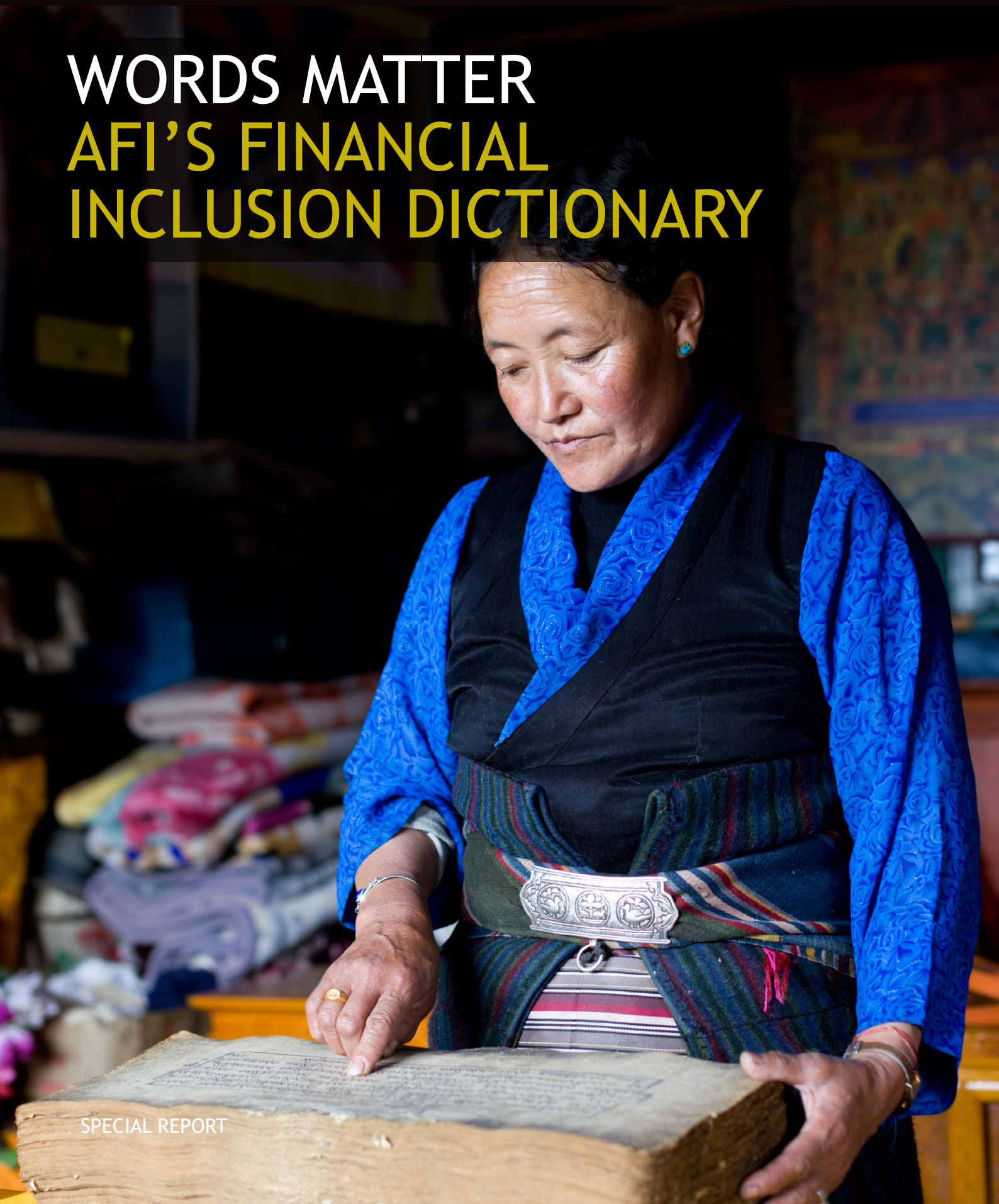




# WORDS MATTER AFI'S FINANCIAL INCLUSION DICTIONARY



SPECIAL REPORT



## ACKNOWLEDGMENTS

This special report is a product of AFI's Gender Inclusive Finance workstream.

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# LANGUAGE SHAPES OUR PERCEPTIONS OF THE WORLD, AND THE WORDS WE USE SHAPE HOW WE THINK AND SPEAK ABOUT OTHERS.

Historically, language has excluded many people across the globe.

The Alliance for Financial Inclusion (AFI) uses many common and specific technical terms relating to financial inclusion in the seven AFI thematic areas supported by the Working Groups and the additional cross-cutting themes of Youth Financial Inclusion, Gender Inclusive Finance (GIF), Forcibly Displaced Persons (FDPs), and Inclusive FinTech.

Many of the terms used by AFI are already well understood, but some are new and emerging terminology, specific to the technical work AFI undertakes to support the world's poor and increase financial inclusion through the development of smart, evidence-driven financial policies and regulations.

The appropriate and inclusive use of terminology is crucial in emerging policy areas such as youth financial inclusion, Inclusive Green Finance (IGF), and inclusive FinTech, where there are opportunities for members' technical understanding of relevant terminology to be enhanced, strengthened, and expanded.

This dictionary serves as a guide for AFI staff, members, and stakeholders to understand how AFI interprets and employs various terms and concepts, and is a supplement to the existing body of AFI knowledge and other available dictionaries. It does not purport to provide definitive global definitions but rather, it aims to serve as an intersectional resource that can help members learn and use inclusive and appropriate language to assist in their formulation of policies and regulations.



A-F

**ADAPTATION (TO CLIMATE CHANGE)**

Adjustment in natural or human systems to moderate harm and leverage beneficial opportunities arising from the actual or expected climate changes or their effects.



# A

<b>ACCESS</b>	Appropriate financial products are available for consumers to acknowledge and make use of.
<b>ACCESS POINT</b>	Regulated access points where cash-in (including deposits) and cash-out transactions can be performed. This includes traditional bank branches and other regulated offices (such as Monetary Financial Institutions). Depending on the type of transaction, this may also include agents and ATMs (only those that perform cash-in as well as cash-out transactions).
<b>ACCESS TO AND CONTROL OVER RESOURCES</b>	Access refers to the ability to use and benefit from specific resources (material, financial, human, social, political, etc.); control over resources entails being able to make decisions over the available resources. Resources refer to means and goods, including economic (household income) or productive assets (land, equipment, tools, work, credit, real estate).
<b>ACCESS TO INFORMATION</b>	Financial consumers can obtain information on financial products and services, to make informed and rational financial decisions.
<b>ACCOUNT HOLDER</b>	A person or entity with a balance amount in an account, held singly or jointly with another person or persons with a financial service provider (including mobile money service providers). It could also be a beneficiary who has obtained an interest in the account(s) of the previous account owner because of the latter's death.
<b>ACCOUNT INFORMATION SERVICE</b>	An online service to provide consolidated information on one or more payment accounts held by the customer with another payment service provider or with more than one payment service provider.
<b>ADAPTATION (TO CLIMATE CHANGE)</b>	Adjustment in natural or human systems to moderate harm and leverage beneficial opportunities arising from the actual or expected climate changes or their effects.
<b>ADMINISTRATIVE DATA</b>	A set of units and data derived from an administrative source.
<b>ADOLESCENCE</b>	A distinct stage that marks the transition between childhood and adulthood. The Swiss developmental psychologist Jean Piaget described adolescence as the period during which individuals' cognitive abilities fully mature.
<b>AEC (ANONYMITY-ENHANCED CRYPTOCURRENCY)</b>	Cryptocurrencies that obscure transactions on their blockchain to maintain the anonymity of its users and their activities. Participants and parties involved within a transaction will be the only ones to know the amount transacted, contrary to any outside observer.
<b>AFFORDABILITY</b>	A term used to determine whether the cost of using goods and services, including both interest rates and fees, is minimized. The term is used as a broad concept to apply to products and services in demand by the public. It is primarily applied to credit in the financial sector, but it can also be adapted to apply to savings, insurance, and payments.
<b>AGE-DISAGGREGATED DATA</b>	Disaggregation of data by a sequence of age groups for improved population information and analysis.
<b>AGENCY</b>	The ability of an individual, or group, to make independent choices and to act on those choices. Agency can be exercised individually or collectively within the family through participation in markets, formal or informal networks or even politics.

<b>AGENT</b>	Any third party acting on behalf of a bank, a financial institution, or a non-bank institution (including an E-Money issuer or other payment services provider) to deal directly with customers, under a contractual agreement. The term “agent” is commonly used even if a principal agent relationship does not exist under the regulatory framework in place.
<b>AGENT BANKING</b>	The agent banking model is one in which banks provide financial services through non-bank agents, such as grocery stores, retail outlets, post offices, pharmacies, or lottery outlet owners. The regulation, design, and implementation of agent banking can vary across countries. These differences are evident in the variety of services offered by agents, the types of business owners acting as agents, the types of financial institutions that work through agents and the business structures employed to manage them.
<b>AGRICULTURE FINANCE</b>	Financing of a range of activities related to agriculture, from production to market. Agricultural finance need not be rural, and rural finance is not always agricultural though agricultural and micro-financial service providers tend to have significantly overlapping objectives and opportunities.
<b>ALTERNATIVE DISPUTE RESOLUTION</b>	Available processes or systems that help existing as well as prospective financial consumers to resolve disputes against financial services providers arising from access and usage of a financial product or service without having to go to court. ADR methods may include arbitration, mediation, and conciliation.
<b>ANGEL INVESTOR</b>	An individual investor (qualified as defined by some national regulations), who invests directly (or through a personal holding) one’s money, is financially independent, invests predominantly in seed or start-up companies with no family relationships, invests with a medium to long-term perspective and is willing to provide, follow-up support to entrepreneurs from investment to exit. Angel investors usually give support to start-ups at the initial moments (where risks of the start-ups failing are relatively high) and when most investors and formal credit providers are not prepared to provide access to funding.
<b>ANGEL INVESTING</b>	The act of providing capital for a business start-up by an individual with a potential high-net-worth. This could be done in exchange for convertible debt or some equity share (share in ownership).
<b>ANNUAL PERCENTAGE RATE (APR)</b>	The cost of borrowing money, including interest, fees, and other loan-linked payments calculated as a percentage of the amount outstanding.
<b>ANTI-MONEY LAUNDERING (AML)</b>	A set of standards and the promotion of effective implementation of legal, regulatory, and operational measures for safeguarding the integrity of the international financial system from money laundering, terrorist financing, and other related threats.
<b>APPLICATION PROGRAMMING INTERFACE (API)</b>	A set of definitions and protocols that allows for the development of applications. This serves as a bridge between two programs, allowing them to communicate.
<b>ARTIFICIAL INTELLIGENCE (AI) AND MACHINE LEARNING (ML)</b>	A technology that performs functions that are traditionally performed by humans. Machine Learning is a subtype of artificial intelligence (AI) that learns from data and recognizes patterns to enhance existing algorithms.
<b>ASSET PROTECTION</b>	A set of techniques, strategies, and laws designed to protect individual and business assets against claims made by creditors.

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<b>ASYLUM SEEKERS</b>	People who look for international protection; some countries regard an asylum-seeker as someone whose claim is pending in the country where the individual applies for protection. Asylum-seekers are not always recognized as refugees, though the process classifies refugees initially as asylum-seekers.
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<b>AUTOMATED TELLER MACHINE (ATM)</b>	<p>“An electromechanical device that permits authorized users, typically using machine-readable plastic cards, to withdraw cash from their accounts and/or access other services, such as balance enquiries, transfer of funds or acceptance of deposits. ATMs may be operated either online with real-time access to an authorization database or offline.”</p> <p><small>This definition is provided by the Bank for International Settlements.</small></p>
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<b>B2B</b>	Business-to-business payments (or B2B) usually include payments between two companies engaged in commercial activities.
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<b>B2G</b>	Business-to-government payments (or B2G) include paying taxes and fees to government agencies/public authorities.
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<b>B2P</b>	Business-to-person payments (or B2P) include wage and salary payments or other payments made by businesses to private individuals.
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<b>BANK OF INTERNATIONAL SETTLEMENTS (BIS)</b>	An international financial institution that aims to promote global monetary and financial stability through cooperation between central banks.
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<b>BASEL COMMITTEE ON BANKING SUPERVISION (BCBS)</b>	The primary global standard setter for the prudential regulation of banks. It provides a forum for regular cooperation on the supervision of banks. It has 45-member central banks as well as bank supervisors from 28 jurisdictions.
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<b>BASEL FRAMEWORK (BASEL III)</b>	<p>A global regulatory framework for banks and banking systems. Basel III - the most recent of the reforms to the framework - was developed by the BCBS in response to the global financial crisis of 2008. Basel III builds upon the earlier Basel II rulebook and aims to strengthen the banking sector’s regulation, supervision, and risk management.</p> <p><small>This definition is provided by the European Central Bank (ECB).</small></p>
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<b>BEHAVIORAL ECONOMICS</b>	The fundamental principle of behavioral economics is that cognitive (knowledge and awareness), emotional (attitudes such as motivation, self-control, and self-efficacy), and social factors influence financial behavior. The social factors include broader social influences and motivations and the desire for social acceptance.
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<b>BENEFICIARY (FINANCIAL)</b>	A natural person or other legal entity who receives money or other financial gain or advantage from another person or legal entity.
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<b>BIG DATA</b>	High-volume, high-velocity and/or high-variety information that demands cost-effective, innovative forms of information processing that enable insight, decision making, and process automation. The big data movement seeks to extract intelligence from data and translate it into business advantage. It has emerged from analytics as a research discipline.
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<b>BIGTECH</b>	Large technology conglomerates with extensive customer networks and core businesses in social media, telecommunications, internet search, and e-commerce. The business model of BigTech is based on three factors: the data they already have on consumers, aiding BigTechs to better understand customer needs; the advanced analytics they use to deepen this understanding further; and the reliance on strong networks to leverage their large consumer base.
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<b>BLENDED FINANCE</b>	A mix of equity and debt carrying various levels of risk resulting in a hybrid financing instrument. The main investment barriers for private investors addressed by blended finance are (i) high perceived and real risk and (ii) limited returns for the risk relative to comparable investments. Blended finance creates investable opportunities in developing countries which leads to more development impact.
<b>BLOCKCHAIN</b>	A series of digital transactions grouped into “blocks” of information and shared securely across computers. When a new block is added, it is connected or “chained” to a previous block, making it challenging to change past information.
<b>BOOTSTRAPPING AND SWEAT EQUITY</b>	Bootstrapping refers to an approach to financing an enterprise by the owner(s) through personal savings, taking no income from the enterprise, taking loans from family and friends, retaining all income in the enterprise (‘sweat equity’) and establishing a cash runway. This is typically supported by lean operations and quick inventory turnover. The owner retains full control over the enterprise but also carries significant financial risk.
<b>BRANCHLESS BANKING</b>	The delivery of financial products and/or services outside conventional bank branches, often using agents and relying on information and communications technologies to transmit transaction details - typically card-reading point-of-sale (POS) terminals or mobile phones.
<b>BUSINESS APPRAISAL</b>	An economic analysis to conduct business valuation in order to determine the financial worth and feasibility of a business or a professional practice.
<b>BUSINESS DEVELOPMENT SERVICES</b>	Non-financial services and products offered to entrepreneurs at various stages of their business needs. These services are primarily aimed at skills transfer or business advice.
<b>C</b>	
<b>CAPACITY BUILDING</b>	The process of developing and strengthening the skills, instincts, abilities, processes, and resources that organizations, communities, and individuals need to cope with, adapt to, and thrive in a fast-changing world.
<b>CAPITAL ADEQUACY RATIO (CAR)</b>	Capital Adequacy Ratios are defined by central banks and consist of owner’s capital (net worth) required by a financial institution relative to the risk posed by its assets; thus, loan portfolios are determined to be 100 percent risky, while deposits with tightly regulated banking institutions would be determined to be less risky (50 percent), while cash issued by the central bank would be assumed to carry no risk (zero percent). The capital adequacy ratio (CAR) places a limit on the freedom of a financial institution to invest debt funds raised from the public or from other financial institutions in risky assets.
<b>CAPITAL ALLOCATION</b>	The distribution of a company or financial institution’s funds effectively to improve the financial performance, efficiency and achievement of other non-monetary goals including enhancing shareholder equity.
<b>CAPITAL EXPENDITURE</b>	The use of an organization’s funds or creation of liability to upgrade physical assets or enhance its capacity to increase or improve the intended outcomes of its activities.
<b>CARBON TAX</b>	A carbon tax directly sets a price on carbon by defining a tax rate on greenhouse gas (GHG) emissions or on the carbon content of fossil fuels. The emissions reduction outcome of a carbon tax is not pre-defined, unlike the carbon price in an emissions trading system.
<b>CASH-IN AND CASH-OUT (CICO)</b>	The process by which a customer exchanges cash for electronic value. Cash-in transactions are usually credit to the customer’s E-Money account. Cash-out transactions are usually a deduction from a customer’s E-Money account.



<b>CENSUS</b>	A survey conducted on a full set of observations belonging to a given population or universe.
<b>CENSUS DATA</b>	The complete enumeration of a population or groups at a given point in time with respect to well-defined characteristics, such as population, production, or traffic on identified roads that are of interest.
<b>CENTRAL BANK DIGITAL CURRENCY (CBDC)</b>	<p>The CBDC is defined by the Bali FinTech Agenda 2018 as “a digital payment instrument, denominated in the national unit of account, that is a direct liability of the central bank”.</p> <p><small>This definition is provided by the Bank for International Settlements (BIS).</small></p>
<b>CERTIFIED EMISSION REDUCTION (CER)</b>	A Kyoto Protocol unit is equal to one metric ton of CO <sub>2</sub> equivalent. Such CERs are provided for emission reductions from Clean Development Mechanism (CDM) project activities. Two special types of CERs are temporary certified emission reduction (tCERs) and long-term certified emission reductions (lCERs) issued for emission removals from afforestation and reforestation by CDM projects.
<b>CITIZEN-GENERATED DATA</b>	Data generated by non-state actors with the explicit consent of citizens to address social issues.
<b>CLEARING SYSTEM</b>	<p>Formal procedures that are established to attain the following:</p> <ul style="list-style-type: none"> <li>(a) present and exchange information relating to the transfer of money or securities by and among participants through a centralized system or at a particular location; and</li> <li>(b) calculate participants’ positions on a gross or net basis to facilitate settlement obligations between two or more participants.</li> </ul>
<b>CLIMATE BONDS INITIATIVE</b>	An international organization working to mobilize the USD 100 trillion bond market, the largest capital market of all, for climate change solutions.
<b>CLIMATE CHANGE</b>	<p>A change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability observed over comparable time periods. This makes a distinction between climate change resulting from human activities altering the composition of the atmosphere and climate variability resulting from natural causes.</p> <p><small>This definition is provided in part by the United Nations Framework Convention on Climate Change (UNFCCC).</small></p>
<b>CLIMATE FINANCE</b>	Local, national, or cross-border financing from public, private, and alternative sources to address the large-scale investments required to significantly reduce emissions, particularly in sectors that emit large quantities of greenhouse gases and have an impact on climate change.
<b>CLIMATE RISK ASSESSMENT</b>	Climate risk assessment is the basis for successful Climate Risk Management (CRM). It identifies potential climate risks, determines the magnitude of the likely impact on people, assets, and ecosystems, and provides the knowledge base necessary to find options for sustainable action on climate change. It shows how climate change and extreme weather events affect socio-economic factors to determine the risks for affected populations.
<b>CLIMATE RISK INSURANCE (CRI)</b>	A risk transfer mechanism that aims to protect individuals, businesses, and countries from the adverse impacts of extreme weather events as they become more frequent and more severe because of climate change.
<b>CLIMATE-SMART AGRICULTURE (CSA)</b>	An integrated approach to managing landscapes — cropland, livestock, forests, and fisheries — to address the challenges of food security resulting from climate change.

<b>CLOUD COMPUTING</b>	The delivery of computing services like storage and analytics over the internet. It reduces capital costs, increases processing speed by provisioning large amounts of computing resources, and provides elastic resources for scalability.
<b>COLD WALLET</b>	A cryptocurrency wallet that cannot be compromised because it is not connected to the Internet. Also called a “hardware wallet” and “offline wallet,” the cold wallet stores the user’s address and private key and works in conjunction with compatible software on the computer.
<b>COLLATERAL</b>	An asset or property that an individual or entity offers to a lender as a security for a loan.
<b>COMBATING THE FINANCING OF TERRORISM (CFT)</b>	<p>A framework of comprehensive and consistent measures which countries are expected to implement to combat money laundering and terrorist financing as well as the financing of the proliferation of weapons of mass destruction.</p> <p><small>This definition is provided by the Financial Action Task Force (FATF).</small></p>
<b>COMMITTEE ON PAYMENTS AND MARKET INFRASTRUCTURE (CPMI)</b>	An international standard setter that promotes, monitors, and makes recommendations about the safety and efficiency of payment, clearing, settlement, and related arrangements. It aims to support the financial stability of the wider economy. The CPMI also serves as a forum for central bank cooperation on oversight, policy, and operations, including the provision of central bank services.
<b>COMMUNICATION STRATEGY</b>	A set of systematic, efficient, and effective measures for engagement among all the financial inclusion stakeholders for better collaboration on the identified needs and to share and disseminate appropriate and complete information to the target audience and the general public.
<b>COMPLAINT HANDLING</b>	The process of considering complaints of financial consumers, solving the problem before it deteriorates, and taking good decisions to promote consumer confidence in the services offered by financial institutions.
<b>COMPLAINTS</b>	An expression of dissatisfaction about the provision of, or failure to provide, a financial product or a service a) which is made to a financial service provider by, or on behalf, of a financial consumer; and b) which alleges that, as a result of an act or omission by or on behalf of the financial service provider, the financial consumer has suffered or may suffer a: i) financial loss; ii) material inconvenience; or iii) material distress.
<b>COMPREHENSIVE REFUGEE RESPONSE FRAMEWORK (CRRF)</b>	A comprehensive set of commitments to be implemented in situations involving large-scale flows of refugees. It lists actions and best practices in the areas of reception and admission; support for immediate and ongoing needs; support for host countries; and enhanced opportunities for durable solutions.
<b>CONSENT</b>	The explicit agreement given by one person to another or one person to an organization or by an organization to another organization to agree to something. For example, customers allowing access to their payment account to the payment initiation service provider or account information service provider for the provision of an account information service or payment initiation service, for a specific period of time.
<b>CONSUMER EMPOWERMENT</b>	Consumer empowerment refers to policies and practices designed to empower consumers to make more informed financial decisions through the provision of information, education, and effective redress mechanisms; and to protect them through effective regulation, supervision, and enforcement of market conduct by FSPs.



<b>CONSUMER PROTECTION</b>	The practice of safeguarding buyers of goods and financial or other services, and the public, from unfair practices of sellers or providers of services. Consumer protection measures are established by law or stakeholder associations concerned to protect the reputation of their members as socially responsible entities. In finance, consumer protection is a process of levelling the playing field between suppliers and consumers of financial services in both digital and traditional environments.
<b>CONVENIENCE</b>	The ease of use of financial services and products, through deposit, payment, and transfer infrastructures, to manage cash flows and mitigate shocks. Mostly, convenient services are offered through digital channels like the internet, mobile phones (smartphones and digital feature phones), ATMs, POS terminals, NFC-enabled devices, chips, electronically enabled cards, biometric devices, tablets, phablets, and any other digital system.
<b>CONVENTION ON BIOLOGICAL DIVERSITY (CDB)</b>	The international legal instrument for “the conservation of biological diversity, the sustainable use of its components and the fair and equitable sharing of the benefits arising out of the utilization of genetic resources” that has been ratified by 196 nations. Its overall objective is to encourage actions which will lead to a sustainable future. <small>This definition is provided, in part, by the United Nations.</small>
<b>COOPERATIVE/CO-OP</b>	A business that is owned and operated by and for the benefit of its members/ shareholders. Each member usually has a single vote with nominally an equal say in the governance and operations of the institution.
<b>CORE LIFE SKILLS</b>	A set of skills that people need to manage school, work, outside interests, and social relationships successfully. From the perspective of brain development, these skills include planning, focus, self-control, awareness, and flexibility – also known as “executive function” and “self-regulation” skills.
<b>CORE SET OF FINANCIAL INCLUSION INDICATORS</b>	A common framework of quantitative indicators among financial policymakers set out to capture the state of financial inclusion in terms of access, usage, and quality dimensions of financial services in a country.
<b>COTTAGE AND SMALL INDUSTRY</b>	A small-scale, decentralized manufacturing business usually operated out of a home rather than a purpose-built or public-facing facility.
<b>CREDIT GUARANTEE SCHEME</b>	The provision of third-party credit risk mitigation to lenders through the promise of absorbing a portion of the lender’s losses on loans made to SMEs or other identified groups of borrowers in the event of default, typically in exchange for a fee.
<b>CREDIT REPORTING</b>	The submission of information on the credit status of an individual or organizational debtor to a mandated agency known as a credit bureau. The bureau is a privately-owned, privately-operated company that tracks the credit history of borrowers to produce scored credit reports on the individual or entity. Finance companies pay for this information as part of determining the credit risk of their customers.
<b>CREDIT SCORING</b>	A statistical analysis performed by lenders and financial institutions of a potential borrower’s financial status to determine the creditworthiness of the person or a small, owner-operated business.

<b>CREDIT UNION</b>	Not-for-profit member-owned financial institutions that are 1) governed by an internally elected board of directors comprised of members and 2) are typically managed by paid staff who are often supported by committees of volunteers as members. They are typically savings-based, i.e. they fund their loan portfolio with member deposits as opposed to external financing. Credit unions and financial cooperatives must be registered and are regulated usually by a special cooperative law if not by formal financial sector regulations of a country. Standards set out by cooperative law tend to be somewhat easier to meet than those in the banking laws; for example, the capital adequacy requirements – if they exist – may be lower. At the same time, cooperatives may not be allowed to offer the same range of services (such as current accounts) as banks.
<b>CROWDFUNDING OR ALTERNATIVE FINANCE</b>	A blanket term denoting a subsector of the FinTech industry. It consists of enterprises, namely platforms or originators, using electronic means to match supply from investors or donors with the demand for funds, represented by promoters (individuals or enterprises) who have specific projects to be funded.
<b>CRYPTOCURRENCY</b>	Cryptocurrency is a form of digital currency that can be traded, transferred, and used for investment or payment.
<b>CUSTOMER-CENTRIC APPROACH</b>	An approach which encourages providers of financial services to explore options for offering value-added financial and non-financial services to customers.
<b>CUSTOMER DUE DILIGENCE (CDD)</b>	The set of policies and procedures used by digital financial service providers to obtain customer information and determine the risks of money laundering and terrorist financing posed by a customer. It facilitates the detecting, monitoring, and reporting of suspicious activities. This term is frequently used interchangeably with Know-Your-Customer (KYC) arrangements.
<b>CYBER ASSESSMENT FRAMEWORK (CAF)</b>	A set of guidance for organizations responsible for vitally important services and activities. It consists of a set of 14 cyber security and resilience principles, together with guidance on using and applying the principles known as the CAF Collection.
<b>CYBERSECURITY</b>	The practice of safeguarding computer hardware and software (i.e. data, devices, programs, systems, and networks) against damage, failure, and abuse.

## D

<b>DARURAH</b>	An absolute necessity that permits forbidden Islamic practices, except for what is completely excluded. However, if a necessity is less than absolute, it is seen as a need and is sometimes broadly included in necessity.
<b>DATA</b>	Factual information from which statistics are created.
<b>DATA PRIVACY</b>	The appropriate use and management of personal data regarding entitlements to privacy and ‘data protection’, as securing data against unauthorized use.
<b>DATA PROTECTION</b>	The set of privacy-motivated laws, policies and procedures that aim to minimize intrusion into the privacy of respondents resulting from the collection, storage, and dissemination of personal data.
<b>DEBT CROWDFUNDING</b>	Obtaining finance through an online platform from multiple investors. It is similar to P2P but could be labelled informed P2B (person-to-business).
<b>DECENTRALIZED FINANCE (DEFI)</b>	The key elements of this ecosystem are novel automated protocols on blockchains - to support trading, lending, and investment of cryptoassets - and stablecoins that facilitate fund transfers.

This definition is provided by the Bank for International Settlements (BIS).



DEMAND-SIDE DATA ON FINANCIAL INCLUSION	Financial inclusion data collected from or concerning a household, individual, or small business. Individual-level surveys are necessary to collect data on the demographic characteristics of financial services users to identify segments of the population with the most significant barriers to access to finance, including women, rural residents, and the poor.
DEPOSIT ACCOUNTS IN FINANCIAL INCLUSION	An account in a financial institution that provides financial access that enables day-to-day activities.
DEPOSIT INSURANCE	Deposit insurance guarantees depositors in the event of loss resulting from bank failure; the insured amount is usually capped and may not cover the full amount of outstanding balances.
DESIGNATED NON-FINANCIAL BUSINESSES AND PROFESSIONS (DNFBP)	<p>A classification used by the Financial Action Task Force (FATF) denoting non-financial businesses and professions that carry a threat of money laundering and engagement in terrorism financing. Designated non-financial businesses and professions are:</p> <ul style="list-style-type: none"> <li>(a) casinos</li> <li>(b) real estate agents</li> <li>(c) dealers in precious metals</li> <li>(d) dealers in precious stones</li> <li>(e) lawyers, notaries, other independent legal professionals and accountants - this refers to sole practitioners, partners or employed professionals within professional firms. It is not meant to refer to 'internal' professionals that are employees of other types of businesses, nor to professionals working for government agencies who may already be subject to AML/CFT measures.</li> </ul> <p><small>This definition is provided, in part, by FATF.</small></p>
DEVELOPMENT FINANCE	The use of public sector resources to support private sector investment in low- and middle-income countries when the investment is intended to have a favorable impact on the economic growth and development of the host developing countries.
DEVELOPMENT FINANCE INSTITUTIONS (DFIs)	Specialized development banks or subsidiaries established with the aim of supporting the growth of the private sector as well as of the middle class in developing countries. They are usually owned by national governments and obtain their capital from national or international development funds along with acting as a conduit for government guarantees of lending to MSMEs.
DIAGNOSTIC STUDIES	An analytical and in-depth assessment of financial inclusion and financial infrastructure, which can be very valuable in informing the design, prioritization, and sequencing of policy and legal reforms, and of public interventions.
DIFFERENTIAL EXPOSURE TO CLIMATE AND DISASTER	This is about the presence of people; livelihoods; species or ecosystems; environmental factors, services, and resources; infrastructure; or economic, social, or cultural assets in places and settings that could be adversely affected, with different exposure for women, men, girls and boys to climate and disaster-related hazards. For example, more men than women may die from a hurricane as more were engaged in open-air activities (and were therefore exposed) when the hurricane struck.

<b>DIFFERENTIAL VULNERABILITY TO CLIMATE AND DISASTER</b>	Vulnerability can be specific to a person's gender, sensitivity or susceptibility to harm and capacity to cope and adapt to change. Disasters and changes affect people differently and can magnify existing inequalities. Overall, women and men are vulnerable to climate change and weather-related disasters. However, women often bear more of the burden because of cultural, social, institutional, and legal context rather than on account of physical or biological differences. This gender vulnerability is an intrinsic feature of women and girls because of their marginalization; cultural norms often constrain women's access to emergency warnings and disaster shelters, thereby increasing their vulnerability to disaster.
<b>DIGITAL BANK</b>	A regulated financial institution that delivers a wide range of banking products and services, primarily through virtual means.
<b>DIGITAL CHANNELS</b>	A range of digital systems, including the internet, mobile phones, ATMs, POS terminals, and electronically enabled cards.
<b>DIGITAL CURRENCY</b>	Assets whose value is determined by supply and demand akin to commodities like gold. However, in contrast to commodities, they have no intrinsic value. Unlike traditional E-Money, they are not backed by any individual or organization. The value of digital currencies depends on the notion that they can be exchanged for commodities, services, or sovereign or fiat currency in the future. <small>This definition is provided by the Bank of International Settlements (BIS).</small>
<b>DIGITAL DATA</b>	Non-physical data generated as a by-product of everyday interactions with digital products or services; it is characterized by its large volume, variety, lack of structure, and high rate of generation.
<b>DIGITAL FINANCIAL CAPABILITY</b>	An individual's competencies in financial knowledge, skills, and behaviors needed to undertake informed, confident, and relevant decisions and actions about personal and household finances to improve one's financial well-being and to apply those competencies in a digital environment.
<b>DIGITAL FINANCIAL INCLUSION</b>	The use and promotion of digital financial services (DFS) to advance financial inclusion.
<b>DIGITAL FINANCIAL INFRASTRUCTURE</b>	The availability of mobile communication devices - ideally smartphones supported by broadband internet, although this is by no means necessary.
<b>DIGITAL FINANCIAL LITERACY</b>	Acquiring the knowledge, skills, confidence, and competence to safely use digitally delivered financial products and services, make informed financial decisions, and act in one's best financial interest based on the individual's economic and social circumstances.
<b>DIGITAL FINANCIAL SERVICE (DFS) PROVIDER</b>	A financial institution that uses technology/mobile phones to access financial services and execute financial transactions.
<b>DIGITAL FINANCIAL SERVICES (DFS)</b>	The broad range of financial services accessed and delivered through digital channels, including payments, credit, savings, remittances, and insurance. The DFS concept includes mobile financial services (MFS).
<b>DIGITAL IDENTITY</b>	Any government-issued digitalized or digital identity document that is linked to a person's "official" or "legal" identity and recognized by the government for official purposes, including those that are provided in partnership with the private sector or other authorized entities, such as the United Nations High Commissioner for Refugees (UNHCR).
<b>DIGITAL WALLET</b>	An electronic service on either a mobile device or online that holds assets (funds, tokens, vouchers, or cryptocurrencies) on behalf of a user. The same device or system often allows individuals to make electronic transactions.



<b>DIGITALLY DELIVERED CREDIT</b>	Credit accessed through a digital channel, either on the internet or through a mobile device or a third-party agent.
<b>DISASTER MANAGEMENT</b>	The organization and management of resources and determining responsibilities for enabling a humanitarian response to the adverse effects of emergencies. It entails preparedness for disasters and quick response followed by recovery to lessen the impact of disasters.
<b>DISASTER PREPAREDNESS</b>	The organization, education, and training of the population and disaster-related institutions in facilitating effective control, early warning, evacuation, rescue, relief, and assistance operations when a disaster or emergency occurs.
<b>DISASTER RECOVERY</b>	Decisions and actions taken after a disaster with a view to restoring or improving the pre-disaster living conditions of the stricken community while encouraging and facilitating necessary adjustments to reduce disaster risk.
<b>DISASTER RESPONSE</b>	A set of decisions and actions taken during and after a disaster, ranging from immediate relief to rehabilitation to reconstruction.
<b>DISASTER RISK REDUCTION</b>	Action taken to reduce the risks associated with disasters and the impacts of natural hazards through systematic analysis and management of their causes to enable avoidance of and reduced social and economic vulnerability to hazards, along with improved preparedness for such events.
<b>DISPUTE - FINANCIAL</b>	To question the validity of a financial transaction and insist on its correction either directly or by applying conciliation or arbitration processes.
<b>DISTRIBUTED LEDGER TECHNOLOGY</b>	The use of independent computers (referred to as nodes) to record, share, and synchronize transactions in their respective electronic ledgers (instead of keeping data centralized as in a traditional ledger). Blockchain organizes data into blocks, which are chained in an append-only mode. Blockchain is one type of distributed ledger.

## E

<b>ECONOMIC EMPOWERMENT</b>	The capacity of a person to stimulate and benefit from economic change for themselves and to make economic decisions for themselves.
<b>ECONOMIC GENDER-BASED VIOLENCE (GBV)</b>	Any act or behavior which causes economic harm to an individual based on socially determined gender differences between women and men. Economic violence can take the form of property damage, restricting access to financial resources, education, or the labor market, or not complying with economic responsibilities, such as alimony, etc.
<b>EFFECTIVE INTEREST RATE</b>	The real rate of return on a savings account to the holder or a credit account to the lender, considering the effect of compounding over time. It shows the real percentage rate owed by the debtor as interest on a loan.
<b>ELECTRONIC BANKING (E-BANKING)</b>	The provision of banking products and services, including electronic payments, through electronic channels. The electronic banking (E-Banking) concept includes mobile banking, internet banking, ATMs, and POS banking transactions, among others.
<b>ELECTRONIC DATA WAREHOUSE (EDW)</b>	A system that saves data in a defined manner. Data is typically only loaded into the warehouse when an application for the data has been determined. The data structure and schema are established beforehand to optimize quick SQL queries.

<b>ELECTRONIC FUNDS TRANSFER (EFT)</b>	Any transfer of funds initiated through an electronic terminal, telephone, mobile phone, tablet, phablet, computer system, or magnetic tape for the purpose of ordering, instructing, or authorizing a payment services provider to debit or credit a customer's bank or E-Money account.
<b>ELECTRONIC KNOW-YOUR-CUSTOMER (EKYC)</b>	Online procedures (remote and paperless process) for due diligence measures undertaken by a financial institution, including policies and procedures, to identify a customer and the motivations behind his or her financial activities.
<b>ELECTRONIC MONEY (E-MONEY)</b>	A type of monetary value electronically stored and generally understood to have the following attributes: (i) issued upon receipt of funds in an amount no lesser in value than the value of the E-Money issued and in the same currency, (ii) stored on an electronic device, whether or not it is SIM enabled (e.g. a chip, pre-paid card, mobile phone, tablet, phablet, or any other computer system), (iii) accepted as a means of payment by parties other than the issuer, and (iv) convertible into cash.
<b>ELECTRONIC MONEY ISSUER (EMI)</b>	The entity that initially issues E-Money against receipt of funds. Some countries only permit banks to issue E-Money (see Bank-based and Bank-led Models), while others permit non-banks to issue E-Money (see Non-bank-based and Non-bank-led Models).
<b>ELECTRONIC PAYMENT</b>	Any payment made through an electronic funds transfer (EFT).
<b>EMISSIONS TRADING</b>	One of the three Kyoto mechanisms, by which an Annex I Party (OECD and other relatively developed countries) may transfer Kyoto Protocol units to, or acquire units from, another Annex I Party. An Annex I Party must meet specific eligibility requirements to participate in this emissions trading.
<b>ENFORCEMENT MECHANISMS</b>	Means to compel supervised financial institutions to comply with prudential requirements laid down by statutory supervisory bodies or regulatory institutions.
<b>ENTREPRENEURSHIP</b>	The capacity to create and develop new business ventures.
<b>ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT (ESRM)</b>	An organizational structure, associated responsibilities, and procedures for integrating environmental and social considerations and objectives into the decision-making processes of an organization to alleviate the environmental and social impacts of its operations.
<b>ENVIRONMENTAL AND SOCIAL SAFEGUARDS (ESS)</b>	A system of processes and procedures to manage environmental and social risks and impacts equitably and improve outcomes of activities financed by the Green Climate Fund (GCF).
<b>ENVIRONMENTAL IMPACT ASSESSMENT (EIA)</b>	An environmental decision support tool which provides information on the likely impacts of development projects to those who take the decision as to whether the project should be authorized. It generates information about the likely consequences of decisions vis-a-vis the environment while seeking to avoid, reduce, or mitigate potential adverse impacts through the consideration of alternative options, sites, or processes.
<b>ENVIRONMENTAL RISK MANAGEMENT</b>	The conscious and coordinated effort to appraise the potential and/or current impact of various productive activities on the people and the affected environment.
<b>ENVIRONMENTAL SOCIAL AND GOVERNANCE (ESG)</b>	A set of standards for the operations of companies that can be used by socially conscious investors to screen their investments. The environmental aspects consider how a company performs in minimizing its environmental impact. Social criteria are applied to its relationships with employees, consumers, and the general public. Governance addresses the quality of the company's leadership with respect to executive pay, audits, internal controls, and shareholder rights.

<b>EQUITY CROWDFUNDING</b>	Raising capital online directly from the public through the sale of equity in a private enterprise (company) without the involvement of a stock exchange. The terms of the transactions, as determined by the enterprise/entrepreneur raising the funds, are published online.
<b>EVALUATION</b>	A systematic determination of a subject's merit, value, and significance using criteria governed by a set of standards set along internationally agreed principles. The primary purpose of evaluation is to enable reflection and assist in the identification of future change to produce better outcomes and impact, in addition to gaining insight into prior or existing initiatives.
<b>ELECTRONIC WALLET (E-WALLET)</b>	A place where money can be stored securely and quickly for electronic transactions. A smart card or a mobile phone can be used as an electronic wallet. Individuals can use electronic wallets to store money in a safe place, even if they do not have a bank account.  This definition could differ from country to country.
<b>EXTERNAL DISPUTE RESOLUTION</b>	The process of escalating a financial consumer complaint by engaging one or more external authorities with the regulatory power to resolve complaints and provide sectoral expertise and enforcement action.

## F

<b>FACTORING</b>	A financial transaction in which an enterprise (the “debtor”) sells its receivable accounts (invoices) to another party (called a factor).
<b>FAIR TREATMENT</b>	No one group of people should bear a disproportionate share of the negative consequences of industrial, governmental, or commercial operations and policies. It also implies that all groups should receive benefits promptly and in an equitable manner.
<b>FATF-STYLE REGIONAL BODIES (FSRBs)</b>	<p>In conjunction with FATF, FSRBs are interdependent partners in global anti-money laundering and countering the financing of terrorist network. There are nine FSRBs:</p> <ul style="list-style-type: none"> <li>&gt; Asia/Pacific Group on Money Laundering (APG) based in Sydney, Australia;</li> <li>&gt; Caribbean Financial Action Task Force (CFATF) based in Port of Spain, Trinidad and Tobago;</li> <li>&gt; Eurasian Group (EAG) based in Moscow, Russia;</li> <li>&gt; Eastern &amp; Southern Africa Anti-Money Laundering Group (ESAAMLG) based in Dar es Salaam, Tanzania;</li> <li>&gt; Central Africa Anti-Money Laundering Group (GABAC) based in Libreville, Gabon;</li> <li>&gt; Latin America Anti-Money Laundering Group (GAFILAT) based in Buenos Aires, Argentina;</li> <li>&gt; West Africa Money Laundering Group (GIABA) based in Dakar, Senegal;</li> <li>&gt; Middle East and North Africa Financial Action Task Force (MENAFATF) based in Manama, Bahrain;</li> <li>&gt; Council of Europe Anti-Money Laundering Group (MONEYVAL) based in Strasbourg, France (Council of Europe).</li> </ul> <p>This definition is provided, in part, by the Financial Action Task Force (FATF).</p>
<b>FINANCIAL ACTION TASK FORCE (FATF)</b>	The global money laundering and terrorist financing prevention agency. This inter-governmental body sets designed to prevent these illegal activities from causing as little harm as possible. The FATF also works on policy to generate the political will necessary to reform legislative and regulatory action in this field.



<b>FINANCIAL CAPABILITY</b>	An individual's confidence and competence in financial knowledge, skills, and behaviors needed to undertake informed, confident, and relevant decisions and actions about personal and household finances to improve a person's financial well-being.
<b>FINANCIAL EDUCATION</b>	Access to relevant, objective information, and training that equips individuals with the knowledge, skills, attitude, and experience necessary to make educated financial decisions and take actions that are suitable for their circumstances.
<b>FINANCIAL HEALTH</b>	A household or individual's ability to manage their financial affairs well enough to be confident about the future. See also Financial Wellbeing.
<b>FINANCIAL INCLUSION</b>	Access to and regular usage of quality financial services through payment infrastructures to manage cash flows and mitigate shocks. Such financial services are delivered by formal providers through a range of services with dignity and fairness. <small>This definition could differ from country to country.</small>
<b>FINANCIAL INCLUSION NATIONAL ROADMAP/ ACTION/ IMPLEMENTATION PLAN</b>	Roadmaps of actions agreed upon and defined at the national or subnational level, which stakeholders follow to achieve financial inclusion objectives.
<b>FINANCIAL INCLUSION STRATEGY</b>	Strategic directions that are agreed upon and defined at the national or subnational level, which stakeholders follow to achieve financial inclusion objectives.
<b>FINANCIAL LITERACY</b>	Awareness and knowledge of financial concepts and products required for managing personal finances, considering one's economic and social circumstances, knowledge and understanding of risks and the ability, motivation, and confidence to apply that knowledge to make decisions in different financial contexts.
<b>FINANCIAL LITERACY INDEX</b>	Index for assessing the level of financial literacy of households/individuals.
<b>FINANCIAL SECTOR ASSESSMENT PROGRAM (FSAP)</b>	A comprehensive and in-depth analysis of a country's financial sector. The FSAP is a joint program of the International Monetary Fund and the World Bank Group. It is a crucial part of the International Monetary Fund's financial surveillance and input to the Article IV consultations, which require the IMF to hold bilateral discussions with its members on an annual basis. A staff team visits the country, collects economic and financial information, and discusses with officials the country's economic developments and policies.
<b>FINANCIAL SERVICE PROVIDER (FSP)</b>	A financial institution that provides access to financial services like credit, savings, remittances, and insurance using either manual delivery or digital channels.
<b>FINANCIAL STABILITY BOARD (FSB)</b>	The FSB monitors and makes recommendations for promoting stability in the global financial system.
<b>FINANCIAL SYSTEM</b>	A set of institutions and markets that work to mobilize funds and provide services, including payment systems and financial markets that support commercial activity.
<b>FINANCIAL TECHNOLOGY (FINTECH)</b>	The use of technology and innovative business models in the provision of financial services. The term is a contraction of "Financial Technology". It refers mainly to technological innovations in the financial sector, including innovations in financial literacy and education, retail banking, investment, and even cryptocurrencies.
<b>FINANCIAL WELLBEING</b>	A condition in which a person can meet all of their current and future financial responsibilities, feel financially secure, and make decisions that allow them to thrive. This indicates a sense of security by having control over everyday finances and the freedom to enjoy life in the present, as well as financial security in the future by the ability to endure a shock and the freedom to enjoy life by staying on track to achieve financial goals.

<b>FINANCIALLY EXCLUDED (FORMALLY)</b>	A term describing individuals and or businesses who do not have access to traditional and formal financial services and products such as savings, credit, insurance, and payment services. Instead, they may use informal products and services or a mix of formal and informal services depending on their needs and the services available and accessible to them.
<b>FIQH</b>	Knowledge of practical legal rulings gained from detailed evidence and based on the sources of Islamic legislation.
<b>FIQH AL-MUAMALAT</b>	Islamic commercial law: knowledge of practical Islamic Sharia rulings related to financial transactions, family, judiciary, felonies, contracts, and others.
<b>FORCIBLY DISPLACED PERSON (FDP)</b>	An individual who has been forced from their home involuntarily. The most common reasons that an individual becomes an FDP are armed conflict, human-made or natural disasters, ecological degradation, generalized violence and violation of human rights, including persecution based on ethnicity, nationality, political opinion, sex, or gender.
<b>FORMAL FINANCIAL SERVICE PROVIDERS</b>	Institutions that have government recognition for providing financial services; these are mostly but not necessarily regulated. Types of formal providers of financial services include commercial banks, state banks, rural/agricultural banks, savings banks, and non-bank financial institutions. Other financial service providers like microfinance NGOs and credit unions are also often considered to be formal though they are not always regulated.
<b>FORMULATION (OF A POLICY)</b>	Process of designing a coherent and comprehensive document (or set of documents) identifying financial inclusion policy areas and coordinating key stakeholders regarding their respective actions aimed at achieving a set financial inclusion goal(s).
<b>FUNDING (OR FINANCING) GAP</b>	The amount of money needed for an organization to maintain operations or to enable the future development of a business or project that is not currently funded. The financing gap typically refers to the initial stages of activities like research, product development, and marketing of new companies.



G-K

#### GENDER BALANCE OR EQUAL REPRESENTATION/PARTICIPATION

The equal participation of women and men in all areas of work (international and national) at all levels, including in senior positions. It also covers programs that agencies initiate or support (e.g. education, healthcare, and food distribution programs) and the realm of politics.



# G

<b>G20</b>	The leading international forum for economic cooperation. The members of the G20 are: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, the Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the United Kingdom, the United States, and the European Union.
<b>G24</b>	<p>The Intergovernmental Group of Twenty-Four on International Monetary Affairs and Development (G-24) coordinates the position of developing countries on monetary and development issues in the deliberations and decisions of the Bretton Woods Institutions (BWI).</p> <p><small>This definition is provided by the G24.</small></p>
<b>G2B GOVERNMENT TO BUSINESS</b>	Government-to-business (G2B) payments include tax refunds, goods and services purchases and subsidies.
<b>G2P GOVERNMENT TO PERSON</b>	Government-to-person (G2P) payments include the disbursement of government benefits and salary payments.
<b>GENDER</b>	A spectrum that extends beyond the binary of women and men, but it is commonly understood as the role, behavior, activities, and attributes that a society, at a given time, considers appropriate for women and men. These socially constructed attributes, opportunities, and relationships, which differ from biological sex, are typically transmitted through the socialization process and reinforced by social and cultural norms.
<b>GENDER ANALYSIS</b>	A systematic examination of differences in the opportunities available and constraints faced by an individual or group of individuals based on their sex and gender identity. Gender analysis explores social relationships and gender differences across domains, including the gendered division of labor, access to and control over resources, decision-making power, and the opportunities for advancing gender equality.
<b>GENDER AUDIT</b>	A process based on a participatory methodology to promote learning at the individual, work unit, and organizational levels on how to mainstream gender in a practical and effective manner. This is essentially a “social audit”, and similar to “quality audits”, as opposed to “financial audits”.
<b>GENDER AWARE</b>	An understanding that the roles and social relationships of women and men are varied and that this has a profound influence on their needs and aspirations.
<b>GENDER BALANCE OR EQUAL REPRESENTATION/ PARTICIPATION</b>	The equal participation of women and men in all areas of work (international and national) at all levels, including in senior positions. It also covers programs that agencies initiate or support (e.g. education, healthcare, and food distribution programs) and the realm of politics.
<b>GENDER BIAS</b>	Prejudiced actions or thoughts that affect a person or a group of people based on their perceived gender. Such bias results in unequal and/or unfair treatment, including gender-based discrimination in the workplace or gender stereotyping in the media. It also leads to unequal and unfair access to resources such as income, food, health care, land ownership, and education. Gender bias can be conscious or unconscious, explicit or implicit. It can occur in the public sphere, such as in access to financial services/ documentation required for bank accounts, as well as in the private sphere within households.
<b>GENDER BLIND</b>	Failure to recognize gender as a determinant of social outcomes resulting from the implementation of projects and policies.

<b>GENDER CONSIDERATIONS</b>	A way of looking at how social norms and power structures affect the lives and opportunities available to women and men in different life areas.
<b>GENDER DATA</b>	Factual information about people based on their gender; this could include quantitative or qualitative data collected and presented by sex, data that reflect the diversity of people's identities, and issues related to gender inequality. For example, unpaid care work, gender-based violence (GBV), and unequal access to and control over resources may be collected in this manner. Gender data collection methods consider stereotypes and social and cultural factors that may otherwise introduce error, underreporting, or bias in the data.
<b>GENDER DIFFERENCES</b>	A social and cultural approach to understanding the differences in attributes of men, women, girls and boys, and accordingly, the differences in roles and responsibilities of women and men. Gender-based roles and other attributes can change over time and in different cultural contexts. Expectations about the characteristics, aptitudes, and behaviors of women and men (femininity and masculinity) also vary.
<b>GENDER DISCRIMINATION</b>	A distinction, exclusion, or restriction made based on a person's sex and/or gender identity rather than on their merit or skills. This type of inequality in treatment can be direct when a difference in treatment is based explicitly on gender; or indirect, which occurs when an apparently neutral law, policy, program, or practice has a discriminatory effect in implementation. Gender discrimination can result from individual perception and application or be systemic. Systemic gender discrimination consists of behavior, policies or practices that are part of the structures or culture of an institution which creates or perpetuates disadvantages for women and girls and for those who do not conform to the male/female binary.
<b>GENDER EQUALITY</b>	Equal rights, responsibilities and opportunities of women and men, girls and boys. Rather than requiring women and men to become the same, it is to ensure that women's and men's rights, responsibilities, and opportunities do not depend on their gender.
<b>GENDER EQUITY</b>	Fairness in treatment of all people regardless of sex or gender identity or expression. The concept recognizes that individuals have different needs, abilities, and power based on their sex or gender identity with the differences being identified and addressed to rectify inequities. To ensure fairness, affirmative action can be used to remedy gaps and compensate for historical and social disadvantages that prevent individuals from operating as equals.
<b>GENDER FOCAL POINTS</b>	A key member of an organization who is responsible for ensuring that gender considerations are incorporated into their policies, practices, processes, and procedures.
<b>GENDER GAP</b>	The difference between women and men, boys and girls in society based on gendered norms and expectations. Gender gaps represent the unequal distribution of resources, opportunities, and outcomes and usually become apparent through the analysis of gender data that reveals the extent of the inequalities.
<b>GENDER IDENTITY</b>	A person's own sense of being male, female, or another identity beyond this binary and how they choose to manifest this externally.
<b>GENDER IMPACT ASSESSMENT</b>	A type of assessment used to determine the various effects (positive, negative, or neutral) of any gender equality policy or activity that is being implemented.
<b>GENDER INCLUSIVE</b>	Open and inclusive to all people regardless of their gender identity and/or expression.

<b>GENDER INCLUSIVE FINANCE</b>	A cross-cutting policy area that focuses on policy and regulatory approaches and interventions aimed at ensuring that all people, regardless of gender identity or expression, have access to affordable, quality formal financial services and products that are delivered in a responsible and sustainable manner.
<b>GENDER INEQUALITY INDEX (GII)</b>	<p>A measure of the human development loss because of inequality between female and male achievements in the dimensions of reproductive health, empowerment, and the labor market. The index combines the three dimensions and ranges from zero, which indicates that women and men fare equally, to one, which indicates that women fare as poorly as possible in all the measured dimensions.</p> <p><small>This definition is provided by UNDP.</small></p>
<b>GENDER INTENTIONAL</b>	Taking conscious steps to identify and understand gender-based barriers and constraints, followed by actions to overcome them.
<b>GENDER LENS</b>	A perspective on issues with particular attention to how gender differences and relations can impact investments and project actions. It can be used to analyze power structures and roles in various contexts where it can provide insights into the effect of an action (investment or project) on imbalances in gender power relations.
<b>GENDER MAINSTREAMING</b>	An approach for incorporating the needs and interests of all genders into the design, implementation, monitoring and evaluation of programs, policies, and organizational processes to ensure that everyone can benefit equally and that actions do not perpetuate inequality.
<b>GENDER NEUTRAL</b>	A concept, an entity, or a style of language that is not associated with the male or female genders. A gender-neutral policy or regulation does not consider the needs of different genders. In practice, it is frequently gender blind as it does not account for systematic, embedded, or internalized bias.
<b>GENDER NORMS</b>	Expectations and beliefs about how people should behave and interact based on their sex or gender identity among a group or community. These socially enforced set of expectations define what it means to be male or female in society, culture or group. Conforming to these standards can lead to acceptance and social inclusion, while not conforming can lead to subtle social exclusion, exclusion from school, employment, health care, or even threats or violent acts that could lead to death.
<b>GENDER PARITY</b>	A numerical concept used to determine relative equality in numbers and proportions of women and men, girls and boys. Gender parity addresses the ratio of female-to-male performance or values (or male-to-female) of an indicator under consideration.
<b>GENDER POSITIVE</b>	Positive gender socialization refers to the process of emphasizing gender-equitable outcomes to overcome historically harmful stereotypes.
<b>GENDER RELATIONS</b>	Power relations between people based on their gender identity or expression. Understanding the social relations of gender requires working out how an individual's access to resources, opportunities, and rights is shaped by their perceived value in society, their social position, and their power dynamics vis-a-vis others in society.
<b>GENDER RESPONSIVE</b>	Being aware of how gender identities and roles influence the opportunities of men and women in society and designing activities and policies that are structured and operate to demonstrate commitment to gender equality.



<b>GENDER-RESPONSIVE BUDGETING</b>	Method of determining the extent to which government expenditure has affected the goal of gender equality. A gender-responsive budget is not a separate budget for women but is a tool to analyze budget allocations, public spending, and taxation from a gender perspective. Such an analysis can be used to advocate for a reallocation of budget items to better respond to women's and men's priorities so that the overall approach is more gender-responsive.
<b>GENDER ROLES</b>	The expected roles associated with each sex, including behaviors, activities, and responsibilities. These are context-specific and can vary over time as a result of individual choices, societal and/or political developments, or social upheaval. <small>This definition is provided by UNICEF.</small>
<b>GENDER SENSITIVITY</b>	The ability to understand and acknowledge prevailing gender differences, issues, and inequalities and to use them to design and undertake strategies and actions.
<b>GENDER STATISTICS</b>	A combination of a) data collected and presented by sex as a primary and overall classification; b) data that reflects gender issues; c) data based on concepts and definitions that reflect the diversity of women and men and capture all aspects of their lives; d) data that take into account stereotypes and social and cultural factors that may induce gender bias. <small>This definition is provided by Data2X.</small>
<b>GENDER TRANSFORMATIVE OR TRANSFORMATION</b>	An approach that identifies the root causes of gender inequality in the field of financial inclusion before analyzing and transforming inequitable gender norms and power dynamics into positive outcomes that directly enhance gender equity.
<b>GHARAR</b>	An Arabic word that is associated with uncertainty or deception. It has been described as “the sale of what is not yet present”. Gharar can arise when the claim of ownership is unclear or suspicious. Examples of gharar in modern finance include futures and options contracts, which have dates of delivery in the future. Its definition varies between regions of the world.
<b>GLOBAL COMPACT ON REFUGEES</b>	A framework for more predictable and equitable responsibility-sharing, understanding that a sustainable solution to refugee crises cannot be accomplished without international cooperation. It lays forth a plan for governments, international organizations, and other stakeholders to follow in order to ensure that host communities receive the assistance they require and that refugees can live productive lives. <small>This definition is provided by the UNHCR.</small>
<b>GLOBAL PARTNERSHIP FOR FINANCIAL INCLUSION</b>	A platform of G20 countries, interested non-G20 countries, and stakeholders to carry forward the work of financial inclusion, including implementing the G20 Financial Inclusion Action Plan endorsed by the G20 Summit in Seoul (2010).
<b>GRANULARITY</b>	The level of detail in a particular data set. Thus, if data can be subdivided by groupings such as sex, geographic region, income level, education, disability status, and so on, it increases the level of granularity.
<b>GREEN BOND</b>	A debt instrument by which investors finance assets or operations of a company with the aim of reducing adverse effects or improving the positive influence of a company's operations on the environment. The issuer of the financial instrument reports on the operations for which the green bond funds have been used. A third-party assessor is usually deployed to verify whether the funds are used for specified environmental purposes and that the company has provided transparent information on these operations. This process could also be designed to provide assurance on the impact of the bonds.

<b>GREEN CLIMATE FUND (GCF)</b>	A critical element of the historic Paris Agreement that created the world's largest climate fund. Its mandate is to support developing countries raise and realize their Nationally Determined Contributions (NDC) toward low-emissions, climate-resilient growth paths.
<b>GREEN DATA</b>	It covers Environmental, Social and Governance (ESG) and other climate-related data that is used in the financial sector.
<b>GREEN FINANCE</b>	Any structured financial activity that is created to ensure a better environmental outcome.
<b>GREEN LOANS</b>	A form of financing that enables borrowers to use the proceeds to exclusively fund projects that make a substantial contribution to an environmental objective. A green loan is similar to a green bond in that it raises capital for green projects. A green loan is typically smaller than a bond and done in a private operation. A green bond usually has a bigger volume, may have higher transaction costs, and could be listed on an exchange or privately invested.
<b>GREEN TAXONOMY</b>	A classification system for identifying activities or investments that will move a country toward meeting specific targets related to priority environmental objectives. An identified environmental target is the aggregate result a country wishes to achieve over a particular timeline such as the net reduction in emissions or deforestation by a given year.
<b>GREENHOUSE GAS</b>	Those constituents of the atmosphere, both natural and anthropogenic, that absorb and emit radiation at wavelengths within the spectrum of terrestrial radiation emitted by the Earth's surface, the atmosphere, and clouds. This property causes the greenhouse effect. Water vapor (H <sub>2</sub> O), carbon dioxide (CO <sub>2</sub> ), nitrous oxide (N <sub>2</sub> O), methane (CH <sub>4</sub> ), and ozone (O <sub>3</sub> ) are the primary greenhouse gases in the Earth's atmosphere. <small>This definition is provided by the IPCC.</small>
<b>GROUP LENDING</b>	Lending mechanism which allows a group of individuals - often called a solidarity group - to provide collateral or loan guarantee through a group repayment pledge. The incentive to repay the loan is based on peer pressure - if one group member defaults, the other group members make up the payment amount. Group lending is generally used in the informal or microfinance sector.

## H

<b>HAMISH JIDDYAH</b>	A security deposit placed by an Islamic bank as security for undertaking to purchase a commodity before the execution of a sale and purchase contract. It is only applicable when there is an incremental deposit during the final day of the month when the purchase of the commodity can only be conducted on the next day.
<b>HEAD OF HOUSEHOLD</b>	A person of any gender who, in a family, is primarily responsible for managing the household and, in most cases, is the primary source of income. In other cases, it could be the person designated as head by other members of the household. For this purpose, a family is made up of people related by blood, marriage, or adoption.
<b>HELP AND REDRESS</b>	A reliable and robust help and redress mechanism for disputes and complaints is a core component of an effective consumer protection framework. Developing one primarily involves establishing internal and external dispute and complaint-handling procedures that ensure that such issues between consumers and FSPs are dealt with fairly and expeditiously.

<b>HAWALAH (OR HAWALA)</b>	The transfer of debt from being a liability on the principal debtor to being a liability on the transferee as a means of ensuring the settlement of the debt.
<b>HOT WALLET</b>	A virtual currency wallet that is accessible online and facilitates cryptocurrency transactions between the owner and end-users. A collection of private keys stored on a program connected to the internet is used to store and send different currencies such as Bitcoin.
	
<b>IBRA'</b>	A right holder's act resulting in relinquishment, in full or in part, of one's rights and claims arising from an obligation established as the liability of another party.
<b>IJARAH MUNIAHIA BI TAMLEEK</b>	An Islamic phrase for a lease arrangement that includes the option to transfer the asset's title to the lessee. It's also known as Ijarah thu'ma al bay' (lease and sale) or Ijarah wa'al-iqtina' (hire and purchase). This method of financing transfers legal title to the lessee at the end of the lease. At the end of the contract, the bank transfers ownership of the asset to the client upon payment of the collected rent and profit. <small>This definition is provided by the Chartered Institute of Management Accountants (CIMA).</small>
<b>IMPLEMENTATION (OF A POLICY)</b>	The process of executing or putting the agreed strategic objectives or actions in the policy into effect. It ensures that the actions identified in the policy are effectively put into practice to achieve its goal(s).
<b>INCLUSIVE GREEN FINANCE (IGF)</b>	A rapidly evolving policy area, entailing AFI member institutions devising and implementing policies, regulations, and national strategies to mitigate or build resilience to the sweeping environmental, health, social and economic effects of climate change.
<b>INCLUSIVE INSURANCE</b>	Small-scale insurance products designed to facilitate the inclusion of the less fortunate in products of this nature. It is comprised of a set of specifically designed insurance products aimed at serving the un- and underserved market.
<b>INCLUSIVITY</b>	The inclusion of different types of people as recipients of services, products, and institutional support in a fair and equitable manner.
<b>INDEBTEDNESS</b>	When an entity or individual owes (usually money) to another party (individual, entity or institution).
<b>INDEX</b>	The compilation and combination of individual indicators; ideal for measuring multi-dimensional concepts. For example, an index of women's empowerment or gender inequality across the globe (see above Gender Inequality Index).
<b>INDICATOR</b>	Measurement or gauge of events documented in data, including the scale on which the event is measured (number, percent, or ratio). An indicator allows for meaningful comparisons of positive and negative change. <small>This definition is provided by Data2X.</small>
<b>INITIAL COIN OFFERING (ICO)</b>	The cryptocurrency industry's equivalent to an Initial Public Offering. ICOs act as an alternative way to raise finance. It is used when an enterprise plans to raise money to create a new digital coin, an application relating to the use of digital currency or a service relating to digital currency. Investors can buy into the offering and receive a cryptocurrency token issued by the company, or that is associated with the application or the service. This token may have some utility in using the product or service the company is offering, or it may just represent a stake in the company or project.



<b>INNOVATION HUB</b>	A common cross-functional space that creates a haven for new ideas. With opportunities for individual and group collaboration across time zones and continents, it's a place that fosters a culture of innovation through the creation, sharing, and testing of ideas.
<b>INSTITUTIONAL CAPACITY</b>	The ability of institutions and organizations to identify and solve development problems over time. Regarding a National Financial Inclusion Strategy, it is the capability of an institution to provide the necessary human and economic resources to fulfil the deliverables of the NFIS. In the financial inclusion context, it is the ability of the institution to set and achieve national social and economic goals through knowledge, skills, systems, and institutions to enable and maximize financial inclusion.
<b>INSURTECH</b>	An insurance company, intermediary, or insurance value chain segment specialist that utilizes technology to either compete or provide valued-added benefits to the insurance industry.
<b>INTER-AGENCY COLLABORATION</b>	Interaction of all public, private, and civil society institutions and other stakeholders within a clear framework and with effective governance arrangements.
<b>INTERCONNECTIVITY</b>	The technical capability to enable a connection between two or more schemes or business models, such as a payment services provider connecting to another payment services provider's digital financial services model.
<b>INTEREST RATE</b>	The cost of borrowing or the return on lending by financial service providers. It includes the time value of money (cost of funds), the cost of administering loans, and loan losses that might occur. Interest on deposits covers the time value of money minus the administration cost.
<b>INTEREST RATE RISK</b>	The risk entailed by changes in market interest rates that can affect a financial institution's profitability. A financial institution exposes itself to interest rate risk when it mobilizes deposits at one interest rate and lends them out at another.
<b>INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE (IPCC)</b>	The IPCC surveys worldwide scientific and technical literature and publishes assessment reports that are generally recognized as the most credible sources of information about climate change.
<b>INTERNAL DISPUTE RESOLUTION (IDR)</b>	A process that allows consumers to make a complaint directly to FSPs before escalating it with an external organization or authority.
<b>INTERNALLY DISPLACED PERSONS (IDP)</b>	Persons or groups of persons who have been forced or obliged to flee or to leave their homes or places of habitual residence, in particular as a result of, or in order to avoid the effects of armed conflict, situations of generalized violence, violations of human rights, or natural or humanmade disasters, and who have not crossed an internationally recognized State border.
<b>INTERNATIONAL ASSOCIATION OF DEPOSIT INSURERS (IADI)</b>	The IADI promoted guidance and international cooperation to enhance the effectiveness of deposit insurance systems. By promoting guidance and international cooperation, IADI members conduct research and provide guidance for the benefit of areas, countries, or regions seeking to establish or improve a deposit insurance system.
<b>INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS (IAIS)</b>	A voluntary membership organization of insurance supervisors and regulators from more than 200 jurisdictions, covering 97 percent of the world's insurance premiums. It is the international standard-setting body for developing and assisting in the implementation of principles, standards, and other means for the supervision of the insurance sector.

<b>INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSIONS (IOSCO)</b>	The IOSCO is the organization that coordinates the world's securities regulators and is recognized as the international standard-setter for the securities sector. IOSCO develops, implements, and promotes the application of internationally recognized standards for securities regulation. It works intensively with the G20 and the Financial Stability Board (FSB) on global regulatory reform.
<b>INTERNATIONAL TELECOMMUNICATION UNION (ITU)</b>	The ITU is the United Nations specialized agency for information and communication technologies (ICTs). Its role is to facilitate international connectivity in communications networks, allocate global radio spectrum and satellite orbits, develop the technical standards that ensure networks and technologies seamlessly interconnect, and strive to improve access to ICTs to underserved communities worldwide.
<b>INTEROPERABILITY</b>	Enabling payment instruments belonging to a particular scheme or business model to be used or interoperated between other schemes or business models. Interoperability requires technical compatibility between systems and can only take effect once commercial interconnectivity agreements have been concluded.
<b>INTERSECTIONAL ANALYSIS</b>	Analysis of intersectionality to determine the constraints and opportunities of gender identity, understanding the differences and means of ensuring equal opportunities for all.
<b>INTERSECTIONALITY</b>	A framework to understand how race, ethnicity, gender, sexuality, disability, and other aspects of individual identity might combine and exacerbate the exclusion or discrimination of particular groups. It refers to the overlapping of disadvantages and is critical in understanding the challenges experienced by sexual and gender minorities in socially unstable, fragile, and conflict-affected areas. An intersectional approach is critical to understanding additional barriers to accessing basic services, extra protection challenges in situations of forced displacement, and vulnerability to sexual and gender-based violence.
<b>ISLAMIC BANKING</b>	A subset of Islamic finance or Sharia-compliant finance that refers to banking activities that follow Sharia (Islamic law).
<b>ISLAMIC FINANCE</b>	A way of managing money that keeps within the moral principles of Islam. It covers financial activities like saving, investing, insurance, and borrowing. The moral principles Muslims adhere to are widely known as the 'Sharia'.
<b>ISTIHSAN</b>	An Islamic term for the consideration of reason and equity.
<b>ISTISNA'</b>	A contract to purchase for a definite price something that may be manufactured later on, according to agreed specifications between the parties. An Istisna' contract can be established between a bank and a contractor, developer, or producer that allows the bank to make progress payments as construction progresses.

## J

<b>JOINT LIABILITY GROUP (JLG)</b>	A group of individuals who provide informal guarantees for loans of each of their group members. If one member of the group defaults, the remaining group members are responsible either for enforcing loan repayment by the defaulting member or for paying off the outstanding loan balance. This generally links to the informal/formal microfinance sector, but the legal liability for loan repayment remains that of the individual borrower.
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**JUST TRANSITION**

The process of greening the economy in a fair and inclusive framework, creating decent work and opportunities that leave no one behind. A Just transition involves maximizing social and economic opportunities for climate action, carefully managing the challenges, and minimizing the impact of those challenges through effective social dialogue, among other ways. Justice is represented by fairness to all, along with respect for fundamental labor principles and rights.

This definition is provided by ILO).

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**K**

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**KNOW YOUR CUSTOMER  
(KYC)**

A set of due diligence measures undertaken by a financial institution, including policies and procedures, to identify a customer and the motivations behind one's financial activities. KYC is a key component of AML/CFT regimes.

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**KNOWLEDGE PRODUCT**

Evidence-based publications based on the insights of AFI members, particularly how to formulate and execute financial inclusion policies effectively.

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L-P

### LONGITUDINAL DATA

Data that is drawn from the same sample of people or households at different points in time to track changes at the individual level. For example, longitudinal surveys interview the same members of households every five years to collect information on their labor force participation, health, education, thereby tracking changes in demographics.



<b>L</b>	
<b>LEASING</b>	Leasing is a contractual agreement where one party grants another the right to use a property or land in exchange for compensation within a defined period of time.
<b>OPERATING LEASE</b>	<p>An operating lease is essentially a rental contract for, usually, the short-term or temporary use of an asset by the lessee. Maintenance and insurance (and most ownership risks) stay with the lessor, who recovers costs and profits through multiple rentals and the final sale.</p> <p><small>This definition is provided by the World Bank Group.</small></p>
<b>LEVERAGE RISK</b>	Leverage is created by borrowing (in addition to equity) to fund the purchase of assets. It entails risk for lenders because the assets purchased either depreciate over time or become unproductive in the case of physical assets or even be risky in turn (as in the case of on-lending by banks). For this reason, lenders need to exercise caution in financing leverage.
<b>LIFE CYCLE</b>	The various stages of an individual's life from birth through childhood, adolescence, youth, parenthood, middle age, and being an older citizen to eventual mortality. There are varying opportunities and constraints at each stage that entail evolving monetary needs to be considered by financial service providers in designing products and systems to serve those needs. Different groups have different needs during each phase of their lifecycle, and there is no one-size-fits-all approach.
<b>LIFE INSURANCE</b>	A type of insurance which provides a designated beneficiary with a fixed or variable sum at the death of the person insured or to the surviving policyholder after a fixed number of years or upon surviving to a certain age.
<b>LINE OF CREDIT</b>	A provision for borrowing any amount up to a certain limit agreed between a debtor and a financial service provider.
<b>LIQUIDITY</b>	To be able to meet expenses within an income cycle.
<b>LIQUIDITY RISK</b>	<p>The risk that a financial institution will not have enough liquid assets to meet the demand for cash outflows, including saving withdrawals, loan disbursements, and payment of operating expenses. A lack of liquidity can hamper a financial institution's efforts to mobilize deposits and, even cause the institution to collapse and close.</p> <p>Deposit mobilization occurs when clients trust that they will be able to access their savings whenever they want or need them.</p>
<b>LONGITUDINAL DATA</b>	Data that is drawn from the same sample of people or households at different points in time to track changes at the individual level. For example, longitudinal surveys interview the same members of households every five years to collect information on their labor force participation, health, education, thereby tracking changes in demographics.
<b>LOW CARBON DEVELOPMENT (OR LOW EMISSION DEVELOPMENT, LED)</b>	Forward-looking national economic development plans or strategies that cover low-emission, climate-resilient economic growth.
<b>LOW CARBON ECONOMY (LCE)</b>	A low carbon economy (LCE), low fossil-fuel economy (LFFE), or decarbonized economy is on the best possible use of low-carbon power sources, thereby minimizing greenhouse gas (GHG) emissions, specifically carbon dioxide into the atmosphere.

# M

<b>MALE ALLY</b>	Men who associate with, cooperate with, and support women, as well as deliberately engage in and avidly support gender inclusion programs.
<b>MANAGEMENT INFORMATION SYSTEM (MIS)</b>	Computerized and manual methods for tracking the data needed for designing, delivering, and reviewing the performance of organizations.
<b>MARKET CONDUCT</b>	The way an FSP designs its products and services and manages its relationship with clients and public, including the use of intermediaries (representatives or agents).
<b>MEASUREMENT OF FINANCIAL INCLUSION</b>	Collation of information on financial inclusion and its comparison with targets and norms for achievement of results.
<b>METADATA</b>	Information about statistical data including information on how the data was collected or generated, sampling procedures, questionnaires, and any processing done to the original data such as the construction of new indicators.
<b>MICRO SAVING SERVICES</b>	Deposit services that allow people to store small amounts of money for future use, often without minimum balance requirements.
<b>MICRO, SMALL &amp; MEDIUM ENTERPRISES (MSMES)</b>	Micro, Small, and Medium Enterprises (MSMEs) are defined as follows - microenterprises: 1-9 employees; small: 10-49 employees; and medium: 50-249 employees. However, the local definition of MSMEs varies between countries and is based not only on the number of employees, but also on other variables such as value of assets, sales, and loan size.
<b>MICRODATA SETS</b>	Data on the characteristics of a population, such as individuals, households, or establishments, collected by a census, survey, or other type of questionnaire. For example, when respondents are asked each separate survey question, their responses are recorded which gives a value for each response. These data are aggregated to provide the larger data set from which statistics and indicators can be calculated.
<b>MICROENTERPRISE</b>	The definition varies across countries and regions but is generally a sole proprietorship that has fewer than five employees but is frequently owned and operated by the owner alone. Generally, it has not had access to the commercial banking sector and can initially utilize a loan of under USD15,000. <small>This definition is provided by Data2X.</small>
<b>MICROENTREPRENEUR</b>	Owner/proprietor of a microenterprise. These businesses usually employ less than five people and can be based out of the home. They can provide the sole source of family income or supplement other forms of income.
<b>MICROFINANCE</b>	Small amounts in loans, savings, insurance, transfer services, and other financial products targeted at low-income clients.
<b>MICROFINANCE INSTITUTION (MFI)</b>	Institutions that provide financial services to low-income populations. Microfinance institutions can take many forms, including banks, non-bank financial institutions, credit unions, or NGOs. The term can be used to refer to any financial institution serving low-income populations.
<b>MICROINSURANCE</b>	A set of specifically designed insurance products aimed at the low-income segment. The term “microinsurance providers” refers to insurers and distribution channels that specialize in this business line.

<b>MICROLOAN</b>	A very small loan provided by a microfinance institution to an individual or microentrepreneur to be used in the development of the borrower's small business or to meet other productive or socially requirements such as school fees or medical expenses.
<b>MILLENNIUM DEVELOPMENT GOALS (MDGS)</b>	The Millennium Development Goals (MDGs) were eight international goals that UN Member States agreed to try to achieve by 2015. In September 2000, world leaders signed the UN Millennium Declaration, pledging to combat poverty, hunger, disease, illiteracy, environmental degradation, and discrimination against women. The Millennium Development Goals emerged from this Declaration. Each MDG included targets for 2015 and indicators to track progress from 1990 levels.
<b>MITIGATION (OF CLIMATE CHANGE)</b>	Climate Change Mitigation is about efforts to reduce the emission of greenhouse gases. Mitigation can occur by using new technologies and renewable energies, more energy-efficient equipment, or better management practices and consumer behavior.
<b>MOBILE BANKING</b>	The use of a mobile phone to access banking services and execute financial transactions. This covers both transactional services, such as transferring funds, and non-transactional services, such as viewing financial information on a mobile phone.
<b>MOBILE FINANCIAL SERVICES</b>	The use of a mobile phone to access financial services and carry out financial activities, which includes both transactional and non-transactional services. Mobile financial services include mobile banking (m-banking), mobile payments (m-payments), mobile money, mobile insurance, mobile credit, and mobile saving.
<b>MOBILE MONEY (M-MONEY)</b>	A type of electronic money (E-Money) that is transferred electronically using mobile networks and SIM-enabled devices, primarily mobile phones. The issuer of mobile money may, depending on local laws and the business model, be a mobile network operator (MNO), a financial institution, or another licensed third-party provider.
<b>MOBILE MONEY PRODUCTS</b>	A range of financial products like an electronic wallet (E-wallet), electronic vouchers, mobile money, mobile wallet (m-wallet) that can be used to undertake financial transactions using a mobile phone.
<b>MOBILE NETWORK OPERATOR (MNO)</b>	A company that has a government-issued license to provide telecommunications services through mobile devices. An MNO is also known as a telephone company (Telco).
<b>MOBILE SUBSCRIBER IDENTIFICATION NUMBER (MSIN)</b>	A unique serial number to identify mobile subscribers within a mobile carrier network. It is used by mobile phone service providers to uniquely identify subscribers within its database. The MSIN is unique and consists of a maximum 10 digits.
<b>MONEY LAUNDERING</b>	The processing of criminal acts that disguise the illegal origin of money managed by an individual or group; the indirect control of funds without attracting attention to the underlying activity or the persons involved.
<b>MUDARABAH</b>	A partnership contract between the capital provider (rabb al-māl) and an entrepreneur (mudārib) whereby the capital provider contributes capital for an enterprise managed by the entrepreneur. Profits generated by the enterprise are distributed in accordance with the proportion specified in the contract, while losses are borne solely by the capital provider unless these are resulting from misconduct, negligence, or breach of contract.
<b>MULTI-FACTOR AUTHENTICATION (MFA)</b>	A security process that requires users to respond to requests to verify their identities before they can gain access to networks or other online uses. MFA may use multiple factors like knowledge, possession of physical objects, or geographic or network locations to confirm identity.

<b>MURABAHAH</b>	Islamic contract for the sale and purchase of an asset (not prohibited in Sharia) where the acquisition cost and the markup are disclosed to the purchaser.
<b>MUSHARAKAH MUTANAQSAH (OR DIMINISHING/DECLINING PARTICIPATION)</b>	Joint ownership of property, equipment, or business between a financier and his client. The share of the financier is further divided into a number of units. It is understood that the client will purchase the units of the financier's share on a periodic basis, one at a time. <small>This definition is provided by AmBank Group Malaysia.</small>
<b>MUTUAL EVALUATION (ME)</b>	Peer reviews, where members from different countries assess another country. A mutual evaluation report provides an in-depth description and analysis of a country's system for preventing criminal abuse of the financial system as well as focused recommendations to the country to further strengthen its system.

## N

<b>NATIONAL DIGITAL IDENTITY</b>	Any digitalized or digital identity document that is provided or issued by governments.
<b>NATIONAL FINANCIAL INCLUSION STRATEGY (NFIS)</b>	Roadmaps of actions agreed upon and defined at the national or subnational level, which stakeholders follow to achieve financial inclusion objectives.
<b>NATIONAL FINTECH STRATEGY</b>	A long-term roadmap which seeks to provide legal and regulatory backing to a FinTech environment to introduce technology to the provision of financial products and services by financial services institutions.
<b>NATIONAL ID SYSTEM</b>	An identification system that provides national IDs (NIDs) – often a card – and even other credentials. In many countries, its primary function is to establish and provide recognition and proof of nationality and/or residency status.
<b>NATIONAL RISK ASSESSMENT</b>	A type of assessment that enables countries to identify, assess, and understand the risks of money laundering and terrorist financing in their jurisdictions. A proper understanding of these risks leads to the modulation of AML/CFT measures relative to the level of risk.
<b>NATIONAL STATISTICAL SYSTEM</b>	The set of statistical organizations and units within a country that collect, process, analyze, and disseminate statistics on behalf of the national government.
<b>NATIONAL STATISTICS OFFICE</b>	The leading statistical agency within a national statistical system.
<b>NATIONALLY DETERMINED CONTRIBUTION (NDC)</b>	A climate action plan to cut emissions and adapt to climate changes. Each Party to the Paris Agreement agreed to establish an NDC, setting targets for mitigating greenhouse gas (GHG) emissions and for adapting to climate impacts. Each national plan defines how to reach and monitor the plans to verify progress and stay on track.
<b>NON-FUNGIBLE TOKEN (NFT)</b>	NFTs are a form of digital token, where each token has distinct and unique features that are verified and secured by blockchain technology. NFTs are a relatively new development in the technology space. While these can be used to represent any underlying asset, they have for now been mainly used to tokenize digital art and other collectibles.
<b>NON-BANK FINANCIAL INSTITUTION (NBFI)</b>	A non-banking institution that is permitted to provide certain financial services under the existing regulatory framework.
<b>NON-FINANCIAL SERVICES</b>	Activities such as accounting services, computer maintenance and software services, legal services, real estate, and research and development that support the pursuit of the main business of a financial institution or other organization.



**NOT IN EMPLOYMENT,  
EDUCATION OR TRAINING  
(NEET)**

A young person who is not in employment, education, or training (NEET).

**O**

**OFFICIAL STATISTICS**

Statistics, such as census data or population data produced by government agencies such as national statistical offices or other public bodies.

**ONLINE/WEB SURVEY**

Surveys conducted by research teams sharing a link with a programmed questionnaire to potential respondents via text or email without using the services of an enumerator. The respondent answers the questions in the survey by clicking the link either on a phone or a laptop. In the case of web surveys, it is important for respondents not only to have access to the internet but also to be able to read and understand a written questionnaire.

**OPEN APIS**

A publicly available application programming interface (API) that allows third-party financial service providers, including payment initiators, account aggregators, and other emerging FinTechs to access financial information.

**OPEN BANKING**

The use of APIs to provide open access to consumer banking information, transactions, and other financial data from banks and non-bank financial institutions to third-party financial service providers. This is done with the permission of the consumer and allows the networking of accounts and data sharing between institutions facilitating seamless transactions by and for the consumer.

**OPEN DATA**

Data that can be freely used, re-used, and redistributed by anyone, subject only to the condition that it is properly attributed and freely shared.

**OPEN DISTANCE AND  
ELECTRONIC LEARNING  
(ODEL)**

Odel approaches, particularly amongst vulnerable, isolated, and potentially excluded populations, offer the possibility of tailoring delivery to be more accessible to those with limited language or numeric skills, disabilities, or time constraints.

**OPEN FINANCE**

A data sharing model that provides supervisory institutions and third parties with the permission access to personal information for product design and delivery, in accordance with industry standards, data security and privacy. Built on the principles of consent-driven data portability, interoperability, and collaborative partnerships, it embraces an ecosystem mindset that is value-proposition oriented and creates a culture of creative confidence.

**ONE-TIME PASSWORD (OTP)**

A password or code (in soft or hard token form) that is valid for only one use. It is a secure way to provide access to an application or transaction on only one occasion. The password becomes invalid after it has been used (or after a limited time if unused) and cannot be used again.

**OUTREACH**

Active attempt to target, attract, serve, retain, or otherwise interact with a set of clients in selected populations, geographic areas, or defined activities or initiatives.

**OUTSOURCING**

An arrangement in which a service provider performs an activity on an ongoing basis on behalf of a financial institution that would normally be performed by the latter.

**OVER INDEBTEDNESS**

A state in which the burden of debt (and its associated payments to the lender) result in progressive impoverishment because of an erosion of the borrower's assets or a decline in his standard of living. It may not be limited only to material losses.

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<b>OVER-THE-COUNTER (OTC)</b>	Networks of trade relationships between one or more dealers who function as market makers and quote the rates at which they will sell (ask or offer) or buy (bid) to other dealers as well as to their clients. OTC bypasses formal markets (such as stock exchanges) and is particularly instrumental in facilitating small-value, low-turnover trades.
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## P

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<b>P2B (PERSON-TO-BUSINESS PAYMENT)</b>	Payments for the purchase of goods and services.
<b>P2P (PEER-TO-PEER LENDING)</b>	The practice of lending money to individuals or businesses through online services that match lenders with borrowers. The P2P lending company takes a fee for providing the matchmaking platform and assessing the creditworthiness of the borrower. The lender carries the full risk of default.
<b>PATRIARCHY</b>	A system of society or government which allows and justifies men holding the greater balance of power and economic and societal benefit and resources. This power is often used to marginalize and oppress others.
<b>PAYMENT INITIATION SERVICE</b>	An online service to initiate a payment instruction at the request of a customer, with respect to a Payment Account held with another Payment Account Service Provider.
<b>PAYMENT SYSTEM</b>	Any system or arrangement used for transferring, processing, clearing or settlement of money and includes any instruments and procedures that relate to the system.
<b>PAYMENT INSTRUMENT</b>	Any instrument or procedure used to initiate and/or process payment instructions. Payment instruments include but are not limited to cheques, funds transfer instruments, and payment cards.
<b>PAYMENTS SERVICE PROVIDER</b>	An entity that facilitates the deposit and withdrawal of funds; payment transactions including transfers of funds; and the issuing and/or acquisition of payment instruments.
<b>PERSONAL IDENTIFICATION NUMBER (PIN)</b>	A numerical code used in electronic financial transactions. These are usually issued along with payment cards as a security measure to complete a transaction.
<b>PERSONS LIVING WITH DISABILITIES (PWD)</b>	The term is used to apply to all persons living with long-term disabilities, physical, mental, intellectual, or sensory, which constrain their full and effective engagement with the environmental and attitudinal challenges associated with the pursuit of a normal life.
<b>PHOTOVOLTAIC (PV) TECHNOLOGIES</b>	More commonly known as solar panels - generate power using cells that absorb energy from sunlight and convert it into electrical energy through semiconducting materials. These cells - known as solar cells - are connected to constitute larger power-generating units known as panels.
<b>POINT OF SALE (POS)</b>	The use of payment cards (debit or credit) at a retail location (point of sale). The payment information is captured either by paper vouchers or electronic terminals, which in some cases, are designed to transmit the information. Where this is so, the arrangement may be referred to as “electronic funds transfer at the point of sale” (EFTPOS).

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<b>POSITIVE YOUTH DEVELOPMENT</b>	<p>An intentional, pro-social approach that engages youth within their communities, schools, organizations, peer groups, and families in a manner that is productive and constructive; recognizes, utilizes, and enhances youth strengths; and promotes positive outcomes for young people by providing opportunities, fostering positive relationships, and furnishing the support needed to build on their leadership strengths.</p> <p><small>This definition is provided by the Office of Population Affairs (OPA).</small></p>
<b>POVERTY PROBABILITY INDEX (PPI)</b>	<p>The PPI is a poverty measurement tool for organizations and businesses with a mission to serve the poor. The PPI employs statistical methods in an easily understandable format: the answers to ten questions about a household's characteristics and asset ownership are scored to determine the likelihood that the household is living below internationally defined poverty lines. The PPI allows businesses to identify clients, customers, or employees who are likely to be poor. It makes objective poverty data easier to use for assessments and strategic decision-making.</p>
<b>PRE-FORMULATION (OF POLICY)</b>	<p>Precedes the formulation of financial policy, and this is an important step of the NFIS lifecycle since it creates the foundation of the strategy. Pre-formulation sets the stage by outlining the institutional structure to support the NFIS formulation, implementation, monitoring, and evaluation.</p>
<b>PRIVACY POLICY</b>	<p>A confidentiality and privacy policy and procedures for gathering, processing, using, distributing, and storing clients' data.</p>
<b>PRIVATE KEY</b>	<p>A variable in cryptography, also known as a secret key, that is used with an algorithm to encrypt and decrypt data. A private key is typically a long, randomly, or pseudo-randomly generated sequence of bits that cannot be easily guessed. The complexity and length of the private key determine how easily an attacker can execute a brute-force attack.</p>
<b>PROLIFERATION FINANCING</b>	<p>The potential breach, non-implementation, or evasion of the targeted financial sanctions to comply with United Nations Security Council resolutions relating to the prevention, suppression, and disruption of the proliferation of weapons of mass destruction and its financing.</p>
<b>PROPORTIONATE FINANCIAL REGULATION</b>	<p>The customization of regulatory requirements to a firm's size, its importance to the financial system, its complexity, and risk profile. It is closely associated with the concept of risk-based supervision.</p>



Q-U

## REFUGEE

A person who has been forced to flee her or his country because of persecution, war, or violence. A refugee is someone with a well-founded fear of persecution for reasons of race, religion, nationality, political opinion, or membership of a particular social group. Refugees are people who cannot return home or are afraid to do so.



# Q

## QUALITY

Those aspects of statistical outputs that reflect their fitness for use by clients. Six dimensions of quality have been posited: relevance, accuracy, timeliness, accessibility, interpretability, and coherence.

# R

## RATING

An analytical means of ranking strategic or financial initiatives that could affect their creditworthiness. As a tool based on scoring, it enables the ranking of similar initiatives relative to each other.

## REAL INTEREST RATE

Interest rate calculation after removing the effect of inflation from the nominal interest rate. Real interest rates indicate to the customer whether interest paid by the financial service provider retains its purchasing power over time.

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This definition is provided by the UNHCR.

## REGULATION (BANKING)

The set of laws and rules applied to banking. It is the supervision and monitoring of banks' activities and the enforcement of banking regulations.

## REGULATORY SANDBOX

An experimental framework set up by a financial sector regulator to allow small-scale, live testing of innovations by private firms in a controlled environment under the regulator's supervision.

## REGULATORY TECHNOLOGY (REGTECH)

Any technology which can include artificial intelligence (AI), machine learning (ML), data science, and more straightforward technology, such as databases that is used to enhance processes, methods, and tools for regulatory reporting, compliance, and mandated regulatory objectives.

## REMITTANCES

Money that is sent by migrant workers to their families in their home country in the form of cash, check, or electronic transfer.

## RENEWABLE ENERGY

Any form of energy that is not finite - so everything from wind and solar to biomass.

## RESERVE REQUIREMENT

The minimum reserves required for depository institutions to maintain for fiduciary reasons. The requirements are set by central banks within limits specified by laws for depository institutions. A change in the minimum reserve ratio changes the amount of its deposits that a financial institution can lend. Reserve requirements are used as an instrument of monetary policy since these affect the availability of credit in the economy.

## RESETTLEMENT

The transfer of refugees from an asylum country to another State that has agreed to admit them and ultimately grant them permanent residence.

## RESILIENCE

The extent to which a system, community, or society exposed to hazards is able to resist, absorb or accommodate and recover from the effects of a hazardous event in a timely and efficient manner while maintaining or restoring its essential basic structures and functions.

<b>RESPONSIBLE FINANCE</b>	<p>A delicate balance between client interests and the long-term profitability of providers. Consumer protection principles are integrated into the design and operations at every level. The products are designed with care, reasonably priced, and delivered in a responsible and respectful manner. Consumers receive clear, comprehensible information so they can make informed and prudent decisions about financial products and providers. When issues arise, consumers have access to adequate protection and effective redress mechanisms.</p> <p><small>This definition is provided by the Consultative Group to Assist the Poor (CGAP).</small></p>
<b>RETURNEE</b>	<p>A person who was regarded as a refugee when outside his country of origin and who remains a refugee for a limited period (usually two years) after returning home to his country of origin. Internally displaced persons who return to their prior place of residence are also termed returnees.</p>
<b>RISK AVERSION</b>	<p>The behavior of those who care more about risk and are willing to go to greater lengths than others who reduce their exposure to risk.</p>
<b>RISK-BASED SUPERVISION (RBS)</b>	<p>A forward-looking approach, with a focus on evaluating both present and future risks, identifying emerging challenges, and facilitating prompt intervention and early corrective actions by focusing on the inherent risks of an FSPs business model and product offerings. RBS replaces a compliance-based approach and is expected to become more inclusive, risk-based, and data-centric.</p>
<b>RISK MANAGEMENT</b>	<p>A process undertaken by an entity to understand and manage the risks it is subject to in attempting to achieve its objectives. Such risks could be financial, operational, related to compliance, information, or human resources.</p>
<b>RISK-BASED APPROACH</b>	<p>The approach for complying with AML/CFT requirements based on the principle that where there are higher risks, countries should require financial services providers to take enhanced measures to manage and mitigate those risks.</p>
<b>ROTATING SAVINGS AND CREDIT ASSOCIATION (ROSCA)</b>	<p>A type of informal savings and credit institution that typically consists of a group of people meeting on a regular basis (once a month or once a week) to contribute a set amount of money to a pool of funds whenever they meet. The amount to be contributed is agreed upon mutually or specified by the leader of the ROSCA. At the end of each meeting, one member of the group is selected to receive the amount in the pool. This is done either randomly or via a process of bidding. Members of the group can only receive the money in the pool once until every member of the group has received the fund. When the cycle is complete, the group is disbanded or started again with the same or different members, different contributions and even a different frequency of meetings.</p>
<b>RURAL BANK</b>	<p>Banking institution that targets clients who live and work in non-urban areas and who are generally but not always involved in agriculture-related activities.</p>
<b>RURAL COMMUNITY FINANCE INSTITUTION</b>	<p>Financial institutions that offer financial services to smallholder farmers, women, and poor households in rural communities based on the demand from their clients; the definition varies between countries.</p>
<b>RURAL FINANCE</b>	<p>The provision of financial services for rural farming and non-farming households at all income levels.</p>

## S

<b>SADAQAH</b>	<p>A voluntary charitable act made by giving one's possessions or skills for the benefit of another person, without seeking anything in return. It is neither obligatory nor necessarily in the form of money.</p>
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<b>SAMPLING</b>	The process of selecting from a large set a smaller number of items or people where selection is based on a random process with a known probability of selection. For example, selecting a randomized portion of the clients of a microfinance institution to be interviewed for a survey on client preferences for particular products.
<b>SAMPLING FRAME</b>	A list of items or people forming a population from which a sample is taken. For example, the results of a population census can be used as a sampling frame for smaller surveys.
<b>SAVINGS AND CREDIT COOPERATIVE SOCIETY (SACCOS)</b>	Member-governed cooperatives in which members pool their savings and use the proceeds to make loans to other members of the group.
<b>SCHOOL BANKING</b>	A type of in-school banking program which provides students an opportunity to access and use basic savings accounts. It is intended to assist students in developing savings habits as a means of promoting financial literacy.
<b>SEGMENTATION</b>	A method that explores, observes, and extracts conclusions from characteristics differences by type of customers and their needs, wants, sex, ethnicity, etc.
<b>SELF-HELP GROUPS (SHGS)</b>	A type of savings group in which members are required to make mandatory savings deposits. These savings cannot be withdrawn easily but make members eligible for loans. SHGs are usually composed of five to twenty members. They meet monthly or weekly close to members' homes to collect their (equal) savings contributions and use the accumulated funds to lend to members. Surplus funds are stored in a lockbox or deposited in a group bank account to leverage a loan from the bank. Self-Help Groups (SHGs) are found especially in India and some other parts of South Asia but have been introduced elsewhere as well.
<b>SETTLEMENT SYSTEM</b>	A system established and operated for the discharge of payment obligations or for securities settlement obligations.
<b>SEX-DISAGGREGATED DATA</b>	Data that is collected and tabulated separately for women and men.
<b>SIMPLIFIED KNOW-YOUR CUSTOMER (KYC)</b>	Simplified KYC requirements that provide undocumented (financially excluded) individuals access to accounts or other financial services with very limited functionalities. Access to additional services (e.g. higher transaction limits or account balances, access through diversified delivery channels) is then allowed only if/when the customer provides proof of identity and address.
<b>SMALL AND MEDIUM ENTERPRISES (SMES)</b>	SMEs are independent firms employing fewer than a given number of employees. Small firms are generally defined as those with fewer than 50 employees, while micro-enterprises have at most 10, or even five workers. Definitions vary between national and regional jurisdictions.
<b>SMART CONTRACT</b>	<p>Programs that are stored on a blockchain and deployed when specific criteria are met. They automate the execution of an agreement, so all parties can be made aware of the outcome immediately, without an intermediary or time loss. They can also trigger the following action in a workflow when conditions are met.</p> <p><small>This definition is provided by IBM.</small></p>
<b>SOCIAL PERFORMANCE</b>	The Social Performance Task Force (SPTF) defines social performance as “the effective translation of an institution’s mission into practice in line with accepted social values”. This definition has two distinct parts: “mission translation into practice” and “accepted social values”.
<b>SOCIALLY RESPONSIBLE FINANCE</b>	The integration of ethical values into financial decision-making. The transition towards a more socially responsible financial system depends on the adoption, or enforcement, of a set of guiding principles that alters the decision-making process.
<b>STABLECOINS</b>	Private cryptocurrencies with values tied to fiat currencies or other assets.

STATELESS PERSONS	Persons who are not considered as nationals by the laws of any State, including persons whose nationality is not yet established.
STEPPED LENDING	The process by which borrowers who repay loans on time are eligible for increasingly larger loans. Stepped lending keeps initial risk at a minimum while allowing microentrepreneurs to grow their businesses and increase their incomes.
STRUCTURAL BARRIERS/ CAUSES	Obstacles that collectively affect a group disproportionately and cause disparities in the ability of those groups to use or benefit from services or facilities intended for public use. Such barriers can be policies, practices, and other norms that favor a group while systematically disadvantaging another (usually marginalized group).
STRUCTURAL DISCRIMINATION	Rules, norms, routines, patterns of attitudes and behavior in institutions and social arrangements that result in some groups or individuals being unable to access the rights and opportunities that are available to other segments of the population.
SUBSCRIBER IDENTIFICATION MODULE (SIM)	The subscriber identification module (SIM) is a smart card required to use a mobile phone via the Mobile Subscriber Identification Number (MSIN).
SUBSIDIZED CREDIT	Loans offered at interest rates and fees that do not cover the full costs of providing those loans in the context of inflation and accounting for all hidden costs like in-kind contributions to MFIs by donors or government-financed loan guarantees.
SUKUK	A document or certificate specifying the proportionate ownership of underlying assets. The sak (singular of sukuk) is freely traded, which could be at par, premium or discount.
SUPERVISORY AUTHORITY	An authority appointed by a regulator (such as a central bank) or by a government to determine and report on compliance with specific regulations.
SUPERVISORY TECHNOLOGY (SUPTECH)	A subset of RegTech - technologies used by supervisory agencies to enhance the efficiency of processes for the application of regulations. It enables them to digitize reporting and regulatory processes to provide more efficient and proactive monitoring of risk and compliance at financial institutions.
SUPPLY CHAIN FINANCE (SCF)	A set of technology-based finance solutions that aim to provide financing and improve business efficiency for buyers and sellers linked in a sales transaction.
SUPPLY-SIDE DATA (ON FINANCIAL INCLUSION)	Data that is collected directly from financial services providers: banks, cooperatives, microfinance institutions, insurance companies, and other types of institutions such as mobile network operators. In general, supply-side data is collected by the regulator and other national authority institutions via reporting, which allows data collection at regular intervals (monthly, quarterly, yearly). This data normally covers the outreach of financial institutions, their financial products and services, and sometimes prices. The information can be captured with different levels of disaggregation according to the administrative division of each country (e.g. districts, departments, etc.).
SURVEY	An investigation of the characteristics of a given population by collecting data from a sample of that population and their characteristics through the systematic use of statistical analysis.
SURVEY DATA	The data that is collected from a sample of respondents that took a survey. This data is information gathered from a target audience about a specific topic to conduct research. There are many ways used to collect and analyze survey data.
SUSTAINABILITY	The ability to meet our own needs without limiting the ability of future generations to meet their needs.
SUSTAINABLE DEVELOPMENT GOALS (SDGS)	Global goals created by agreement at the UN to establish the ideal of the future world. These goals apply to all countries and are intended to ensure that no one is left behind. They represent international aspirations, not just national ideas.



<b>SUSTAINABLE FINANCE</b>	The process of taking environmental, social, and governance (ESG) considerations into account when making investment decisions in the financial sector which leads to more long-term investments in sustainable economic activities and projects.
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## T

<b>TARGETED CREDIT FACILITY (TCF)</b>	A type of loan made in a specific business context to allow the borrowing business of a particular size or sector or type of ownership (e.g. women-owned or women-led) to obtain loans over an extended period of time from a particular lender. In effect, a targeted credit facility provides umbrella loan funds for supporting loans to the targeted types of businesses over an extended period of time.
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<b>TERRORIST FINANCING</b>	The financing of terrorist acts and of terrorists and terrorist organizations.
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<b>TIERED KNOW YOUR CUSTOMER (KYC)</b>	The modulation of KYC requirements whereby low transaction/payment/balance limits have simpler requirements to reduce money laundering and terrorism financing vulnerabilities. The stricter the limits that are set for particular types of products, the more likely it would be that the overall ML/TF risk would be reduced and that those products/services could be considered as lower risks.
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<b>TRADE FINANCE</b>	Financial instruments and products that are used to facilitate trade and commerce, typically international trade.
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<b>TRANSACTION LIMIT</b>	Limits on the amount that can be transacted on an account in any form of financial market infrastructure in a day (normally) or a month. This is a means of mitigating risk in the financial system posed by potential fraud and enabling the smooth flow of payments in order to ensure financial stability.
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<b>TRANSACTIONAL DATA</b>	Data that is captured by a financial institution for each customer's digital transactions.
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<b>TRANSPARENCY (FINANCIAL)</b>	The practice of timely, reliable, and clear disclosures about the financial performance of a company or institution. Financial institutions are required to make transparent disclosures for investors, capital markets, and regulators who need such information to make informed decisions.
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<b>TRANSPARENCY AND DISCLOSURE</b>	A set of principles which aims to promote transparency in product features, terms and conditions, integrity in promotional activities and clarity of all communication.
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<b>TURNOVER</b>	The overall financial value of transactions conducted by a business or development organization. Overall, turnover is a synonym for an organization/company's total revenues. It is also sometimes used to determine the rate at which an organization acquires or loses staff over a year or another fixed period of time.
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## U

<b>UNBANKED (PEOPLE)</b>	A person or persons who do not have access to formal financial services.
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<b>UNOFFICIAL (OR NON-OFFICIAL) STATISTICS</b>	Unofficial statistics are those produced by persons or institutions other than the government, such as civil society entities.
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<b>UNSTRUCTURED SUPPLEMENTARY SERVICE DATA (USSD)</b>	For the purposes of financial inclusion, a mobile telephone number that starts with * and ends with # uses USSD. It is currently the best available communications technology to deliver mobile financial services to customers who normally have feature phones or limited digital skills.
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<b>USAGE OF ACCOUNTS</b>	A measure of the number or rate (over time) of transactions occurring in an inclusive finance transaction account with a financial service provider.
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V-Z

### VERY SMALL ENTERPRISES (VSE)

An enterprise that is at the lower end, in terms of size, of companies that are considered small and medium enterprises. The definition of what size companies classify as SMEs varies from region to region, but the upper limit is considered to be 25-50 employees. A VSE is also sometimes described as a micro-enterprise (see MSMEs).



# V

<b>VALUE CHAIN FINANCE</b>	Financial services and products flowing to and/or through value chain participants to address and alleviate constraints to growth.
<b>VENTURE CAPITAL</b>	A private equity investor who invests in an enterprise until it reaches a sufficient size and credibility so that it can be sold to a corporation; the investment can be provided by other participants in the capital market.
<b>VERY SMALL ENTERPRISES (VSE)</b>	An enterprise that is at the lower end, in terms of size, of companies that are considered small and medium enterprises. The definition of what size companies classify as SMEs varies from region to region, but the upper limit is considered to be 25-50 employees. A VSE is also sometimes described as a micro-enterprise (see MSMEs).
<b>VILLAGE COMMUNITY BANK OR VILLAGE BANK</b>	A group of low-income members comprising of 20-30 people (usually women) drawn from the same community operating with a joint liability arrangement. Village banks are semi-autonomous organizations with elected leadership drawn from group members who manage the operations of the bank with support and monitoring by a representative of the sponsoring microfinance institution.
<b>VILLAGE SAVINGS AND LOAN ASSOCIATIONS (VSLA)</b>	VSLA usually consists of between 15 to 30 members from a community who frequently meet as agreed between them (e.g. weekly, monthly, etc.). Members can draw loans from a collective fund which they repay over a period of between nine and 12 months, with or without interest. Savings Groups are organized and function as a platform to educate members on the basics of savings, loans, and entrepreneurship.
<b>VIRTUAL ASSETS</b>	A digital representation of value that can be digitally traded or transferred and can be used for payment or investment purposes. Virtual assets do not include digital representations of fiat currencies, securities, and other financial assets that are already covered elsewhere in the FATF Recommendations.
<b>VIRTUAL ASSETS SERVICE PROVIDER</b>	<p>Any natural or legal person who is not covered elsewhere under the Recommendations, and as a business conducts one or more of the following activities or operations for or on behalf of another natural or legal person:</p> <ul style="list-style-type: none"> <li>i. exchange between virtual assets and fiat currencies</li> <li>ii. exchange between one or more forms of virtual assets</li> <li>iii. transfer<sup>1</sup> of virtual assets</li> <li>iv. safekeeping and/or administration of virtual assets or instruments enabling control over virtual assets</li> <li>v. participation in and provision of financial services related to an issuer's offer and/or sale of a virtual asset</li> </ul> <p><b>[1.]</b> In this context of virtual assets, transfer means to conduct a transaction on behalf of another natural or legal person that moves a virtual asset from one virtual asset address or account to another.</p> <p><small>This definition is provided by FATF.</small></p>
<b>VOLUNTARY CARBON MARKET</b>	Voluntary carbon markets enable carbon emitters to offset their emissions by purchasing carbon credits from projects targeted at removing or reducing GHG from the atmosphere. Each credit - which corresponds to one metric ton of reduced, avoided, or removed CO <sub>2</sub> or equivalent GHG - can be used by the emitting organization to compensate for the emission of one ton of CO <sub>2</sub> or equivalent gases. When a credit is used in this manner, it becomes an offset. It is moved to a register for retired credits and is no longer tradable.

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## W

WAQF	An endowment made by a Muslim to a religious, educational, or charitable cause. Assets that are donated, bequeathed or purchased and held in perpetual trust for general or specified socially beneficial causes.
WOMEN AND GIRLS' ECONOMIC EMPOWERMENT	The act of reinforcing the economic strength of women and girls to enhance their ability to earn an income to expand their choices for gaining power and control over their own lives. This also involves transforming the structures and institutions which otherwise reinforce and perpetuate gender discrimination and inequality.
WOMEN-OWNED MSMES (WMSMES)	MSMEs (see above) micro, small, and medium enterprises owned/run or managed by a woman or more than one woman. Most countries lack national definitions, and there is currently no global definition. The terms ownership, control, and management are frequently used interchangeably, despite having slightly different meanings.
WORKING CAPITAL	The difference between current assets – such as cash, accounts receivable/customers' unpaid bills, and inventories of raw materials and finished goods – and current liabilities, such as accounts payable and debts.

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## Y

YOUTH	Depending on how each country defines them, youth are those aged 15 to 24, young adults are those aged 25 to 29, and adults are those aged 25 and up.
YOUTH ADVOCATES	Young people who are responsible for advocating on behalf of youth who have been abused, neglected, or otherwise involved in the child welfare system.
YOUTH FINANCIAL INCLUSION	Facilitate access to and usage of affordable, quality financial products and services that are uniquely tailored to the world's 1.2bn young people aged between 15-24 who remain unbanked.

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## Z

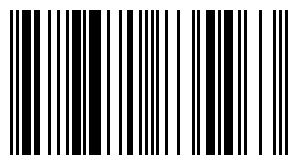
ZAKAH (OR ZAKAT)	An obligatory minimum financial contribution by those with wealth (beyond a threshold in a lunar year) disbursed to specified recipients as prescribed by the Sharia.
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