFID). Representatives of each government spoke in turn about partnerships that have been accelerating financial inclusion worldwide.

“

The AFI Multi-Donor Policy Implementation Facility optimizes synergies and supports broader financial inclusion efforts. It allows for regulators and supervisors to access information and adapt quicker to market changes and developments.

”

Bastien Bedossa, Deputy Head of Division, Financial Systems, AFD.

Underscoring the benefits of its long-term collaboration with AFI was BMZ Deputy Head of Division Natascha Beinke, who said, “We have witnessed an amazing transition of AFI in just a few years, from a project; to an independent member-owned organization; to a global financial inclusion policy leadership alliance, that has broadened its mandate to address key global priorities, such as climate, gender, youth and financial inclusion for FDPs. BMZ is pleased to continue to

support AFI's exciting journey in collaboration with other likeminded partners.”

AFD, BMZ and the Ministry of Finance of the Grand Duchy of Luxembourg make up the MD-PIF, a fund established to advance the development and implementation of well-informed, innovative and sustainable financial inclusion policies in the Sub-Saharan African and Arab regions.

Separately, BMZ partners with AFI to advance financial inclusion among FDPs. For Sida, its global partnership aims to advance women's economic empowerment through financial inclusion, while innovations in DFS are the focus of DFID's Digital Finance Champions Initiative.

Representing the UK Government was High Commissioner to Rwanda and Non-resident Ambassador to Burundi Jo Lomas, who said, “We wanted to find a suitable mechanism to leverage this real diversity of experience to highlight digital finances policy innovation, to facilitate peer learning, to inform policy design and expedite the implementation of secure and inclusive digital financial strategies, and by partnering with AFI, we're proud to see the geographical scope of the group grow to include a wider range of countries and so a wider range of experience.”

Highlighting Sweden's commitment to gender equality and the economic empowerment of women and girls, Head of Mission at the Embassy of Sweden to Rwanda Christina Wedekull said, “It is with great pleasure that we've found a corresponding interest and ambition with AFI manifesting in the Denarau Action Plan agenda and women's financial inclusion, which Sweden has been proud to support.”

While Luxembourg was not present on the stage, Minister of Finance Pierre Gramegna met with Dr. Hannig in the days leading up to the 2019 AFI GPF to sign the multilateral letter of understanding that launched the MD-PIF.



# BREAKOUT SESSION: REGULATORY FRAMEWORKS THAT HARNESS THE POTENTIAL OF DIGITAL PLATFORMS AND FINTECH ECOSYSTEMS

## MODERATOR

Rebecca Waghorn, DFID

## PANELISTS

Peace Masozera Uwase, Executive Director, National Bank of Rwanda

Prof. Otto Rodriguez, Vice President, Central Bank of El Salvador

Salvador Perez-Galindo, VISA

Riyaadh Hanslo, Jumo

*Platform economies continue to shape the financial ecosystem, and their recent rise in popularity offer a host of opportunities, as well as potential risks, for both consumers and financial service providers (FSPs). With tailored products and lower service delivery costs, DFS and digital platforms could prompt a paradigm shift in the regulatory and business environment.*

To ensure that digital economies act as a catalyst for greater financial inclusion, panelists discussed how regulators and policymakers must first establish a basis for inclusive engagement. This requires extensive research into platform economies to limit exposure to systemic threats and unintended consequences. Panelists noted that in-depth risk assessments and

country case profiles could be conducted, echoing examples from Bangladesh, Myanmar and Pakistan.

Panelists identified several main challenges, including lack of a clear policy direction or regulatory approach to FinTech and platform FSPs due to cross-regulatory requirements, limited capacity, knowledge gaps and different and rapidly changing business models. Another challenge is how regulators should coordinate and ensure financial stability, market integrity and consumer protection in new and rapidly evolving markets.

To address these hurdles, it was agreed that regulators and policymakers should focus their attention on key policy issues (e.g. data rights and privacy), data localization (e.g. local and/or global data centers), gender considerations, rules enforcement, regulations and global standards, and how to structure data localization efforts (e.g. to reap the most benefits from cloud computing).

## CONCLUSION

Panelists concluded that regulators should not expect a “quick fix” or instant solution, but instead embrace a process-based approach and long-term perspective.

“  
Through the use of data and new business models, platforms are beginning to offer great services to low-income customers and provide more inclusive services, such as lower marginal costs.

”

Rebecca Waghorn, DFID.



# DELIVERING DIGITAL AND FINANCIAL CAPABILITIES FOR WOMEN AND YOUTH

## MODERATOR

Rochelle Tomas, Bangko Sentral ng Pilipinas

## PANELISTS

Dr. Seeku A K Jaabi, Deputy Governor, Central Bank of The Gambia

Mayada El-Zoghbi, Managing Director, CFI

Betty Wilkinson, CEO, Financial Sector Deepening Zambia

Brian Muthiora, Director for Regulation, GSMA

*Digital tools are helping to improve the lives of countless women and youth by providing access to financial products and services for the first time.*

Among the biggest game changers have been mobile and digital technologies, which are helping women bypass restrictive social norms that prevent them from making their own financial choices, a particular issue in markets where men have greater access to financial services than women. Women living in rural areas are also benefiting from informal structures, such as savings groups, which do not require them to travel long distances to deposit or access funds.

Young people are using digital tools to monitor and manage their spending thanks to the use of mobile money ledgers and awareness-raising campaigns on social media. Efforts to improve financial literacy can start at an early age with panelists citing mobile apps in Chile that teach children to set financial goals and encourage parents to reward children when they achieve their goals.



Recognizing the different challenges and needs of youth, panelists discussed the importance of making credit products digital and loans flexible enough to incentivize early repayment. They added that young people must be equipped to transition into the workforce and their opinions must be taken seriously to stay ahead of the technology curve.

Panelists also noted that digital platforms were helping to measure the success of new technological innovations, with data providing much-needed insight into behavioral changes. They noted, however, that consumers must consent to the collection of measurement data on their financial decisions.

## THE GAMBIA

Dr. Seeku A K Jaabi, Deputy Governor of the Central Bank of The Gambia highlighted several challenges, including a lack of coordination between regulators and other stakeholders, broad interoperability issues and low levels of education and illiteracy. He said the bank was exploring ways to build the capacity of financial institutions in the country and build the digital literacy skills of its staff.

## ZAMBIA

In Zambia, the Bank of Zambia and private sector actors have been collaborating and sharing feedback on financial education efforts.

“

Access to finance and financial literacy is a package.

”

Dr. Seeku A K Jaabi, Deputy Governor, Central Bank of The Gambia



# ADDRESSING THE FINANCIAL NEEDS OF WOMEN IN THE AGE OF INNOVATION: THE ROLE OF CUSTOMER-CENTRIC DATA

## MODERATOR

**Stephane Dubois**, Manager, Gender and Growth Initiative, Chatham House

## PANELISTS

**Isabelle Carboni**, Senior Manager, Insight2Impact-Cenfri

**Juliet Maina**, Advocacy and Regulatory Manager, GSMA

**Wilson Kamali**, Director of Statistics, National Bank of Rwanda

**Khaled Bassiouny**, Head of Financial Inclusion, Central Bank of Egypt

**Michael Tarazi**, Lead, Member Engagement and Governance, CGAP

*Understanding women’s perspectives, needs and cultural barriers is crucial to meeting their financial needs. To increase financial inclusion among women, panelists noted that these considerations must be integrated in policies and market solutions at the design stage.*

Sex-disaggregated data, they added, is key to informing policymakers and private sector players of women’s financial needs, as findings often reveal the reasons for existing gender gaps. Panelists emphasized, however, that there is no one-size-fits-all methodology and that data collection must be tailored to identify the unique local challenges women face, address barriers and respond effectively. Crucially, gender-specific data collection must not only ask “what” but also “why”, such as, why do women use certain financial tools less than men?

While data segmentation is expensive and requires capacity building, panelists agreed these costs are outweighed by the benefits of embedding women’s perspectives and identifying potential long-term solutions.

Representatives from National Bank of Rwanda and Central Bank of Egypt shared their experiences in collecting and using sex-disaggregated data effectively, both demand- and supply-side data, to strengthen policies to meet women’s financial needs. At the

Central Bank of Egypt, data has been critical to informing and developing specific policies, including for financial literacy.

Panelists from Insight2Impact-Cenfri, CGAP and the GSMA discussed the different uses of sex-disaggregated data by policymakers and private sector actors, adding that both sides use their findings to develop gender-specific solutions for public policies and market opportunities. GSMA, for example, pointed to the use of mobile money and other DFS as an indicator of equality and equity, and a way to close the gender gap.

An audience poll of the session’s roughly 90 participants found that although most (over 75 percent) were collecting and segmenting financial data, only 40 percent had conducted specific research using that data to reduce the gender gap.

## CGAP

Michael Tarazi of CGAP emphasized that data must be segmented in a more granular way to have a significant impact on women’s financial inclusion. Private sector stakeholders must be permitted to collect more specific and contextual data to enhance overall understanding and create products that address the needs of target female populations. In addition, digitization does not necessarily provide custom solutions for women if, for example, an algorithm for lending to women is designed without considering women’s unique needs and circumstances.

## INSIGHT2IMPACT

Isabelle Carboni pointed out that many stakeholders are currently collecting demand-side sex-disaggregated data that focuses on financial needs. This is being complemented by transactional data that is critical to understanding financial behaviors and trends.

“

*If we want to move the needle on women’s financial inclusion, we must first understand women’s financial needs and then ask them what they can use to fulfil those needs so that we can identify the opportunities as well as the gaps that need to be addressed.*

”

*Isabelle Carboni, Senior Manager, Insight2Impact-Cenfri.*

# TECHNOLOGY IS THE KEY TO YOUTH FINANCIAL INCLUSION

## MODERATOR

Steve Vickers, CEO, Thunes

## MODERATOR

Prof. Florens D.M. Luoga, Governor, Bank of Tanzania

## PANELISTS

Ariane Umuringa, Co-Founder, Starlight Africa

Jamie Zimmerman, Senior Program Officer, BMGF

Mynard Mojica, Bank Officer, Bangko Sentral ng Pilipinas

Hategekimana Jean Baptiste, President, Rwanda Youth in Agribusiness Forum

Martin Warioba, Managing Partner, WS Technology

*Technology offers tools that can help reach young people, who tend to be disproportionately excluded from the financial system. While youth are often early adopters of technology, they also need safe and fair access to financial products and services. Introducing regulatory and legal policies that take advantage of the opportunities of technology while also minimizing potential risks, can help.*

However, young people are not a homogeneous group, and have varying financial needs and behaviors. These differences, panelists said, must be considered when developing financial products and services for youth. To create solutions tailored to the challenges of this demographic, stakeholders need to cultivate and sustain dialogue with youth whose financial habits and behaviors are still forming and can be shaped.



## NEXT STEPS

Panelists identified four main areas of intervention:

- > Address legal and regulatory barriers (e.g. age restrictions) that prevent youth from accessing financial products and services.
- > Understand the financial needs and behaviors of different youth segments and develop appropriate technology-driven products and services.
- > Use technology to teach positive financial behavior to minimize the risk of abuse when young people participate in formal financial systems.
- > Facilitate more research and collection of age-disaggregated data to better understand the youth segment.

“

Youth are considered risky. As such, banks fear the youth and, in turn, the youth fear banks.

”

Prof. Florens Luoga, Governor, Bank of Tanzania



## REACHING THE LAST MILE: SOLUTIONS FROM THE AFI FINTECH SHOWCASE

### PANEL JUDGES

**Caroline Abel**, Governor, Central Bank of Seychelles  
**Dr. Margarita Hernandez Naranjo**, Superintendent,  
Superintendencia de la Economía Popular y Solidaria  
de Ecuador

**Mathabo Makenete**, Deputy Governor, Central Bank  
of Lesotho

**Prof. Njuguna Ndung'u**, Executive Director, African  
Economic Research Consortium

**Wameek Noor**, FinTech Expert

*Innovation in FinTech is creating new possibilities for financial inclusion, particularly among groups disproportionately excluded from formal financial services, such as women, youth and FDPs.*

The 2019 AFI GPF brought together 10 promising FinTech innovators working to advance financial inclusion to engage with regulators at the first-ever FinTech Showcase. Each finalist delivered an “elevator pitch” on the main stage that outlined their product’s potential to address financial inclusion challenges and be scaled up for wider commercial use.

### OVERALL WINNER: OKO

Crop insurer OKO beat out nine worthy competitors to take home the top prize. CEO Simon Schwall explained how OKO provides insurance to smallholder farmers in Mali through mobile phones and uses satellite imagery and weather forecasting to help them become more resilient to climate risks and enable them to access microloans.



### SECOND PLACE: YEGO INNOVISION

Founder and CEO Karanvir Singh pitched Yego Innovision, a ride-hailing app for motorcycle taxis that offers standardized fares.

### THIRD PLACE: GESTELL

CEO Emmanuel Ruiz Velazquez spoke about Gestell’s goal of making compliance and regulatory-related activities more efficient and less costly using artificial intelligence (AI).

### FINALISTS

**IRISGUARD** - Consultant Herbert Louis delivered a presentation on IrisGuard, a platform that uses end-to-end iris recognition technology to deliver financial services to the unbanked through cardless cash withdrawals at ATMs, blockchain transfers, remittances and food voucher replacements in supermarkets.

**JUMO** - Environmental, Social and Governance Lead Riyaadh Hanslo described how Jumo helps unbanked and underbanked entrepreneurs, specifically women, access loans and savings products via their mobile phone.

**KLICKEX** - Founder and CEO Robert Bell highlighted KlickEx’s four programs operating in the Pacific, how they align with AFI’s goals and their links to de-risking and financial inclusion.

**PINBOX** - Co-founder and director Parul Khanna described how PinBox uses DFS and an application programming interface (API) to help low-income individuals save for retirement across Africa, Asia and Latin America.

**SINITIC** - CEO Curtis Matlock presented a system for central banks that automates the collection and categorization of multilingual financial consumer complaints, accessible to rural residents via SMS-feature phones and popular messaging apps.

**SMART SOLUTIONS** - CEO Niraj Gorkhali presented Smart Solutions, a regulatory information management system that combines reporting, geomapping and a business intelligence tool.

**PEOPLE’S PENSION TRUST** - CEO Gerard Bergsma pitched his product, People’s Pension Trust, which provides pension savings products to people working in the informal sector.

## LAUNCH OF THE GENDER INCLUSION AMBASSADORS

AFI welcomed its first Gender Inclusion Ambassadors, recognizing members who are fulfilling their Denarau Action Plan commitments and striving to achieve greater diversity in their institutions and close the financial inclusion gender gap.

During a high-level ceremony, senior representatives from 11 AFI member institutions took to the main stage at the Kigali Convention Center to receive their certificates. All met at least four of the seven criteria to become an ambassador, including having a gender-specific Maya Declaration commitment; a national financial inclusion strategy with a gender component; collected sex-disaggregated data; and a female governor or deputy governor.

Among the recipients was Bank of Zambia Deputy Governor Dr. Tukiya Kankasa-Mabula who, in her capacity as head of AFI's Gender Inclusive Finance Committee, addressed the other ambassadors in a speech that underscored the importance of recognizing past achievements to encourage future gender-inclusive action.

It is important, she said, to encourage others to advocate gender-inclusive finance at national and global levels, including through policy change and in-country implementation, but added that such measures must include both men and women.

“We acknowledge that global power still resides in men, therefore, men have a very great role to play if we are going to move the needle,” Dr. Tukiya said.

In his introductory remarks, AFI Executive Director Dr. Alfred Hannig congratulated the new gender ambassadors and hailed them for “leading the activities in closing the gender gap and supporting women’s leadership within their own institutions.”

In their new roles, the gender ambassadors will, among other things, prioritize gender on the financial inclusion agenda, take steps to support gender equality and diversity, act as national, regional and global ambassadors for AFI’s Gender Inclusive Finance work stream, support the delivery of the Denarau Action Plan and provide thought leadership through blogs and videos.

The growing importance of gender inclusivity to AFI member institutions became evident when more than half of AFI members who announced new Maya Declaration commitments at the 2019 AFI GPF also included specific targets for women and gender. Among



them were pledges to create a gender financial inclusion roadmap (Ministry of Finance Eswatini and Central Bank of Eswatini), increase the number of bank accounts for women through agent banking (Bangladesh Bank), collect sex-disaggregated data (Banque de la République d’Haïti) and incorporate women in a national financial literacy strategy (Reserve Bank of Malawi).

2019 Gender Inclusion Ambassadors:

- > Bangladesh Bank
- > Bank of Tanzania
- > Bank of Zambia
- > Bank of Ghana
- > Banque de la République d’Haïti
- > Central Bank of Egypt
- > Central Bank of Lesotho
- > Comisión Nacional Bancaria y de Valores (CNBV) Mexico
- > National Bank of Cambodia
- > National Bank of Rwanda
- > Reserve Bank of Zimbabwe

“  
This certification is just the beginning. It is not an end in itself but rather a commitment to ensure that the achievements so far are sustained and built upon.  
”

Dr. Tukiya Kankasa-Mabula, Chair of the AFI Gender & Women’s Financial Inclusion Committee and Deputy Governor, Bank of Zambia



## DECREASING THE GENDER FINANCE GAP: FROM STRONG PROMISES TO REAL IMPACT

### MODERATOR

Andreas Proksch, Director General, Sector and Global Programs, GIZ

### PANELISTS

- Lobna Helal, Deputy Governor, Central Bank of Egypt
- Mamadou Biteye, Vice-President, Social Impact, Central Europe, Middle East and Africa, VISA
- Shungu Gwarinda, Acting CEO, The Graça Machel Trust
- Inez Murray, CEO, Financial Alliance for Women
- Alfonso García Mora, Global Director Finance, Competitiveness and Innovation Global Practice, World Bank Group

*Closing the financial inclusion gender gap will require a range of effective solutions, including targeted, evidence-based solutions and sex-disaggregated data for designing products and services for women. At the same time, the banking community must be educated on the business case for targeting women customers.*

Among other measures, panelists noted that digital interventions, including digital literacy and skills, can boost women’s access to DFS, market information and market access. While FinTech firms are best placed to reach unbanked and underbanked populations, they must have an in-depth understanding of relevant local issues when designing products and services for women.

A wider range of microfinance products and services are needed that target women-owned micro, small and medium enterprises (MSMEs) and address their lower non-performing loan rates and higher savings rates. Panelists noted that digitizing financial services can only help if they operate in real time, as MSMEs must be able to circulate small sums of money quickly.

Panelists also noted that more work needs to be done to tackle restrictive social and cultural norms, including male bias. In Bangladesh, for example, women’s access to financial services is restricted as 99 percent of banking agents are men.

Change must also be internalized in institutions actively working to increase gender diversity within their ranks. To help ensure greater representation in

the future, they must develop leadership pipelines through mentoring, formal training, mandated gender representation, recognition awards and a balanced approach.

Significant progress is already being made in the AFI network. Deputy Governor Lobna Helal reported that the Central Bank of Egypt has designed a program that supports staff to become gender ambassadors at different levels across the institution. The central bank also has a mentoring program that coaches women in middle management to advance their careers. While the Egyptian Government mandates that 12 percent of board members must be women, this rate is more than double at the central bank at 25 percent.

Panelists emphasized that women are not a homogeneous group, and their financial needs vary by age, income level and income type. If AFI members are to fulfil their Denarau Action Plan commitments, financial products will need to be tailored to meet the needs and goals of different women.

How can stakeholders get to the root of the financial inclusion gender gap?

- > **Legal barriers** - Better policies and regulation will help ensure women face fewer legal barriers, but there is still a long way to go.

- > **Digital divide** - While women are benefiting from technological innovations (e.g. mobile money), a lack of targeted products and services, as well as the sheer speed of change, risk leaving many behind.
- > **Lack of formal identification** - Biometric and digital identification hold great potential as gateways to market access, information and financial services.
- > **Limited participation in the labour market** - More work needs to be done to address the challenges women face in earning income.

“

We have to keep the regulation and policy work separate and work on them in parallel with a gender lens applied.

”

Alfonso García Mora, Global Director Finance, Competitiveness and Innovation Global Practice, World Bank Group



## STRATEGY FOR FORMAL FINANCIAL SERVICES: OPPORTUNITIES FOR INFORMAL SAVINGS GROUPS

### MODERATOR

**Ahmed Dermish**, Lead Policy and Regulatory Specialist, UNCDF

### PANELISTS

**Simeone Athy**, Governor, Reserve Bank of Vanuatu

**Prof. Esselina Macome**, CEO, Financial Sector Deepening Moçambique

**Joyce Sepenoo**, Country Director, CARE Benin

**Shema Steve**, CEO, EXUUS Rwanda

*Savings groups play a key role in enhancing financial inclusion in low-income communities. For decades, communities have used informal savings mechanisms, which can be efficient and effective, but also provide limited consumer protection.*

During the session, panelists deliberated on the role of informal savings mechanisms in enhancing financial inclusion, the opportunities of technology to enhance performance and the role of regulators in supporting these informal groups.

They agreed that savings groups should be brought into the formal financial sector, adding that technology could play a vital role in this shift. Supported by appropriate structures, technology can significantly reduce the risks savings groups face in conducting transactions using cash. To ensure a smooth transition, regulators must use data on savings groups to understand potential risks and adopt appropriate solutions.

While the focus must be on linking informal savings groups to formal financial institutions, or regulating the distribution or operation channels, panelists noted that such moves should occur gradually and organically, and the social fabric on which these groups were formed should be respected.

## HIGH TECH, LOW TOUCH: ACCELERATING INCLUSION THROUGH DIGITAL MICROFINANCE

### MODERATOR

**Mankolo Beyani**, Assistant Director, Regulatory Policy, Bank of Zambia

### PANELISTS

**Sajith Attygalle**, Deputy Governor, Central Bank of Sri Lanka

**Waleed Samarah**, Inspector Assistant, Central Bank of Jordan

**Bastien Bedossa**, Deputy Head of Division, Financial Systems, Agence Française de Développement (AFD)

**Aimable Nkuranga**, Executive Director, Association of Microfinance Institutions in Rwanda

**Hope Murera**, Managing Director, ZEP-RE (PTA-Reinsurance Company)

*Panelists discussed new developments in digital microfinance, such as end-to-end digitization, and how they can be used to accelerate financial inclusion among women, youth and rural populations. They also looked at how regulators will need to expand existing infrastructure to create holistic and comprehensive payment systems, improve digital financial literacy, promote digital financial services through regulatory frameworks and protect consumers. Among the suggestions were payment regulatory sandboxes where new innovations could be tested in safe and secure environments.*



Three main challenges were identified: a shift in the use of digital channels by microfinance institutions (MFIs) in providing credit to SMEs; the role of regulators in encouraging the digitization of microfinance ecosystems; and how to promote insurance and embed it in products, such as microcredit, to ensure they are sustainable.

### JORDAN

Significant growth in the microfinance industry has been aided by the country's Microfinance Action Plan, a main pillar of its National Financial Inclusion Strategy, which encourages MFIs to use electronic bill and mobile payment systems. While making it easier for unbanked groups with digital wallets to conduct payments, there are concerns over the limited amount of data available and consumer protection. Jordan has responded with tighter regulation and the publication of cybersecurity instructions for financial institutions. It was emphasized that the industry should not be completely digitized, with some human interaction maintained between MFIs and clients.

### RWANDA

Digital products have gained significant traction in Rwanda. What began roughly a decade ago with customers making mobile money transactions has developed into account opening using mobile phones and, most recently, acquiring microloans through digital channels. Not only does this offer more convenience, but also more security than cash. Various financial education programs are in place to increase understanding and awareness of the benefits and risks associated with digital financial services. Institutions are taking advantage of technological leaps by developing new ways to profile clients. For example, some global data companies are using email and social media channels to verify a borrower's address, a method that is replicable elsewhere.



### SRI LANKA

While access to formal financial services is relatively high in Sri Lanka at around 75 percent, less than five percent of the population has a mobile money account. Adoption remains low partly due to the unwillingness of local banks to explore new technologies. While some financial institutions have recently begun using mobile phone-based e-money systems to disburse microloans, start-ups without collateral still struggle to access credit. In the current environment, existing technological and financial infrastructure could be used to streamline microfinance operations, and emerging FinTech innovations may require more favorable regulatory conditions. In response, the central bank is revamping the regulatory framework and introducing a new Microfinance Act to promote better access at the grassroots level for all.

“ We should have the balance and keep the human interaction between microfinance institutions and clients and not be fully digitized. ”

Waleed Samarah, Central Bank of Jordan



# REGULATING VIRTUAL ASSETS: SAFEGUARDING INTEGRITY WHILE REALIZING OPPORTUNITIES FOR INCLUSION

## MODERATOR

Prof. Leon Perlman, Columbia Business School

## PANELISTS

Florabelle Santos-Madrid, Director, Financial System Integrity, Bangko Sentral ng Pilipinas

Anca Bogdana Rusu, Partnerships, Policy and Advocacy, CELO

Karen Miller, Global Head, Leadership and Diversity Program, Women's World Banking

Bhushan Jomadar, Financial Sector Expert, Eastern and Southern Africa Anti-Money Laundering Group

*Panelists discussed potential use cases arising from virtual assets or cryptocurrencies, including the use of stablecoins to make social payments more efficient, and the need to comply with global standards for anti-money laundering and countering the financing of terrorism (AML/CFT).*

An audience poll found that 62 percent of participants felt that virtual assets have potential benefits for financial inclusion but have yet to have a real impact. A further 70 percent said there should be a globally coordinated regulatory framework for virtual assets even though regulatory approaches vary significantly across jurisdictions. AFI may have a role to play in building the capacity of regulators to understand the technologies involved and facilitate peer learning on regulatory approaches.

The panel also discussed Facebook's proposed digital currency, Libra, and the implications of Big Tech entering the virtual assets space. Karen Miller reported that Women's World Banking had joined the Libra Association to ensure women's needs were considered in the design of this new technology.

## CONCLUSION

While virtual assets must be regulated, regulators need to improve their understanding of blockchain and other ledger technologies to develop holistic regulatory frameworks that balance risks and opportunities. Among the central banks that have already introduced regulations is Bangko Sentral ng Pilipinas, which also warned against regulation that restricts innovation.

“

We would love to see public authorities experiment with different use cases. The more engagement we have with regulators, the more appropriate the regulation will be.

”

Anca Bogdana Rusu, Partnerships, Policy and Advocacy, CELO



# RESPONDING TO THE CLIMATE EMERGENCY: INCLUSIVE GREEN FINANCE

## THEME SETTER

Leah Namugerwa, Youth Representative

## MODERATOR

Dr. Alfred Hannig, Executive Director, AFI

## PANELISTS

Esala Masitabua, Deputy Governor, Reserve Bank of Fiji  
Elsie Addo Awazdzi, Second Deputy Governor, Bank of Ghana  
José Cantero Sienra, Chairman, Banco Central del Paraguay  
Andreas Proksch, Director General, Sector and Global Programs, GIZ

*Climate change activist Leah Namugerwa opened the panel session by urging regulators and policymakers to respond urgently to the ongoing climate emergency. She offered a succinct reminder that while climate change affects everyone, it is younger generations who will suffer most from inaction.*

“

The climate crisis is the first common crisis humanity has ever faced. It doesn't matter whether you are a child, adult, Christian, Muslim, poor, rich, educated, female or male. We are all victims.

”

Leah Namugerwa, Youth Representative

Panelists acknowledged the crucial role of financial regulators in inclusive green finance and the ways in which AFI members are championing this emerging policy area. They encouraged financial institutions to consider developing comprehensive climate risk strategies that address the reduction, adaptation and transfer of climate change risks. Amid expectations that the international development agenda will be dominated by sustainability and climate change over the coming decades, closer cooperation is needed with financial and insurance bodies, as well as networks like AFI.

On the ground, GIZ's Andreas Proksch said that more climate insurance products were needed, particularly those relating to insurance and finance regulation. In addition, insurance literacy campaigns must target vulnerable groups, such as smallholder farmers and fishing communities, to help them better understand climate insurance schemes and protect themselves against potential losses.



## GHANA

Central Bank of Ghana recently launched its Sustainable Banking Principles, which address climate risks by raising awareness, promoting mitigation and empowering disadvantaged populations. Developed with industry players and the Environmental Protection Agency, the seven principles have already been agreed to by all 23 banks operating in Ghana. Furthermore, the central bank has pioneered agricultural risk-sharing mechanisms that allow banks to promote sustainable agriculture practices and lend accordingly. This facility provides credit loss insurance and other risk-sharing mechanisms to advance de-risking efforts as banks work to promote sustainable banking.

## FIJI

As a nation often exposed to the full force of extreme weather events, the devastating impacts of climate change are all too familiar. Driven by a sense of urgency, Reserve Bank of Fiji's Esala Masitabua said that the central bank has achieved a great deal in climate change mitigation, but added that much more needs to be done to strengthen the resilience of people living at the bottom of economic pyramid. He emphasized that tackling climate change requires a shift in approach and mindset, and that stakeholders must work together to build the business case for consolidating possible short-term economic pain with long-term economic sustainability.

## PARAGUAY

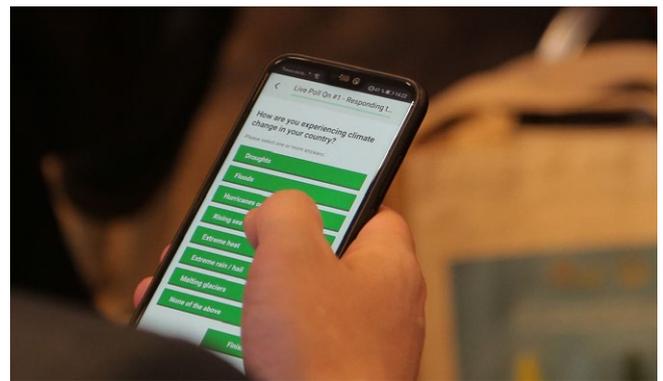
Banco Central del Paraguay, which has been pursuing sustainable finance since 2012, is revising its strategy plan to incorporate environmental issues and become a tool for national change. Recognizing the role of institutions as catalysts for change, the central bank actively encourages greater environmental awareness among its staff through various in-house initiatives, including an annual Green Day, certifying its office as a green building and recycling all deteriorated paper and plastic bills.

“

If we don't address climate change, we risk losing the hard-won gains in financial inclusion. We need to double down on our financial inclusion efforts, accelerate the efforts to strengthen the efforts for those at the bottom of the pyramid.

”

Esala Masitabua, Reserve Bank of Fiji



# FINANCIALLY INCLUDING THE INVISIBLE: HOW TECHNOLOGY HAS ECONOMICALLY EMPOWERED FORCIBLY DISPLACED YOUTH

## MODERATOR

Jamie Zimmerman, Senior Program Officer, Bill & Melinda Gates Foundation

## PANELISTS

Natascha Beinker, Deputy Head of Division, Federal Ministry of Economic Cooperation and Development (BMZ) Germany

Norbert Mumba, Deputy Executive Director, AFI

Olivier Kayumba, Permanent Secretary, Ministry in Charge of Emergency Management (MINEMA) Rwanda

Christopher Harrall, Vice President Global Public Policy, Mastercard

*Forced displacement is a global crisis that risks impeding the progress of the SDGs and commitments to “leave no one behind.” While there is greater understanding today of how the financial exclusion of FDPs can stifle social and economic development, solutions are often complicated and require collaboration with a multitude of stakeholders.*

Because of the protracted nature of the challenge, it was agreed that host communities must facilitate access to formal financial services. This would help ensure that FDPs do not become a drain on their host country’s economy and can eventually return home in a dignified manner.

Panelists highlighted how technology, particularly innovation from the private sector, can accelerate the financial inclusion of FDPs. They noted that platform economies can use biometric data to enable know-your-customer (KYC) processes for cross-border transfers for those who do not have access to national identity cards. Egypt, Jordan, Kenya and Uganda, they added, have made significant progress in this area.

They also emphasized the need for central banks and other financial regulators to develop enabling policies and regulations. Mastercard’s Christopher Harrall noted that his company’s operations were restricted in certain markets due to local standards, regulations and data.

Adding yet more complexity is the fact that roughly 50 percent of FDPs are under the age of 18, many of whom do not possess formal identification. Panelists discussed ways to ensure that young people are included in financial systems.

The session marked the first time that FDPs and financial inclusion were featured at a high-level plenary session at a GPF event.

“The long-time impact of excluding the FDPs is significant. Therefore, it is critical for policymakers to develop policies that can include them in the financial systems which enables them to participate in the economic activities.”

Norbert Mumba, Deputy Executive Director, AFI



## CLOSING CEREMONY

National Bank of Rwanda Governor John Rwangombwa officially closed the 2019 AFI GPF by ringing the ceremonial gong three times. In his final remarks, he thanked the participants and organizers while offering some parting words of wisdom for his peers.

“Financial inclusion is a win-win situation for providers and receivers,” he said. “For providers, they can benefit from increased clientele, which, ultimately, increases profitability. While for receivers, their wealth and welfare grows.”

Central Bank of Egypt Deputy Governor Lobna Helal also thanked those involved in organizing the 2019 AFI GPF. She then highlighted the key deliverables achieved, including the launch of two policy models, the introduction of gender inclusion ambassadors, the first Inclusive Green Finance Working Group meeting and the announcement of several new strategic partnerships.

“AFI’s 11th GPF is now coming officially to an end, but I am positive that the work done over the past few days has been given us another batch of knowledge, network connections and learnings that will prove instrumental to further achieving our collective objectives,” she said.

Last to speak was AFI Executive Director Dr. Alfred Hannig who thanked National Bank of Rwanda for the “warmth, relaxed and personal touch” felt at the 2019 AFI GPF that had made it such a success.

“We go away with a very good feeling and I think that the bar has risen again,” he said. “We’re very happy that you took the responsibility and for all the efforts to make that happen.”

Finally, a much-anticipated moment arrived when the Central Bank of Jordan was announced as the co-host of the 2020 AFI GPF in a video featuring Governor Ziad Fariz.

“  
This event is very important to us in Jordan. Since the beginning, we have been very involved in financial inclusion, therefore, the Global Policy Forum in 2020 is going to be held in our country. We hope that everybody will join and benefit from the meetings, discussions, brainstorming, ideas, interaction and, I hope, the fun and the joy of our beautiful country.  
”

Dr. Ziad Fariz, Governor, Central Bank of Jordan



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