



2022 AFI GLOBAL POLICY FORUM REPORT



SPECIAL REPORT

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INTRODUCTION

After three years, since the last Global Policy Forum gathering in Kigali, Rwanda in 2019, the Central Bank of Jordan (CBJ) and the Alliance for Financial Inclusion (AFI) co-hosted the 2022 AFI Global Policy Forum (GPF) on 7 and 8 September 2022 - and the two-day preliminary events - at the Dead Sea, Jordan.

The GPF physically gathered 53 Leaders from AFI member institutions and 581 policymakers, donors, knowledge and private sector partners, and other institutions from 102 countries, under the theme of “Moving forward together: Towards a resilient, inclusive and sustainable future”.

As a consequence of global events over the last three years in terms of sustainability risks, gender inequality, and the need to leverage on reliable innovation and technology to overcome the challenges brought by the COVID-19 pandemic, the AFI network ratified updated editions of the **Sharm El-Sheikh Accord on Inclusive Green Finance**,¹ the **Denarau Action Plan for Gender Inclusive Finance**,² and the **Sochi Accord on Inclusive FinTech**³ to ensure the policies promoted by the network are building more sustainable and resilient societies for the future.

Eight AFI member institutions from the South Asia region - regulators from Bangladesh, Bhutan, Maldives, Nepal, Pakistan, and Sri Lanka - launched the South Asia Regional Financial Inclusion Initiative (SARFII), strengthening the ties between these important economies in the region to identify and implement regional solutions to shared financial inclusion challenges.

Two new AFI Awards were launched during the 2022 GPF recognizing the innovation inside our network and the high potential and relevance of financial inclusion among the youth. The Nestor Espenilla Jr. Financial Inclusion Innovation Award and the Global Youth Financial Inclusion Award follow the new dimensions that the AFI network is focusing on. Furthermore, the AFI network continued to recognize and value the persistent and committed collaborations from our member institutions and representatives through the Peer Leadership Awards - Maya Declaration Commitment, Institutional Leadership and Technical Leadership. Finally, the 2022 Fintech Showcase, as in previous years, gave emphatic

recognition to the impact of financial technology innovators in the sphere of financial inclusion.

Following the four pillars of financial inclusion: livelihoods, sustainability, social, and innovation GPF participants evaluated the immediate consequences and ripple effects of the COVID-19 pandemic and discussed foreseeable solutions that can be implemented over coming years as economies rebuild. GPF attendees also facilitated structured deliberations on how central bankers and other financial regulators can, in addition to monetary and financial stability objectives, enhance financial inclusion and underline the role of financial inclusion in ensuring inclusive, resilient, and sustainable economic recovery, rebuilding, and growth.

Aside from negatively impacting the world economy and health systems worldwide, the COVID-19 pandemic also highlighted how interconnected we are, reminding us that only by working together can we solve global challenges such those posed by climate change. In this report, we present the highlights and key outcomes of the 2022 AFI GPF, a memorable and insightful event that continues to remind us how strong we are when we have collective intent and action.

AFI WELCOMED ITS NEWEST MEMBER



AFI welcomed its newest member, the **Jordan Payments and Clearing Company (JoPACC)**, a domestic payment system operator owned and managed by the Central Bank of Jordan (CBJ) and the other banks, which joins the network as an Associate Member.



AFI members acknowledged the **Central Bank of Eswatini** which upgraded its membership from Associate to Principal member from this year onwards.

- 1 Alliance for Financial Inclusion (AFI). 2022. Sharm El Sheikh Accord on Inclusive Green Finance Updated in September 2022. 6 September. Kuala Lumpur. AFI. Available at: <https://www.afi-global.org/publications/sharm-el-sheikh-accord-financial-inclusion-climate-change-green-finance/>
- 2 Alliance for Financial Inclusion (AFI). 2022. Denarau Action Plan on Gender Inclusive Finance Updated in September 2022. 6 September. Kuala Lumpur. AFI. Available at: <https://www.afi-global.org/publications/denarau-action-plan-the-afi-network-commitment-to-gender-and-womens-financial-inclusion/>
- 3 Alliance for Financial Inclusion (AFI). 2022. Sochi Accord on Inclusive FinTech Updated in September 2022. 5 September. Kuala Lumpur. AFI. Available at: <https://www.afi-global.org/publications/sochi-accord-fintech-for-financial-inclusion/>

2022 GPF IN NUMBERS



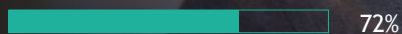
83

TOTAL NUMBER OF AFI
MEMBER INSTITUTIONS
IN 2022





60

AFI MEMBER INSTITUTIONS
REPRESENTED AT 2022 GPF,
72% OF TOTAL MEMBERSHIP



Source: Alliance for Financial inclusion

PARTICIPANTS BY TYPE

PARTICIPANTS BY TYPE	 WOMEN	 MEN	TOTAL	%
Total Participants	264	370	634	100%
AFI Leaders	21	32	53	8%
AFI Technical Members	146	165	311	49%
AFI Team	28	18	46	7%
AFI Consultants	-	1	1	0%
AFI Partners	27	33	60	9%
CBJ Co-Host	20	39	59	9%
CBJ Stakeholders	12	73	85	13%
Potential Members	1	1	2	0%
AFI Leaders' Spouses	2		2	0%
AFI Others	7	8	15	2%

Source: Alliance for Financial inclusion



HIGH-LEVEL OUTCOMES

The Forum - particularly memorable as it had not been held in the last two years due to the pandemic - gave participants the opportunity to reconnect and to exchange insights and knowledge.

It saw the launch of a new regional initiative - the **South Asia Regional Financial Inclusion Initiative (SARFII)**, which aims to strengthen ties between financial regulators in the region.



Three flagship AFI Member Accords were reviewed and updated - the **Sharm El-Sheikh Accord on Inclusive Green Finance**⁴, the **Denarau Action Plan**⁵, and the **Sochi Accord on Inclusive FinTech**⁶ - revitalizing the guidance of these strategic cross-cutting policy areas.



> [View here](#) > [View here](#) > [View here](#)

Three AFI member institutions launched **Maya Declaration Commitments** - Central Bank of Iraq, Maldives Monetary Authority, and Banque Centrale de Tunisie - and 34 other AFI Member Institutions reported progress and made new targets in 2022.



Additionally, key leadership positions at the different governance structures were renewed, **safeguarding the steering committee of AFI.**



The 2022 GPF launched two new high-level awards - the **Nestor Espenilla Jr. Financial Inclusion Innovation Award** recognizing the innovation inside our network and the **Global Youth Financial Inclusion Award**, recognizing the initiatives driving financial inclusion for youth. These were given out in addition to the equally important existing awards, namely the Peer Leadership Awards and the 2022 FinTech Showcase Award. The FinTech Showcase Award acknowledges innovators involved with implementation.



4 Alliance for Financial Inclusion (AFI). 2022. Sharm El Sheikh Accord on Inclusive Green Finance Updated in September 2022. 6 September. Kuala Lumpur. AFI. Available at: <https://www.afi-global.org/publications/sharm-el-sheikh-accord-financial-inclusion-climate-change-green-finance/>

5 Alliance for Financial Inclusion (AFI). 2022. Denarau Action Plan on Gender Inclusive Finance Updated in September 2022. 6 September. Kuala Lumpur. AFI. Available at: <https://www.afi-global.org/publications/denarau-action-plan-the-afi-network-commitment-to-gender-and-womens-financial-inclusion>

6 Alliance for Financial Inclusion (AFI). 2022. Sochi Accord on Inclusive FinTech Updated in September 2022. 5 September. Kuala Lumpur. AFI. Available at: <https://www.afi-global.org/publications/sochi-accord-fintech-for-financial-inclusion/>

JOINT PRESS CONFERENCE

Under the Patronage of His Majesty King Abdullah II ibn Al Hussein from Jordan, the Central Bank of Jordan and the Alliance for Financial Inclusion (AFI) co-hosted the world's largest financial inclusion forum.

CBJ and AFI co-hosted the world's largest financial inclusion forum under the patronage of His Majesty King Abdullah II ibn Al Hussein of the Hashemite Kingdom of Jordan. Pictured here are Governor Adel Al-Sharkas of the CBJ and Executive Director Dr. Alfred Hannig of AFI, addressing the media ahead of the forum.

29 AUGUST 2022, AMMAN

More than 600 global policymakers, regulatory institutions, private sector representatives, international stakeholders, and development partners, from roughly 80 countries will gather at the Dead Sea in Jordan for the world's largest financial inclusion convening.

Under the patronage of His Majesty King Abdullah II ibn Al Hussein, the Central Bank of Jordan (CBJ) and the Alliance for Financial Inclusion (AFI) hold the 2022 AFI Global Policy Forum (GPF) on 7 and 8 September 2022, under the theme of "Moving forward together: Towards a resilient, inclusive and sustainable future".

AFI members, together with partners and stakeholders from 6 continents, are meeting in person, bringing a broad variety of voices on financial inclusion beyond the pandemic. Prior to the Forum, a series of closed meetings exclusively for AFI members are taking place earlier in the week including the gatherings of AFI working groups, regional initiatives, as well as the 7th AFI Annual General Meeting. The previous GPF was convened in Kigali, Rwanda in September 2019, before the COVID-19 pandemic.

The 2022 GPF will highlight proven financial inclusion policy solutions beyond the pandemic and look forward into the future. Deliberations will address how can central bankers and other financial regulators, in addition to monetary and financial stability objectives, enhance financial inclusion and underline the role of financial inclusion in ensuring inclusive, resilient, and sustainable economic recovery, rebuilding and growth.



“

We are very proud of our cooperation with the reputable AFI, and we commend AFI's efforts and determination to bringing all the stakeholders here in Jordan, especially after the pandemic. It is a timely opportunity for us here in Jordan to showcase and share our ongoing rigorous efforts towards financial inclusion and learn from AFI network's abundant and diverse experiences in implementing sustainable and pioneering financial inclusion policies. Our World needs, more than ever, joint coordinated efforts among all partners and players across the globe to ensure we deliver financial inclusion and resilience for all.

”

Governor Dr. Adel Al-Sharkas, Governor of the Central Bank of Jordan

“

Moving forward and expanding greater financial inclusion can only be done together, as we face similar challenges and develop common solutions. The GPF offers enlightening, focused, and practical conversations to set the course of financial inclusion for the next decade. I thank our reliable partner and co-host Central Bank of Jordan for their tireless efforts in making this 2022 GPF a reality. With, more than 600 stakeholders, I am certain that our discussions and debates will be rich, innovative, and tailored towards novel policies and solutions.

”

Dr Alfred Hannig, the Executive Director of the Alliance for Financial Inclusion

THE AFI WORKING GROUPS CONVERGE IN JORDAN “MOVING FORWARD TOGETHER”

MODERATOR	Dr Olayinka-David-West	Associate Dean, Lagos Business School
	MC Johanna Nyman	Head of Inclusive Green Finance, Alliance for Financial Inclusion
SPEAKERS	Madalitso Chamba	Chief Examiner, Consumer Protection and Financial Literacy Financial Sector Regulation Department, Reserve Bank of Malawi, Consumer Empowerment and Market Conduct Working Group (CEMCWG) Chair
	Ehab Nasr	Assistant Sub Governor, Payment Systems and Business Technology Sector, Central Bank of Egypt, Digital Financial Services Working Group (DFSWG) Chair
	Dr Settor Amediku	Director , Payment Systems Department, Bank of Ghana, Financial Inclusion Data Working Group (FIDWG) Chair
	Mohanad Salous	Division Chief, Palestine Monetary Authority, Financial Inclusion Strategy Peer Learning Group (FISPLG) Co-Chair
	Najwa Mouhaouri	(Virtual) Head of Green Finance, Bank Al-Maghrib, Inclusive Green Finance Working Group (IGFWG) Chair
	Ellen Joyce Suficiencia	Director, Center for Learning and Inclusion Advocacy, Bangko Sentral ng Pilipinas, SME Finance Working Group (SMEFWG) Chair
	Clarence Blay	(Absent with apologies) Chief Manager, Oversight and Risk Assessment, Payment Systems Department, Bank of Ghana, Global Standards Proportionality Working Group (GSPWG) Chair
CLOSING	Eliki Boletawa	Director, Policy Programs and Implementation, Alliance for Financial Inclusion

As part of the AFI 2022 Global Policy Forum co-hosted by the CBJ, more than 280 representatives from the seven AFI Working Groups joined in a convergence session kickstarting the one-day in-person working groups meetings.

During the session moderated by Professor Olayinka David-West, Associate Dean at the Lagos School of Business, participants and leaders of the AFI working groups discussed how well the knowledge generated by these working groups is aligned with the theme of this year's AFI GPF “Moving Forward Together: Towards a resilient, inclusive and sustainable future”.

This is aligned with the GPF's vision of financial inclusion as a catalyst of livelihood, a more equitable society, green, and innovation by analyzing the overall outcomes and objectives of the more than 33 knowledge products generated in 2021.

However, young people are not a homogeneous group, and have varying financial needs and behaviors. These differences, panelists said, must be considered when

developing financial products and services for youth. To create solutions tailored to the challenges of this demographic, stakeholders need to cultivate and sustain dialogue with youth whose financial habits and behaviors are still forming and can be shaped.

“

Now we need to continue to move forward together making sure we leave no one behind, because everyone, each life is important and we need to make sure there is a sustainable future for everyone.

”

Professor Olayinka-David West



REGIONAL INITIATIVES

After two years of virtual engagements, AFI's regional initiatives also proved the resilience of the network in bringing members together to build a high-level consensus on financial inclusion policy issues and find innovative solutions to shared challenges at the regional level.

Members from the five original regional initiatives, and from the sixth newly launched regional initiative met at the Expert Group on Financial Inclusion Policy (EGFIP) meetings and Leaders' Roundtable meetings to discuss new and emerging policy issues, review progress, and prepare action plans for 2023.

The members of the African Financial Inclusion Policy Initiative (AfPI); Pacific Islands Regional Initiative (PIRI); Eastern Europe & Central Asia Policy Initiative (ECAPI); Financial Inclusion Initiative in Latin America and the Caribbean (FILAC); Financial Inclusion in the Arab Region (FIARI), and new South Asia Regional Financial Inclusion Initiative (SARFII) deliberated respectively on recent regional initiatives achievements and the way forward.



LAUNCH OF THE SOUTH ASIA REGIONAL FINANCIAL INCLUSION (SARFII)

AFI's eight South Asia member institutions - comprising the Bangladesh Bank; the Micro Credit Regulatory Authority; the Insurance Development and Regulatory Authority from Bangladesh; the Royal Monetary Authority of Bhutan; the Maldives Monetary Authority; the Nepal Rastra Bank; the State Bank of Pakistan, and the Central Bank of Sri Lanka - joined together to accelerate financial inclusion in the region by launching the South Asia Region Financial Inclusion Initiative (SARFII) on 7 September 2022.

SARFII aims to boost peer learning; knowledge exchange; information sharing, and regional cooperation among its eight members through six key priorities. These are: digital financial services; financing of micro, small and medium-sized (MSME) enterprises; reducing the gender gap in access to finance; inclusive green finance; financial inclusion data, and consumer protection & financial education, and literacy to accelerate financial inclusion for all. It is also intended to eliminate inequity by addressing the local and unique challenges in the region.

This initiative will be tailored to drive change by supporting member institutions in facilitating the implementation of smart and practical policies through peer-to-peer exchanges and global and regional best practices. It will also address the inclusion of vulnerable populations such as women; youth; the elderly, and rural/remote populations - leaving no one behind.





AFRICAN FINANCIAL INCLUSION POLICY INITIATIVE (AFPI)

The AfPI leader's roundtable was chaired by Caroline Abel, Governor of the Central Bank of Seychelles and Chair of AfPI, and was attended by over 10 high-level representatives (governors and deputy governors) from the Africa Region.

During the meeting, AfPI leaders exchanged views on reported policy and regulatory reforms in Africa in 2021, and key policy considerations for Africa based on the latest AFI members' needs assessment. While most of the reforms in 2021 were carried out in the areas of digital financial services (DFS) and financial inclusion strategy, a key outcome of the roundtable was an agreement by leaders to continue leveraging technology to advance financial inclusion and the recognition that more focus on the financial health of consumers was needed.

Participants at the meeting highlighted that DFS, consumer empowerment, and financial inclusion strategy remain high priorities for policymakers in Africa, with specific attention to women, youth, and the informal sector. The leaders also indicated the need to continuously monitor and assess the intended and unintended results of any policy changes implemented in various jurisdictions.

AfPI leaders guided the Expert Group on Financial Inclusion Policy (EGFIP) to reflect on the enhancement of the dissemination of knowledge products to AFI members within the region and across the network.



PACIFIC ISLANDS REGIONAL INITIATIVE (PIRI)

The Pacific Islands Regional Initiative (PIRI) met under the 7th PIRI Leaders Roundtable to share the PIRI Leaders workplan updates, specifically on the De-risking Action Plan and the Pacific Regional Regulatory Sandbox, to seek endorsement on completed deliverables and request guidance from leaders on issues and priorities to focus on in the Pacific region.

The meeting started with leaders sharing an update on the member needs assessment results in the region. AFI and PIRI Experts Group on Financial Inclusion Policy (EGFIP) colleagues agreed to work together to address the downward trends revealed in the region's AFI needs assessments.

Updates on both the De-risking Action Plan and on the FinTech workstream were shared. These included actions recommended for implementation in each country. Additionally, a discussion from the leaders' roundtable centered around how PIRI could address issues and priorities in the Pacific and what would be required for PIRI actions and AFI support. Leaders recommended more should be done in terms of capacity building for identified priorities. They also recommended that the PIRI EGFIP and AFI Management Unit focus on central bank digital currencies (CBDC); DFS; digital payments; sustainable finance; inclusive green finance, and, broadly, the role of digitalization in creating a digital economy and FinTech strategy.

PIRI leaders agreed on the adoption of the updated **Sochi Accord on Inclusive FinTech**⁷ by the region and to leverage this in the next PIRI workplan. Moving forward, actions to be taken include capacity building, knowledge generation and peer-learning. The next PIRI-EGFIP meeting will be held in the second quarter of 2023.



EASTERN EUROPE & CENTRAL ASIA POLICY INITIATIVE (ECAPI)

The ECAPI members met to discuss the regional priority areas, the transition from ECAPI phase 1 to ECAPI phase 2, and achieving an adoption plan towards 2025.

The AFI monitoring and evaluation (M&E) team shared the main member needs assessment results in the ECAPI region, including an overall increasing satisfaction rate over the last three years. The results also signaled DFS and women's financial inclusion as high priority areas in the next two years. The ECAPI leaders briefly shared updates on financial inclusion policy implementation in Armenia, North Macedonia, Mongolia, and Uzbekistan.

⁷ Alliance for Financial Inclusion (AFI). 2022. Sochi Accord on Inclusive FinTech Updated in September 2022. 5 September. Kuala Lumpur. AFI. Available at: <https://www.afi-global.org/publications/sochi-accord-fintech-for-financial-inclusion/>

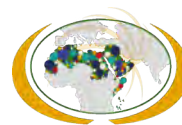
During the meeting, ECAPI Leaders approved the change in governance for the next period, with the Central Bank of Armenia designated as Vice-Chair institution. Additionally, the Financial Regulatory Commission of Mongolia submitted to co-host the 11th ECAPI EGFIP meeting, which was approved by all participants. The Mongolia Financial Regulatory Commission will thus be co-hosting the EGFIP 2023 meeting, which will be held virtually.



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

Regional leaders from the Financial Inclusion Initiative in Latin America & the Caribbean (FILAC) met to share progress; challenges; lessons, and priority areas in their countries. The discussion covered cybersecurity; credit bureau for financing improvements; green finance initiatives; gender inclusive finance; national financial inclusion policies, and national financial education strategies that have been developed and implemented in the region, with acknowledgement of and appreciation for AFI's support.

The session also afforded an opportunity to give guidance and endorsement for the workplan and deliverables derived from EGFIP meeting held in July 2022 in Tegucigalpa, Honduras. The discussion focused on the main approaches topics to enhance financial inclusion in the region, such as DFS; consumer empowerment and market conduct; micro, small and medium enterprise (MSME) financing; inclusive green finance; financial inclusion data, and the financial inclusion of the migrant population. The next FILAC EGFIP meeting will be hosted in 2023 by the Superintendency of Banks of the Dominican Republic.



FINANCIAL INCLUSION IN THE ARAB REGION INITIATIVE (FIARI)

The nine AFI member institutions in the Arab region, including a new AFI member institution, namely the Jordan Payments and Clearing Company (JOPACC), met on September 6 2022 to provide an overview of AFI activities in the region.

During the meeting, members reviewed AFI platforms and modalities, and proposed the development of an Expert Group on Financial Inclusion Policy (EGFIP) as a technical committee designed to run parallel with FIARI, exclusively aimed at AFI members. This would allow them to express specific needs in terms of knowledge and peer exchanges, with the aim that these would result in concrete, practical skills and solutions related to financial inclusion.

Key thematic areas expressed included the need for members in the region to update the financial inclusion core indicators in the AFI Data Portal; focus on SMEs, specifically on start-ups and corresponding market regulations; place additional focus on youth and women's financial inclusion; examine e-KYC and DFS initiatives, and monitor indirect consequences and impacts on financial inclusion from Financial Action Task Force (FATF) guidelines.

The members strongly suggested the need to add more Arab member institutions to the AFI network, including financial regulators from Algeria. The session concluded with an agreement to develop EGFIP with full ownership of all AFI members in the Arab region, formulate a clear mandate and governance structure, and select several focus topics to start off this new initiative.



AFI LEADERS' PUBLIC-PRIVATE DIALOGUE

During the AFI Leaders' Public-Private Dialogue (PPD) Roundtable in the context of the GPF, leaders of AFI member institutions and private sector partners deliberated the theme “Public-Private collaboration in the era of disruption: deepening usage of financial services to further advance financial inclusion”.

One of the main conclusions was that leaders called upon AFI to set up a more structured and systematic approach to ensure close collaboration between the public and private sectors to advance financial inclusion.

Leaders shared several strategic insights with regard to challenges and solutions for the advancement of financial inclusion in the period ahead. They also discussed practical aspects for enhancing collaboration between regulators and private sector companies in this regard, including a request for AFI to taking forward the shared ideas.



7TH AFI ANNUAL GENERAL MEETING (AGM)

After two years of holding the Annual General Meeting (AGM) in a virtual format due to travel and movement restrictions during the COVID-19 pandemic, the most recent AGM of the AFI Membership Council was held in a hybrid format.

The 7th Annual General Meeting since AFI became an independent and member-owned organization in 2016, was organized as of 6 September 2022, a day ahead of the official opening of the 2022 AFI Global Policy Forum (GPF) in the Dead Sea, Jordan. The majority of members participated in person with just some members joining virtually.

The AGM commenced with convening remarks delivered by Dr Jesús De La Fuente Rodríguez, President of Comisión Nacional Bancaria y de Valores de México (CNBV) and Chair of AFI's Board of Directors who presided over the AGM. He then invited Ziad Ghanma, Deputy Governor of the CBJ to deliver welcome remarks. The CBJ was co-host of the GPF. This was followed by opening remarks by AFI Management Unit, delivered by Dr Alfred Hannig, Executive Director of AFI and Secretary to AFI's Board of Directors.

To begin the proceedings of the AGM, the minutes of the 6th AFI AGM held virtually on 8 September 2021 were submitted for approval by the Membership Council. Following the approval and adoption of the minutes, the Membership Council received a brief update on matters arising from the last AGM.

In the session that followed, members received a comprehensive report of AFI's performance between September 2021 and August 2022, focusing on membership engagement and commitments; member needs assessments; capacity building; working groups; regional initiatives, and strategic partnership engagements as presented by the AFI Management Unit. The Membership Council also received a presentation by the Chair of the Audit Committee and the Chair of the Budget and Finance Committee on the activities of the respective Committees for the reporting period.

The Membership Council ratified the AFI Annual Report and Audited Financial Report for the Financial Year ending 31 December 2021.

The Chair of the Intergovernmental Organization (IGO) Special Committee presented an update of the progress of the study to explore IGO status for AFI. The update included the results of the member survey on the state of practice in their respective countries of signing-up to a treaty to form an IGO.

The Membership Council then received a presentation of the respectively updated **Denarau Action Plan on Gender Inclusive Finance**,⁸ **Sharm El-Sheikh Accord on Inclusive Green Finance**,⁹ and **Sochi Accord on Inclusive FinTech**.¹⁰ The Membership Council approved all three updated Accords for implementation and acknowledged that AFI member institutions have set new financial inclusion goals with more ambitious targets in the focus areas outlined in each updated Accord.

During the final proceedings of the AGM, the Membership Council ratified the appointment of the Reserve Bank of Fiji as the Vice-Chair of AFI's Board of Directors for the ongoing Board term from September 2021 to September 2023. The Membership Council also ratified the appointments of AFI's Principal Member institutions to serve on the Committees of the Board for term commencing September 2022 until September 2024 as follows: Audit Committee; Budget and Finance Committee; Gender Inclusive Finance Committee; and Global Standards and Policy Committee.

The AGM concluded with closing remarks by Dr Jesús who summarized the decisions undertaken by the Membership Council, voiced appreciation for members for their active participation and deliberations throughout the AGM, and encouraged members to continue to advance the mission and objectives of the AFI network.

8 Alliance for Financial Inclusion (AFI). 2022. Sharm El Sheikh Accord on Inclusive Green Finance Updated in September 2022. 6 September. Kuala Lumpur. AFI. Available at: <https://www.afi-global.org/publications/sharm-el-sheikh-accord-financial-inclusion-climate-change-green-finance/>

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10 Alliance for Financial Inclusion (AFI). 2022. Sochi Accord on Inclusive FinTech Updated in September 2022. 5 September. Kuala Lumpur. AFI. Available at: <https://www.afi-global.org/publications/sochi-accord-fintech-for-financial-inclusion/>



AFI MEMBERS REFRESH THE GOALS FOR FINANCIAL INCLUSION

The AFI Membership Council met ahead of the 2022 AFI Global Policy Forum, on 6 September 2022 at the Dead Sea in Jordan to review the progress and work of the network for the past year, update the Sharm El-Sheikh Accord on Inclusive Green Finance (IGF),¹¹ the Denarau Action Plan (DAP) on gender inclusive finance¹² and the endorsement of the Sochi Accord on Inclusive FinTech.¹³ It is hoped that going forward, the updating of these critical global commitments will bring sustainability and increased alignment to the financial inclusion policies implemented.

“

Gender gap and gender issues have been there for too long, as are climate change impacts and hardships faced by forcibly displaced persons (FDPs). In these three specific examples of global challenges, the network can claim and document progress.

”

AFI Executive Director Dr. Alfred Hannig to members of the AFI Membership Council

Offering a more substantial in-country implementation dimension, the updated **Sharm El-Sheikh Accord on Inclusive Green Finance (IGF)**¹⁴ introduces a broader concept of green finance, including environment degradation and a more precise approach to mitigation and adaptation. The Sharm El-Sheikh Accord offers tangible links between the role of financial regulators and the broader global and national green finance and financial inclusion landscapes.

By updating the **Denarau Action Plan (DAP)**¹⁵ on gender inclusive finance, AFI members introduced a more ambitious, bolder and intentional focus on the sustainable usage of quality financial services, and not just their access to these services. The Action Plan aims to increase institutional diversity, women's leadership and the closing of the financial inclusion gender gap. Members also acknowledged six key progress milestones

achieved in gender inclusive finance and revised the Plan's goals to encourage all AFI members to set national-level SMART targets. Gender inclusive finance is now considered a high priority policy area by 74 percent of members, compared to 58 percent in 2021.

Following the endorsement of the **Sochi Accord on Inclusive FinTech**,¹⁶ AFI members are now considering new and emerging topics in the FinTech landscape, such as Regulatory and Supervisory Technologies (RegTech and SupTech) for financial inclusion, CBDC, and open finance and data ecosystems, among others. It puts greater emphasis on in-country implementation support, peer-learning and developing-developed country dialogue (3D).

“

AFI's work is more essential than ever if we want to continue to broaden the impact of our network.

”

Dr. Jesús De La Fuente Rodríguez, AFI Board Chair and President of the Comisión Nacional Bancaria y de Valores (CNBV), México.

11 Alliance for Financial Inclusion (AFI). 2022. Sharm El Sheikh Accord on Inclusive Green Finance Updated in September 2022. 6 September. Kuala Lumpur. AFI. Available at: <https://www.afi-global.org/publications/sharm-el-sheikh-accord-financial-inclusion-climate-change-green-finance/>

12 Alliance for Financial Inclusion (AFI). 2022. Denarau Action Plan on Gender Inclusive Finance Updated in September 2022. 6 September. Kuala Lumpur. AFI. Available at: <https://www.afi-global.org/publications/denarau-action-plan-the-afi-network-commitment-to-gender-and-womens-financial-inclusion/>

13 Alliance for Financial Inclusion (AFI). 2022. Sochi Accord on Inclusive FinTech Updated in September 2022. 5 September. Kuala Lumpur. AFI. Available at: <https://www.afi-global.org/publications/sochi-accord-fintech-for-financial-inclusion/>

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MAYA DECLARATION UPDATES

BACKGROUND

Launched in September 2011 in the historical city of Riviera Maya in Mexico, the Maya Declaration is a global initiative for responsible and sustainable financial inclusion that aims to reduce poverty and ensure financial stability for all. For the past 11 years, it has cemented itself as a core instrument for galvanizing domestic momentum and commitment to advancing financial inclusion in countries where AFI members are present. This year, the AFI network acknowledged institutions which commitments for the first time, completed targets, reported progress, and made new targets. The list of members is below.

61

Completed targets in 2022

19

Member institutions reporting completed targets in 2022

34

Member Institutions reporting progress and making new targets in 2022

FIRST TIME COMMITMENTS IN 2022



Central Bank of Iraq



Maldives Monetary Authority



Banque Centrale de Tunisie



The Maya Declaration
Commitments
you can bank on

GLOBAL POLICY FORUM OPENING

WELCOMING REMARKS	Dr Adel Al-Sharkas	Governor, Central Bank of Jordan
OPENING REMARKS	Dr Jesús de la Fuente Dr Alfred Hannig	President, CNBV and Chair of the AFI Board of Directors Executive Director, AFI
GUEST SPEAKER	Dr Rocio Aguilar Montoya	Superintendent, SUGEF Costa Rica
KEYNOTE ADDRESS	HE Dr Bisher Al Khasawneh	Prime Minister and Representative of His Majesty King Abdullah II ibn Al Hussein



WELCOMING REMARKS

Thanking the patronage of His Majesty King Abdullah II ibn Al Hussein of the Hashemite Kingdom of Jordan for co-hosting this important event, central bank governor, Dr Adel Al-Sharkas, opened the 2022 GPF on behalf of the CBJ and welcomed participants. The Governor expressed his gratitude for being able to host the AFI Global Policy Forum after three years' postponement due to the COVID-19 pandemic, and said that financial inclusion was a catalytic factor to enhance a faster recovery at a global scale.

After a brief retrospective on the financial inclusion journey of Jordan and a description of financial inclusion policy objectives, the Governor expressed his gratitude to policymakers, financial sector practitioners, and to AFI and sponsor representatives, inviting everyone to participate in an open dialogue in the coming days to ensure financial inclusion is expanded.

OPENING REMARKS

Dr Jesús de la Fuente Rodriguez, President, CNBV and Chair of the AFI Board of Directors opened the GPF on behalf of the AFI Board of Directors. In his remarks, he provided high-level context on the recent landscape of recovery from the COVID-19 pandemic. Dr De la Fuente highlighted the critical importance of financial inclusion policies in addressing the financial hardships faced by global health and livelihood emergencies, many of them founded in digital financial services mitigation or recovery responses, always safeguarding sustainable policies, including financial consumer protection and digital financial literacy based on the AFI Strategic Plan Phase III (2019 - 2023).

In his remarks, Dr Alfred Hannig, Executive Director of AFI acknowledged the resilience of the AFI network, and thanked members and partners for their persistence after the last three years of economic and livelihood global hardships. He also reflected upon how the COVID-19 pandemic proved to be a catalyst in speeding up the implementation of financial inclusion policies. Dr Hannig concluded by expressing that the progress in financial inclusion in the network is led by a cooperation model, based on open exchange; mutual learning; free flow of information, and due respect for each other. His chosen example was Jordan.



GUEST SPEAKER

Dr Rocio Aguilar Montoya, Superintendent, SUGEF Costa Rica, highlighted the importance of interconnection among countries across the globe as a catalyst for piecing together knowledge and sharing it among peers, and identifying common solutions to procure more inclusive financial systems. The recent COVID-19 pandemic showed us that the level of connection among countries can sometimes pose a health threat; however, this same connection also affords important opportunities and lessons in terms of the benefits of unity and interconnectedness to find timely solutions. The current global context after the pandemic brings new challenges and potential hardships. These require close attention and concerted effort; it is through innovation and communication with peers that new solutions will be found, resulting in a more prosperous, inclusive, resilient, and sustainable world.

KEYNOTE ADDRESS

His Excellency Dr Bisher Al Khasawneh, Prime Minister and Representative of His Majesty King Abdullah II of Jordan, warmly welcomed all the participants to the GPF and emphasized the importance of financial inclusion policies. These, he said, are a key component in enabling more equitable and innovative conditions in the financial, economic, and social contexts. Saying it was a pleasure to witness the commitment to host the GPF, Dr Al Khasawneh officially opened the 2022 AFI Global Policy Forum.

2022 GLOBAL FINANCIAL INCLUSION AWARDS & FINTECH SHOWCASE

For the first time, the AFI Global Financial Inclusion Awards recognized and celebrated policy achievements of members in three categories. This included two new high-level awards launched in 2022, which are listed below.

- > The Nestor Espenilla Jr. Financial Inclusion Innovation Award is a new high-level AFI Award that honors the memory and legacy of Governor Nestor Espenilla Jr of Bangko Sentral ng Pilipinas, a founding member of AFI, and a global champion of innovation and inclusion.
- > The Global Youth Financial Inclusion Award, a new high-level AFI Award that recognizes financial policymakers and regulators across the globe who are driving impactful initiatives, policies, or regulations to accelerate the financial inclusion of youth.

Awards granted in the Peer Leadership Award category included - as in previous years - the Maya Declaration Commitment, the Institutional Leadership, and the Technical Leadership Awards in a highly emotive ceremony.¹⁷

AFI PEER LEADERSHIP AWARDS

THE TECHNICAL LEADERSHIP AWARD

This recognizes outstanding contributions of staff members from AFI Member Institutions to the AFI Network. The award was presented by Governor Simeon Athi, of the Reserve Bank of Vanuatu, and the list of recipients is as follows:

- > **Arab Region** - Samer Saleh Ahmad Affaneh, Palestine Monetary Authority
- > **Asia Region** - Som Kossom, National Bank of Cambodia
- > **Eastern Europe and Central Asia Region** - Enkhbaatar Vorshilov, Financial Monetary Commission Mongolia
- > **Latin America and the Caribbean Region** - Ligia Marcela Herrera, Comisión de Banco y Seguros de Honduras
- > **Pacific Islands Region** - Linda Folia, Central Bank of Solomon Islands
- > **Sub-Saharan Africa Region** - Emma Haiyambo, Bank of Namibia

INSTITUTIONAL LEADERSHIP AWARD

This recognizes AFI Member institutions which have made and demonstrated outstanding contributions and commitment to the Network. The Award was presented by Douglas Rodriguez, President of Banco Central de la Reserva de El Salvador.

- > **Banco Sentral ng Pilipinas**



¹⁷ The results of the AFI Awards were determined by a Jury, which comprised: Dr Daniel Schydrowsky, Former Chair of the AFI Steering Committee 1-Member; Jason Lamb, Deputy Director, Global Growth and Opportunity at the Bill and Melina Gates Foundation; Laura Foschi, Executive Director OF ADA Luxembourg; Georgette Jean-Louis, former Director General and 2-Board Member of Banque de la Republique d’Haïti; AND Dr Alfred Hannig, Executive Director OF AFI.

MAYA DECLARATION COMMITMENT AWARD

This recognizes AFI Member institutions which have made outstanding contributions to the Maya Declaration Commitment Platform. The Award was presented by Caroline Abel, Governor of the Central Bank of Seychelles.

> [Central Bank of Egypt](#)



NEW AWARDS

GLOBAL YOUTH FINANCIAL INCLUSION AWARD

This recognizes financial policymakers and regulators across the world that are advancing financial inclusion of young people. The Award was presented by Anita Angelovska, Governor of the Central Bank of North Macedonia.

> [Palestine Monetary Authority](#)



THE NESTOR ESPENILLA JR. FINANCIAL INCLUSION INNOVATION AWARD

This Award is founded in the legacy and values of the late Governor of the Bangko Sentral ng Pilipinas. Support by Flourish Ventures, it recognizes AFI member institutions which have advanced financial inclusion through innovation. The Award was presented by Teresita Espenilla, wife of the late Governor Nestor.

> [Central Bank of Egypt](#)



2022 FINTECH SHOWCASE

The 2022 FinTech Showcase was a global competition for FinTech and the RegTech innovators. The awards were presented by Bayharsaikhan Dembereldash, Chairman of the Financial Regulatory Commission Mongolia.

- > **3RD PLACED FINALIST** - [Wizzit Digital](#) - Fintech providing secure frictionless payment technologies UK and South Africa
- > **2ND PLACED FINALIST** - [Uncap \(Unconventional Capital\)](#) - Fintech solution to provide funding accessible to entrepreneurs in Africa
- > **1ST PLACE** - [GP Growth Platform](#): FinTech supporting MSMEs in Africa



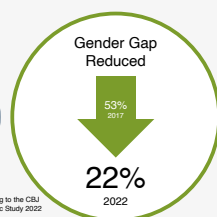
PLENARY I - THE FINANCIAL INCLUSION JOURNEY OF JORDAN

A series of videos and a folkloric performance showcasing Jordan's financial inclusion journey brought about a celebratory and emotive atmosphere during this session.

The plenary acknowledged Jordan's success in implementing financial inclusion policies since 2017, thereby becoming the first county in the region to formulate, launch and implement a National Financial Inclusion Strategy (NFIS). The session also showcased the way forward in terms of financial inclusion in Jordan.



Jordan's Financial Inclusion Journey



According to the CBJ Diagnostic Study 2022

Financial Inclusion Indicators

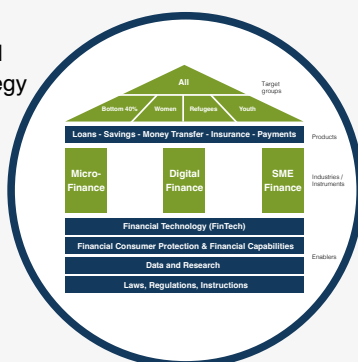
Category	Indicator	Diagnostic Study 2020	2017	2021	2017
ACCOUNTS	Account (% age 15+)	43.1	33.1	47.12	42.49
	Account, female (% age 15+)	31.0	27.2	34.05	28.81
	Account, male (% age 15+)	55.1	37.15	58.8	54.38
	Saved at a financial institution (% age 15+)	4.3	9.3	4	10.11
SAVING	Saved at a financial institution, female (% age 15+)	NA	8.1	3.08	6.94
	Saved at a financial institution, male (% age 15+)	NA	12.3	4.81	12.95
BORROWING	Borrowed from a formal financial institution (% age 15+)	14.4	9.9	0.86	17.8
	Borrowed from a formal financial institution, female (% age 15+)	14.4	12.1	5.65	14.6
	Borrowed from a formal financial institution, male (% age 15+)	14.3	8.9	0.09	20.76
	Made or received a digital payment (% age 15+)	27.4	13.2	24.19	20.24
PAYMENT	Made or received a digital payment, female (% age 15+)	33.7	NA	47.08	43.7
	Has any insurance (% age 15+)	60.9	29.9	NA	NA
	Has any insurance, female (% age 15+)	60.7	31.5	NA	NA
	Has any insurance, male (% age 15+)	61.1	28.6	NA	NA

Jordan's National Payment Systems



The National Financial Inclusion Strategy 2018-2020

CBJ's Financial Inclusion Strategy 2018-2020



Where We Stand Current State of Financial Inclusion

CBJ response to COVID-19

The licensed microfinance institutions have a credit portfolio of JOD 271 million (USD 382 million), including JOD 4.7 million for Islamic microfinance institutions in 2021.

JOD 100 million (USD 141 million) allocated to finance the National Self-Employment Program "INHAD". So far, 272 projects were funded, creating 768 new jobs.

4th Jordan ranked 4th in getting credit index, up from 134 in 2019, according to the World Bank's 2020 Doing Business Report.

Reducing the financing costs of the CBJ's development program for financing and supporting economic sectors.

JOD 3,246 million (USD 4,572 million) disbursed in loans to MSMEs, with a growth rate of 9% in June 2022, compared to JOD 2,987 million (USD 4,207 million) in December 2021.

61% Financial literacy degree in Jordan reached 61 percent or 12.8 out of 21 points, according to the latest CBJ study (2020).

18 financial awareness and literacy campaigns Conducted by 2021, reaching almost 250 K people, 40 knowledge products on financial literacy published.

Injecting banks with additional liquidity of JOD 1050 million (USD 1479 million).

Finance Companies By-law no. (107): CBJ expands its supervision umbrella to include finance companies that give credit, such as: leasing, mortgage, mortgage refinancing, factoring and crowdfunding companies.

1,688,193 e-wallets (opened by PSPs & connecting bank accounts to e-wallets).

66,818 basic bank accounts (BBA) set up by 2021, following the Basic Bank Instructions issued in 2019 by CBJ. 65.4% are male, 34.6% are female.



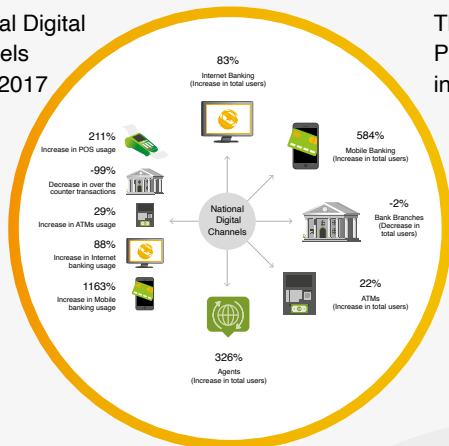
“

Financial inclusion has become a growing priority of financial policymakers, given its importance associated with inclusive and sustainable economic growth and job creation, by mobilizing resources to boost savings, increase investment rates, and make finance available to micro, small and medium-sized enterprises.

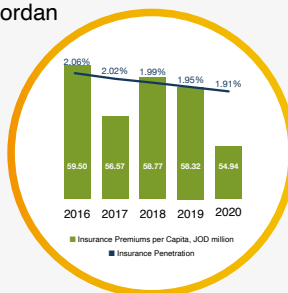
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Dr Adel Al-Sharkas, Governor of the Central Bank of Jordan

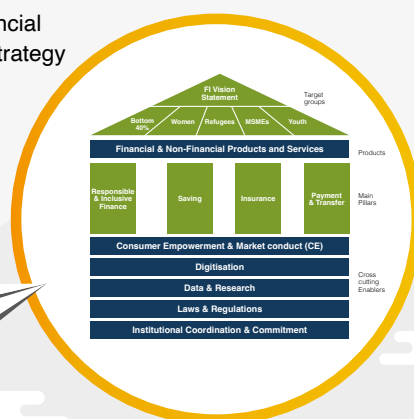
National Digital Channels 2021- 2017



The Insurance Penetration in Jordan



CBJ's Financial Inclusion Strategy 2023-2025



COVID-19 The Future of Financial Inclusion in Jordan



PLENARY II - FINANCIAL INCLUSION IN THE POST-PANDEMIC WORLD - EMERGING POLICY PRIORITIES AND PATHWAYS

MODERATOR	Michael Tarazi	Lead, Member Engagement & Governance, CGAP
SPEAKERS	Atalina Mai'ava	Governor, Central Bank of Samoa
	Sheila M'Mbijiwe	Former Deputy Governor, Central Bank of Kenya
	Mohamad S Amaireh	Executive Manager, Central Bank of Jordan
	Laura Foschi	Executive Director, ADA Microfinance
	Selim Ergoz	Senior Vice President, Mastercard



The session saw discussions on lessons learnt from the COVID-19 pandemic and implications for financial inclusion, particularly vulnerable groups, in the post-pandemic period.

Panelists highlighted the importance of public and private stakeholder collaboration in resolving the challenges that arise during a crisis period. The growing relevance of DFS was emphasized, with panelists noting the need to promote these services while protecting consumers and the stability of the financial system. Climate resilience and risks were also highlighted as a key priority for the future.

JORDAN

Amaireh, Executive Manager at the CBJ emphasized how the COVID-19 experience of Jordan underscored the importance of private and public sector collaboration in responding to a crisis. The pandemic period highlighted the importance of procuring a robust DFS infrastructure and promoting such services to facilitate ongoing access to financial services in a disruptive context.

SAMOA

Governor Atalina Enari from the Central Bank of Samoa signaled the critical importance of digitalization in Samoa, specifically to allow the reception of remittances and government social support, to support the economic needs of thousands of households and overcome the physical restrictions on conducting transactions at financial institutions. Citing an example of DFS, Governor Enari said that Samoa's digital remittances increased to 18 percent of total remittances received, compared to two percent before the pandemic.

She also warned that regulators needed to be mindful of 'attendant risk' in the implementation of DFS and highlighted the importance of enhancing digital financial literacy as part of the mitigation of these risks.

KENYA

Former Deputy Governor Sheila M'Mbijiwe from Kenya highlighted the important role that mobile money played in allowing government social relief distribution to reach all segments of society, including low-income earners. However, Governor Atalina also warned of

concomitant emerging risks such as the use of mobile money for gambling on mobile platforms, prompting the need for consumer protection and education measures. Moving forward, she emphasized the need to incorporate climate risk into financial risk assessments. M'Mbijiwe shared the actions Kenya is undertaking to assess climate risk as part of the Pillar II assessment under the Basel Capital Accords, and the status of Kenya in other related areas. The example she cited was Kenya's focus on renewable energy, with the nation having the third largest geo-thermal plant in the World.

“

Africa's emissions are 3.8 percent (of global emissions). If Kenya does everything, what kind of impact can we have? And therefore, we must ask the rest of the world “What are doing?

”

Sheila M'Mbijiwe, former Deputy Governor Central Bank of Kenya

MASTERCARD AND ADA LUXEMBOURG

The private sector and development partner representatives on the panel - from Mastercard and ADA Luxembourg respectively - agreed on the importance of a collaborative approach between public and private stakeholders in order to build trust and mitigate potential risks, especially with regard to the implementation of DFS ecosystems. They emphasized the need to ensure a fully robust and sustainable entire system, and address cyber risks through awareness and intergenerational education. Additionally, this collaboration is essential to build resilience in the most vulnerable segments of society, as stated by Laura Foschi from ADA, who highlighted the role of savings as a first line of defense in a crisis.

CONCLUSION

There is a need for AFI member institutions to share experiences and lessons learned during the pandemic. Going forward, inclusive green finance will be crucial in addressing the overall financial inclusion agenda as climate risks affect vulnerable groups that are the targets of most financial inclusion initiatives. Dialog between the public and private sectors is essential to mitigate potential risks from the rapid upscale of DFS and to build resilience during a crisis.

BREAK-OUT SESSIONS IN DAY 1

7 SEPTEMBER 2022

TECHNICAL BREAKOUT 1 - DFS FOR HEALTH: ROLE OF FINANCIAL REGULATIONS IN HEALTHCARE ACCESS (LIVELIHOOD)

THEME SETTER	Abraão de Vasconcelos	Governor, Banco Central de Timor-Leste
MODERATOR	Candy Ngula	Deputy Director, Bank of Namibia, Co-chair, DFS working group
SPEAKERS	Sheikh Alhaji Yayah Sesay	Deputy Governor, Bank of Sierra Leone
	Sherif Lokman	Sub-Governor of Financial Inclusion, Central Bank of Egypt
	Wangeci Kanjama	Chief Financial Officer, M-Pesa Africa
	Adrienne Mendenhall	Director, ACCESS Health International

The session highlighted the importance of financial inclusion and universal health, and the various experiences that members within the network are undertaking to employ DFS solutions in the healthcare ecosystem.

It also showed why innovators need to collaborate with governments and other partners to advance DFS for health models, especially to meet the health financing needs of vulnerable populations, including and especially during public health crises.

Investment in proper infrastructure and interoperability of payment systems is key to financially including populations at the base of the income pyramid. In addition, exploring and enabling innovation is also essential to develop solutions, which can also impact the healthcare systems available to these individuals and communities. Abraao de Vasconcelos, Governor of the Central Bank of Timor-Leste introduced this theme, citing Timor-Leste's own experience of fostering these policies in recent years before the pandemic.

ACCESS HEALTH INTERNATIONAL

Also shared during the session were key models and experiences across five different regions. These allowed individuals to pay for health and also supported effective access to health services.

The first model is based on (in order of high to low impact):

- > InsurTech models
- > e-Payment models
- > crowdfunding models
- > savings models

The role of regulators in this regard is to encourage drivers or enablers of the above through innovation hubs. An important issue is the lack of reliable data. Billing data can potentially allow us to improve the business models.

M-PESA

The M-Pesa joint venture to health financing has a dual purpose: while it is profit-driven, it also has twin aim of saving lives and embracing the healthcare aspect of the Sustainable Development Goals. M-Pesa's business model is to create a scalable and sustainable framework. Central Banks approved the wallet which contains funds that do not expire but can only be used for health purposes and you can only register once to avoid abuse. Complete and accurate data is crucial and together with KYC, helpful predictions based on data can be made. An example is the tracing of vaccinations or early identification of outbreaks in addition to vetting stakeholders in the market.

SIERRA LEONE

In 2014, when Sierra Leone faced an Ebola outbreak, DFS was at its infancy stage in the country. No immediate response was available to digitize payments, which were in cash only. The transport of cash between banks and hospitals also made it difficult for health workers and patients to receive payments, which caused strikes. When these ended, there was productive engagement with the Ministry of Health, and mobile money was introduced to make the transition from cash. The national switch will go live by the end of 2022 which will boost interoperability.

EGYPT

The correlation between healthcare systems and financial inclusion warrants further examination, as do the modalities with which central banks can enable digital financing for healthcare purposes. Underserved people are financially excluded and therefore also typically excluded from health services. This especially pertains to those living in rural areas. Thus, the regulator can step in to provide solutions, working in cooperation health institutions.

To this end, FinTech plays a crucial role in furthering financial inclusion related to healthcare and facilitating the payment of healthcare bills. Egypt has over 10 FinTech companies active in the healthcare space and there exists a multiple applications card (which includes health services). A healthcare issue that Egypt faces is the migration of doctors, which can be as high as 30 percent. To entice young doctors - who are paid low wages in Egypt - to stay, the Central Bank of Egypt (CBE) has devised a loan scheme with low rates which enables graduate doctors to build their own practice.

The collaboration of financial regulators with key stakeholders - such as the Ministry of Health and the FinTech industry - especially in the face of a health emergency, is critical to enabling an innovative regulatory approach and encourage new practical solutions. A data-driven approach from regulators and the private sector is also essential to better understand the pertinent business models and to facilitate the implementation of viable financial solutions to health issues.



TECHNICAL BREAKOUT 2 - INNOVATIVE FINANCE: ACCELERATING MSME ACCESS TO FINANCE, A REGULATORY PERSPECTIVE (INNOVATION)

MODERATOR	Thomas Rahn	Manager, Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ)
THEME-SETTER	Maha Prasad Adhikari	Governor, Nepal Rastra Bank
SPEAKERS	Abu Farah Md. Nasser	Deputy Governor, Bangladesh Bank
	Mohamad S Amaireh	Executive Manager, Central Bank of Jordan
	Emma Hayambo	Director, Bank of Namibia
	Nasir Zubairi	CEO, Luxembourg House of Financial Technology (LHoFT)

This session saw reflection on the critical role played by digital innovation and how important it is for regulators to be able to balance innovation, regulation, and the adoption of regulatory innovation approaches, especially through regulatory sandboxes.

This opens financial markets to new players and agile financial and non-financial services, which not only bridges the acute global financing gap faced by MSMEs, but also provides value-added services boosting the productivity of MSMEs. Bangladesh, Nepal, and Jordan shared different use cases that illustrate the need for regulators to embrace regulatory innovation.

BANGLADESH (THEME SETTING)

The main challenge in the MSME sector in Bangladesh has been the absence of financial capability and collateral to get loans and advances. An additional challenge is the high informality in the MSME sector. To mitigate such an entrenched problem, short-, medium- and longer-term initiatives were implemented to mitigate the impact of the pandemic on the livelihoods of people and on businesses. Data is essential to understand the markets and allow financial service providers (FSPs) to develop new business and financing models. Microfinance institutions do not require collateral; however, as MSMEs grow and their financing needs change, they will likely transition to other FSPs, which do require collateral.

JORDAN

Before the pandemic, the CBJ started to focus on SME financing in collaboration with the private sector and FSPs, to provide them both financial and non-financial services, the latter including capacity building and awareness programs.

The MSME sector was severely impacted by the pandemic in Jordan and refinancing was a major challenge. The CBJ launched a local refinance program with low interest rates and longer repayment periods to assist MSMEs in their operations and capital expenses. The relief measures were proactive and comprehensive, representing between eight and nine percent of the gross domestic product (GDP). Targeted mainly at MSMEs, these measures gave due importance to the country's economy and the employment and livelihood of residents. Additionally, digitalization - with a particular focus on businesses - was made a top priority to ensure the continuation of financial services, as financial technology was essential to support MSMEs.

LUXEMBOURG HOUSE OF FINANCIAL TECHNOLOGY

As is commonly known, digital innovation comes with potential risks. One issue that can hold back innovation in countries looking to further financial inclusion especially with regard to MSMEs, is that regulations pertaining to FinTech may be benchmarked with those in developed countries. Given the different context, some of these regulatory approaches may be considered too stringent and stand in the way of innovation. There should thus be a degree of flexibility to the rules and regulations to allow market development until inherent risks can be analyzed and suitable regulations set up.

Many firms are using digital techniques and innovation in FinTech that are helping to enable finance in MSME sector. In terms of financial intermediation, FSPs do require a level of regulation if they are receiving deposits but should not apply the same to firms providing credit.

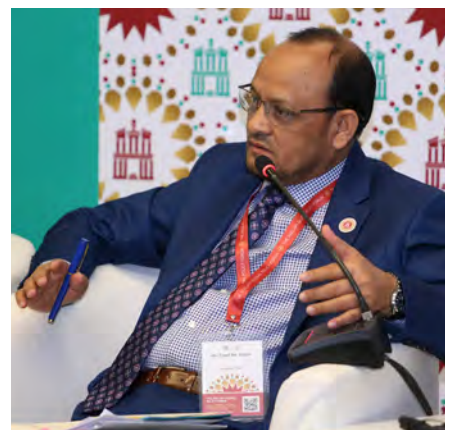
Additionally, businesses and in particular SMEs growth in the long term should not depend on borrowing from banks. For instance, big corporations receive their growth from equity, not from borrowing. Digital borrowing should come from different sources and models, and not just the traditional models of borrowing. FinTech for MSMEs is helpful not just for payment but for improving MSMEs accounting and providing capacity. DFS innovation always brings in many potential solutions.

NAMIBIA

The Bank of Namibia is currently aiming to foster an ecosystem for MSME financing and MSME financial inclusion. MSMEs have experienced challenges because of the lack of collateral and the cost of credit. In this regard, digitization and FinTech offer new opportunities for MSMEs because of less stringent requirements and lower transactional costs.

Regulators are traditionally cautious, as their foremost mandate is to preserve financial stability of financial systems. This is the main reason for the lag that may occur between financially innovative products that could be useful for MSMEs and the issuance of related regulations.

In this regard, in order to remain engaged, regulators need to innovate regulatory approaches. Regulatory sandboxes are important as they balance opportunities brought by the financial innovation firms with the needs and risks that potential users may face. Key components for regulators include leading or promoting the development of infrastructure for innovation; encouraging financial education; fostering a collaborative approach between different sectors, including regulatory innovation, and issuing clear and simple rules on data protection. Speaking to these points, the CBJ shared its experience with their own regulatory sandbox and the way it positively impacted SME finance both during and after the pandemic.



TECHNICAL BREAKOUT 3 - FINANCIAL INCLUSION OF FORCIBLY DISPLACED PERSONS (SOCIAL)

MODERATOR	Nomcebo Hadebe	Chief Executive Officer, Centre for Financial Inclusion, Ministry of Finance of Eswatini
THEME-SETTER	Dr Francis Chipimo	Deputy Governor, Bank of Zambia
SPEAKERS	Valence Kimenyi	Director, National Bank of Rwanda
	Matthias Poser	Deputy Head of Project, GIZ Jordan
	Matthew Downer	Senior Insights Manager GSMA
	Camilo Tellez-Merchan	Deputy Managing Director, Better Than Cash Alliance

The session saw the successful launch of the newly developed AFI Policy Framework for the Financial Inclusion of Forcibly Displaced Persons (FDPs) and underlined the policy imperative to ensure FDPs are not left behind in the pursuit of inclusive financial services, financial capability, and financial health. Panellists highlighted their practical policy interventions and multi-stakeholder initiatives as they relate to the four pillars of the AFI Policy Framework.

RWANDA

Rwanda is host country to more than 120,000 FDPs. The Government of Rwanda's approach is progressive and empathetic, with a view to integrate them into the country and take on some of the global shared responsibility to host these communities. It has promoted foundational legal rights for FDPs, including access to registration and identification; the right to own properties and assets, and the rights to decent work and employment. These actions laid a strong foundation for enabling policy and the regulatory environment to advance financial inclusion and financial health for the FDPs living in Rwanda.

A few challenges persist, such as those related to multi-stakeholder coordination and a lack of sound financial inclusion data on refugees in Rwanda. By conducting a national multi-stakeholder meeting in early 2022, the National Bank of Rwanda has taken a step towards working with a wide range of stakeholders to streamline policies and initiatives for FDPs' financial inclusion.

GSMA

The GSMA Mobile for Humanitarian Innovation (M4H) program partnered with the UNHCR and together, embarked on an effort to explore how access to SIM-enabled services could be made easier for FDPs living in Uganda. With the support of mobile network operators (MNOs) in Uganda, the Office of the Prime Minister (OPM) and insights from the UN Capital Development Fund (UNCDF), these advocacy efforts resulted in the government of Uganda adopting a proportionate, enabling policy relating to proof of identity for mobile access among FDPs. The Uganda Communications Commission (UCC) issued a new order to the mobile industry under which over 600,000 FDPs, who did not have government-issued refugee ID but had attestation letters issued by the OPM, could legally access mobile-enabled services - such as mobile money - under their own names.

For a short period in Uganda, there was uncertainty about FDPs being allowed to work as mobile money agents. This both restricted their ability to earn and limited the size of the agent network in FDP settlements. Through joint advocacy, this situation was resolved and as a result, projects supporting more FDPs to become agents moved ahead, increasing both incomes of these FDPs and the community's access to services. An example is such as one GSMA is doing in partnership with Grameen Foundation known as the Chama project.

BETTER THAN CASH ALLIANCE

Colombia is an example of how inclusive migration, refugee and displacement policies can broaden long-term economic and social development strategies. Informality can be reduced, labor markets can be made more dynamic, and a move towards responsible digital payments for all, including FDPs, can be achieved. Under Colombia's Ingreso Solidario program, a unified database registry was created and allowances were made for flexibility in regulation. Because of these innovations, those displaced by the Venezuelan crisis became eligible as beneficiaries through a transitory ID document provided by the Colombian government. Those in possession of this document could open a deposit account in within two minutes, enabling a larger number of beneficiaries to receive assistance through digital payments.

GIZ JORDAN

GIZ supported the CBJ in the formulation of its National Financial Inclusion Strategy, which explicitly states identifies FDPs as one of the four target groups of the strategy. A Digital Financial Services (DFS) Council was also established, bringing together public, private,

humanitarian, and other stakeholders and providing a platform to discuss FDP inclusion issues. During COVID-19, many payments were digitized but financial inclusion of FDPs was still lacking. There is thus a need for stronger multi-stakeholder collaboration and evidenced-based, tailored financial services and products for FDPs.

KEY TAKEAWAYS:

1. Sex- and age- disaggregated financial inclusion data is key in advancing financial inclusion and financial health for FDPs.
2. More effective multi-stakeholder coordination is also critical for a policy area that involves several different actors and sectors.
3. A focus on empowering FDPs to enhance their uptake and usage of formal financial services will be important in ensuring they experience responsible and sustainable financial inclusion. FDPs should be considered in national digital financial literacy programs and financial education initiatives among other policies, including consumer protection.



PLENARY III - WOMEN'S FINANCIAL INCLUSION, LEADERSHIP AND DIVERSITY & AFI GENDER INCLUSIVE FINANCE AMBASSADORS RECOGNITION CEREMONY

MODERATOR	Pia Roman Tayag	Director, Office of the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development, UNSGSA
PRESENTERS	Saniya Ansar	Economist, World Bank (2021 Findex Presentation)
	Helen Walbey	Head, Gender Inclusive Finance, Alliance for Financial Inclusion
SPEAKERS	Elsie Addo Awadzi	Second Deputy Governor, Bank of Ghana
	Sima Kamil	Deputy Governor, State Bank of Pakistan
	Hazel González	Vice President, Banco Central de Reserva de El Salvador
	Joseph Masitabua	Deputy Governor, Reserve Bank of Fiji
	Amina Tirana	Head of Policy & Measurement, Visa

The Third Power Plenary included three sessions, starting with a World Bank presentation on the Global Findex 2021 high-level results. The 2021 gender gap was reduced on a global scale with important caveats, particularly in certain regions. A panel discussion focusing on women's leadership and diversity then took place.

Three key case studies were highlighted during the discussion. These were:

1. the focus on data and evidence to inform gender policies in Fiji
2. the importance of driving gender intentional policies instead of gender-neutral policies in Pakistan
3. the need to go beyond procuring A2F for women and focus in harnessing confidence in digital channels, as emphasized by Visa, which is a partner in this effort

The third session saw the recognition of the AFI Network Gender Inclusive Finance Ambassadors by the Gender Committee. Finally, AFI Head of Gender Inclusive Finance, Helen Walbey, briefly introduced the expected outputs from the gender inclusive finance mapping.

According to the updated results of the 2021 World Bank Global Findex, financial inclusion has tracked progress in the following areas:

76% Global account ownership adults over the age of 15 stands at up to 76 percent.

4%

The financial inclusion gender gap has been reduced to a four percent globally, from 9 percent in previous surveys.

However, women are still lagging in terms of financial inclusion in many regions and countries, and across different aspects including savings, borrowing, and access to DFS. The global pandemic was an especially challenging period for women in many jurisdictions, and some of the gains made in previous years in terms of access to labour, finance, and economic independence were lost.

GHANA

Deputy Governor of Bank of Ghana Elsie Addo shared the importance of gender diversity in policy leadership all around the world in the regulatory and the private sectors. Benefits of women leadership include new perspectives enabling inclusive policies and gender-centric approaches on financial markets. Individual champions on gender equity in different spheres of policy and regulation are crucial to implement and sustain these policies.

FIJI

Deputy Governor Joseph Masitabua of the Reserve Bank of Fiji highlighted the key role of data, specifically, sex-disaggregated data, to allow Fiji to have more specific policies targeting women, especially at the outset of formulating national financial inclusion strategies

through policy on sex-disaggregated data. This policy encounters some initial challenges in terms of relevance and awareness from private stakeholders, legacy data systems, and definition of specific indicators. The importance of data has allowed Fiji to guide its policy.

PAKISTAN

Deputy Governor Sima from State Bank of Pakistan also shared the importance of focusing on women in Pakistan facing immense challenges to financially include women. The gender gap expanding led the SBP to move from a gender-neutral approach to a gender-intentional approach using the regulatory remit to come up with a policy (Banking on Women Policy), leveraging on a consultative approach during the pandemic.

The policy has five pillars starting with diversity, continuing with enacting the establishment of a women committee in each financial service provider at the board level to encourage women-centred financial products. The third pillar focus on the establishment of a women unit in each financial branch and women champions.

The fourth pillar focus on the collection and effective use of financial sex-disaggregated data to inform policy. The last pillar is a Gender Forum including crosscutting stakeholders in all financial industries to enable proper consultation and effective coordination.

EL SALVADOR

Vice president Hazel Gonzalez from the Central Bank of the Reserve of El Salvador highlighted the role of the President in the country in terms of financial inclusion and education, and the support to the National Council of Financial Inclusion to coordinate the strategies and action plans at national levels. One of the major pillars have been the innovation and digitization of financial services to expand the opportunities to different financial sectors to financial inclusion through a new

program - Transfer 365 - focusing on different groups, including women. For instance, simplified accounts and lowering the documents for minimum accounts, and contactless approaches. These actions have also included a proactive dialogue with the Parliament to expedite key regulations as mentioned.

VISA

The Head of Policy & Measurement in Visa, Ms Amina Tirana, provided the private sector perspective on the way to drive the outcomes together. How to enable an increased participation in digital economy. In this regard, it is important to drive access, trust, and convenience, and enable knowledge and skills to reach the groups that have not been inserted, including women.

In a nutshell, it is essential for policymakers to continue with the quest of enabling women financial inclusion and closing the gender gap as a collaborative and purpose-oriented approach, especially by gender champions and intentional policies with sufficient data - sex-disaggregated-data - and specific targets. Innovation and digital financial inclusion with a cross cutting perspective is an important catalyser. To enable this, it is essential to consider infrastructure, mandate, and from the private sector, building infrastructure at the macro level, trust and convenience, and knowledge at the micro-level are key considerations.



PLENARY IV - INCLUSIVE GREEN FINANCE: A CORNERSTONE FOR A MORE CLIMATE RESILIENT FINANCIAL SYSTEM

MODERATOR	Olayinka David-West	Associate Dean, Lagos Business School
SPEAKERS	Margarita Hernandez	Superintendent, SEPS Ecuador
	Ziad Asa'ad Ghanma	Deputy Governor, Central Bank of Jordan
	George Awap	Acting Assistant Governor, Bank of Papua New Guinea
	Paul Weber	Secrétaire de Légation, Ministry of Foreign and European Affairs, Luxembourg



The session highlighted recent developments and lessons on inclusive green finance policy developments. The discussion was rich, providing concrete examples and raising questions about future policy developments.

Inclusive green finance surfaced as one of the main topics at the GPF, and this panel discussion was pivotal in facilitating this interest and enthusiasm for this emerging policy area.

ECUADOR

Ecuador has a strong national commitment to sustainable finance, starting with issues of climate change. Ecuador is a small country, ranking sixteenth among the most diverse countries globally. Given the adverse effects foreseen from climate change, it has worked actively to achieve a transformation towards sustainable finance. From the cooperative or credit union perspective, under the Superintendence of Banks' purview, the principles of social and environmental responsibility are naturally embedded, so the sector has been working intensively to manage this principle.

Launched in May 2022, the sector has established a standard for managing environmental and social risks with a action plan to be implemented over two years. Taking a collaborative approach, the Ministry of Environment and Water in Ecuador is working with the Cooperative Sector and the Superintendencia de Economía Popular y Solidaria (SEPS) Ecuador to structure the regulations on green credits to guarantee cooperatives' compliance with environmental responsibility principles.

JORDAN

Jordan has launched a program to be able to finance sectors of the economy and address the issues of climate change and sustainability due to climate risks. Starting with a consultation process to formulate a strategy, Jordan is working with development partners to leverage on peer-learning in order to establish a sustainable strategy in the financial system.

PAPUA NEW GUINEA

The government of Papua New Guinea has already developed a policy. A green taxonomy is undergoing revision and evaluation before its implementation, with its focusing on different areas of inclusive green finance. A collaborative and holistic approach to include all elements of climate change policies has been essential.

LUXEMBOURG

There is a need to consider the different economic sectors affected by and affecting climate change, including governmental and non-governmental organizations (NGOs). Engaging from two different positions - as an actor and as a donor - has allowed to the careful listening to different stakeholders and has helped overcome different challenges through active political interaction. The FinTech sector and environmental accelerators have been key players, partnering with authorities and development organizations, think-tanks, and academia to find solutions fostering climate resilience in the financial sector.

Finally, the representatives from Ecuador and Jordan took questions and shared key experiences. One example was how Margarita Hernandez of Ecuador spoke about the USD600 million green bond issued by a second-tier financial organization for sustainable credits, backing up the importance of sustainability with hard figures. Jordan answered inquiries relating to taxonomies and its role in defining risk and differentiating between green and non-green finance, and promoting a better understanding the regulatory process.

BREAK-OUT SESSIONS DAY 2

8 SEPTEMBER 2022

TECHNICAL BREAKOUT 4 - CENTERING CONSUMER NEEDS AND FINANCIAL INCLUSION IN A CENTRAL BANK DIGITAL CURRENCY FUTURE (INNOVATION)

THEME SETTER	Dr Milhem, Feras	Governor, Palestine Monetary Authority
MODERATOR	Dr Serey Chea	Assistant Governor, National Bank of Cambodia
SPEAKERS	Ghassan Abu Shihab	Executive Director, Central Bank of Jordan
	Cleopatra B. Davis	Manager, Banking, Central Bank of The Bahamas
	Mario Makary	Senior Director, Cluster Manager - Levant, Visa

The session highlighted lessons from member experiences with CBDCs, with emphasis on ensuring that CBDCs address financial inclusion gaps, enhance trust, and take forward appropriate and meaningful use cases.

The discussions underscored the importance of a balanced and measured approach to CBDC projects and reiterated the role of the AFI network in scaling lessons and guidance on impact, adoption, resources, and infrastructure required to achieve an inclusive CBDC future. Key outcomes from the plenary session will be adopted in shaping future workplans on this topic, a priority for the network.

THE BAHAMAS

Covid-19 influenced rapid digitalization, adoption and usage of the Sand Dollar (the digital version of the Bahamian dollar) during the pilot testing periods. The Sand Dollar CBDC was designed and implemented with financial inclusion as its first and most important use case. It is also very important to identify and communicate clearly how the CBDC will bridge existing and future financial and social inclusion gaps. To democratize the digital currency and support adoption and usage, the Central Bank of The Bahamas (CBOB) launched the pilot program on one of their islands. This

was done in close collaboration with commercial banks and was aimed at addressing previously identified gaps and consumer needs.

To chart the best way forward, it is important to continue reassessment of the pilot program's adoption and usage, and the behavior and concerns of merchants; consumers; banks, and other FSPs. Early recommendations emerging from the Bahamian experience include enhancing the engagement, awareness, and education of all stakeholders, especially consumers. It is also recommended that the regulator maintains a clear message from the beginning and throughout the pilot program, or during the implementation of their CBDC project.

NIGERIA

The ENaira was launched with clear communication of its objective to help bridge the financial inclusion gap. To achieve financial inclusion objectives, it is crucial to design the product in a way that supports the situation of the customer. This includes support for use on feature phones and providing incentives for all actors within the ecosystem. To ensure readiness to launch or implement a CBDC, improving existing infrastructures, including IT infrastructures, is essential. Consumer education is also important and should be ongoing to prevent the pitfalls of traditional banking and DFS.

PALESTINE

The COVID-19 pandemic accelerated digitalization of the payment and financial sector. This presents opportunities for a digital legal tender currency that is more stable and can act as a catalyst for payment efficiency. CBDC is being increasingly considered by regulators as a potential response to address the influence of cryptocurrencies given the current stance of upholding consumer protection and financial stability and integrity. CBDC should not only focus on financial stability or digital payments; they can also be assessed as an instrument to complement the enhancement of a cashless agenda, particularly for cash-heavy societies.

Moving forward, CBDCs need to be preceded by the examination of financial inclusion use cases and a resultant inclusive design that helps meet overarching goals of the jurisdiction. While looking into the CBDC, it would be judicious to look at risks and the potential negative impacts of CBDCs, and consider that at the outset, CBDCs should not be positioned to replace physical money but promoted as a secure alternative. CBDCs will likely succeed and thrive if it they are designed to overcome barriers, including offline usage with limited or no internet coverage, mitigating cybersecurity issues and risks, and high transaction costs.

JORDAN

The recent development in digital payment and payment infrastructure in Jordan has created the opportunity to start an exploration of CBDCs. One of the key motivations for Jordan is looking at how CBDCs can support financial inclusion and continue to address the needs of the forcibly displaced and vulnerable populations.

The financial services corporation, VISA, views CBDCs and digital payments complementary. It is keen and ready to support CBDC projects and promote acceptance. CBDC is not a threat to financial inclusion and the need to grow digital options and infrastructure to support digital currencies need to be responsible. Collective responsibility is required to drive financial inclusion while protecting consumers and merchants. Central banks need to be better prepared for critical situations as technology and innovation - while having an overall positive net effect - does still present new and unintended risks.



TECHNICAL BREAKOUT 5 - FINANCIAL HEALTH: DEFINITION AND MEASUREMENT (SOCIAL)

THEME SETTER	Jean Baden Dubois	Governor, Banque de la République d'Haïti
MODERATOR	Wati Seeto	Manager Financial Inclusion & Market Conduct, Reserve Bank of Fiji, CEMCWG Co-Chair
SPEAKERS	Pia Roman	Director, Office of the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development, UNSGSA
	Sevak Mikayelyan	Deputy Head of Consumer Rights Protection and Financial Education Center, Central Bank of Armenia
	Maria M Katepa	Manager, Bank of Zambia
	Dr Waled Qasarawi	Executive Manager, Central Bank of Jordan

The session covered important practical experiences from AFI members on a topic of increasing priority for the network, namely, financial health or financial well-being.

In an era of heightened customer vulnerability, the ability of regulators and policymakers to measure financial health and devise consumer empowerment initiatives was echoed by participants. Leveraging on member priorities and session outcomes, AFI FIDWG members will work closely with CEMCWG members to develop a knowledge product aimed at assessing member experience and practices related to the measurement of financial health.

HAITI THEME SETTING

Financial health includes important aspects for individuals such as having enough money to spend on what is needed and what is desired, managing existing financial obligations, and having confidence in their own financial future. There is a fine line between financial health and financial education - the latter is an important factor, it is not the only one contributing to financial health. Other relevant policies, such as financial education, guarantee funds to allow more individuals and SMEs access credit, financial consumer protection, and adopting digital financial services with a financial protection approach to avoid credit traps.

Financial health measurement is becoming a key component of financial inclusion, providing clearer objectives to financial inclusion policies. Currently, financial health measurement convention includes four main components as listed below:

1. Day-to-day financial needs
2. Long-term financial goals

3. Resilience
4. Confidence

Haiti is on its way to launching several policies and forums around financial well-being or financial health.

“

Clearly, financial inclusion is imperative, however it is critical that we as financial regulators, we as policymakers' perspective, shouldn't stop at this level, it is imperative that we go beyond financial inclusion in order to make sure financial products and service providers are utilized into smart and sustainable way.

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Jean Baden Dubois, Governor, Banque de la République d'Haïti (BRH)

UNITED NATIONS SECRETARY-GENERAL'S SPECIAL ADVOCATE FOR INCLUSIVE FINANCE FOR DEVELOPMENT (UNSGSA)

Access to financial services is not intended as a final outcome of financial well-being efforts; rather, it is a means to the goal of financial well-being and financial health. A definition of financial health crafted in 2020 by an UNSGSA-led working group shared in the session includes the components mentioned above in the list of financial health measurements. Financial health, as stated by UNSGSA, is a state applicable to both developed and developing economies. In some jurisdictions, as financial inclusion has increased, financial health has decreased. Financial health is strongly linked to policies. One is financial stability (financially healthy consumers lead to more stable financial sectors), financial consumer protection and financial education, and other social safety nets, including Government to Persons support.

Leveraging on different measurements from the World Bank Global Findex on resilience, the Organisation for Economic Co-operation and Development (OECD) financial literacy surveys, and Finscope defining national level indicators. This concept and measurements were issued first in high income countries but has also been tested in developing jurisdictions. Experience has shown that in some countries/economies/jurisdictions, members of the private sector - for example, credit unions - have measured the financial health of the customer and accordingly designed financial products and specific organization social objectives. Furthermore, from the regulatory perspective, these measurements can provide a guide to the 'vital signs' of the recipients of different policies implemented. More information on the framework can be found on the UNGSA website.¹⁸

ZAMBIA

Financial health is measurable, beginning from demand-side through surveys. The Bank of Zambia started with some indicators following the UNSGSA framework in terms of daily finance, long-term goals, and confidence. Kenya is also an excellent example of a country that consistently measures financial health in three survey cycles. The last Finscope Survey (2020), included financial health in Zambia, showing that 13.6 percent of Zambians were financial healthy. Measurement is doable, but policy makers need to know how the consumer mitigates the risks related to financial health.

ARMENIA

Financial health is essential to peace of mind. Thus, dedicated sessions on consumer empowerment are needed to increase financial wellbeing and strengthen the financial inclusion ecosystem. Cultural norms are also important.

Measurements related to financial health should be research-based, with a consumer behavioral approach for an effective measurement of financial health. For instance, one important aspect to measure is the level

of confidence that customers have in the financial system as it directly pertains to financial capability.

JORDAN

After studying other jurisdictions, the CBJ recently introduced a few tiers for financial health. Financial literacy is an essential component to enable financial health. The current estimate for financial health, focusing on customer's day-to-day financial needs is very low- within seven percent range. Financial literacy measurement focusing on health and behavior is an important component and should be kept in mind for when programs and policies are designed. Ideally, financial literacy should start in elementary school, with an emphasis on the importance of saving for the future to build one's resilience. The importance of safety nets should also be included in financial literacy curricula; being equipped with this knowledge enables the population - especially vulnerable segments - to withstand emergency situations (such as the Covid-19 pandemic). Additionally, supply-side factors should be considered. An example is the measurement of over-indebtedness and other factors relating to the responsible management of finance.

UNSGSA RESPONSES

One of the biggest challenges is the frequency of data collection; since demand-side surveys are costly, it is difficult to conduct them carried out on a frequent basis. Regulators should leverage on any data from financial demand-side surveys. For instance, this year, the Global Findex added a new financial health question that included a focus on "financial worries". Other aspects to consider are income in both developing and developed economies, access to pension funds, and other financial services that can also eventually contribute to better measure financial health.

¹⁸ UNSGSA Financial Health Working Group. 2021. "Financial Health: An Introduction for Financial Sector Policymakers. 14 September. New York. Available at: <https://www.unsgsa.org/publications/financial-health-introduction-financial-sector-policymakers>



TECHNICAL BREAKOUT 6 - ENABLING AN IMPACTFUL ENVIRONMENT FOR YOUTH FINANCIAL INCLUSION (LIVELIHOOD)

THEME SETTER	Ali Hashim	Governor of Maldives Monetary Authority (MMA)
MODERATOR	Ahmed Dermish	Lead Specialist, Policy and Government Advocacy, UNCDF
SPEAKERS	Bernadette Romulo-Puyat	Deputy Governor, Bangko Sentral ng Pilipinas
	Mohanad Salous	Division Chief, Palestine Monetary Authority
	Maha Bahou	CEO, JOPACC
	Uzoma Nwagba	COO, Growth Platform

Participants in this session discussed approaches adopted by policymakers and regulators before, during, and after a crisis such as the COVID-19 pandemic to create a conducive environment for the financial inclusion of youth.

The discussion focused on the drivers of youth financial inclusion, such as education; employment; entrepreneurship, and engagement to promote the economic and social well-being of youth. There is a clear need for a comprehensive approach to youth financial inclusion which addresses their social and economic concerns.

MALDIVES

Among the key challenges in enabling financial inclusion for youth in the Maldives is lack of financial access and infrastructure in remote locations, the need to address identification issues, and the need for a more customer-based approach in the design of financial products.

Finally, employment opportunities are also more challenging for young women, with most resorting to informal employment as domestic helpers. This form of employment can affect financial inclusion as payment is often in cash and the recipient cannot generate proof of employment or income to facilitate access to credit in a formal financial institution.

GROWTH PLATFORM

Growth Platform is a technology-based organization that focuses on delivering digital solutions to MSMEs in Nigeria. It uses a technology-by-proxy approach, employing about 22,000 youth equipped with

technologies designed to digitize MSMEs. Growth Platform makes use of the data collected from these digitized MSMEs to develop appropriate financing products, including credit, to support the growth of the enterprises. The majority of MSMEs are owned and operated by youth in Nigeria who make up over 50 percent of the Nigerian population.

To reach out to this target group and encourage use of financial services, there is need to provide an answer to the crucial question: “Why should I use financial services?” Incentives should also be provided and Growth Platform has found that offering discounts on services is a popular way to get youth to use their platforms.

JORDAN

JoPACC has partnered with banks on youth initiatives. This includes collaborating with a bank to provide 450,000 university students with e-wallets linked to their universities, enabling them to conduct cashless and paperless transactions. As a national payments company, JoPACC is focused on youth, who make up about 55 percent of the population. JoPACC’s approach includes researching trends in youth transacting, and developing relevant digital solutions which are then tested on a select group of youth, which includes women. The outcomes of these experiments are deployed through third parties i.e. banks providing financial products to youth.

There is a need to address inconsistencies in the regulatory framework such as the legal age for opening an account which is currently set at 18 years against a legal definition which states 15 years. This impacts the ability of youth to open an account on their own.

There is also a need to promote start-ups operated by the youth through the provision of facilities such as innovation hubs. Such facilities should prioritize youth and women.

PALESTINE

Youth are a key target segment in the National Financial Inclusion Strategy of Palestine, following the findings of the demand-side survey of 2016. One of the initiatives implemented for youth financial inclusion includes the establishment of the financial inclusion account in Palestine, which has benefited the many young people employed as freelance or gig employees in the technology sector. The account is low in cost and enables youth to transact on digital platforms. The Palestinian Monetary Authority (PMA) initiated youth financial literacy programs which start from a young age in schools. The financial literacy program includes an online banking competition for 14-year-olds which provides knowledge on different sections of bank branches.

In terms of unresolved issues, PMA highlighted the need to adopt innovative strategies to communicate with youth to encourage the use of formal financial solutions. This may include leveraging relationships with social media influencers who have easy access to the youth and are able to have an impact on their decisions. There is still much to be done in encouraging

the use of digital platforms. One initiative by PMA is the differentiation of pricing to encourage the use of digital platforms as opposed to the use of traditional bank branches.

THE PHILIPPINES

Youth financial inclusion in the Philippines is anchored in the digitalization of financial services. The Bangko Sentral ng Pilipinas (BSP) has focused on the development of requisite infrastructure for DFS. These include guidelines for banking institutions on the development of basic transacting accounts, which are low in cost and flexible, and facilitating interoperability through the establishment of robust payments infrastructure. This has resulted in Instapay services, which allow for fast and convenient transactions. BSP has also enabled agency banking, which allows FSPs to provide services through third parties at a lower cost.

This infrastructure was critical to the government's response to the COVID-19 crisis, facilitating ongoing transactions during the crisis. Although there is high rate of internet use (91 percent of youth) and a commensurate smartphone penetration rate (85 percent), there are some unresolved issues relating to youth financial inclusion e.g. the need to scale up digital financial literacy to complement existing digital literacy levels, which are generally high.



PLENARY V - CONTEMPORARY FINANCIAL REGULATION

MODERATOR	Dr Alfred Hannig	Executive Director, Alliance for Financial Inclusion
SPEAKERS	Martin Galstyan	Governor, Central Bank of Armenia
	Aishah Ahmad	Deputy Governor, Central Bank of Nigeria
	María Fernanda Carron	Board Member, Banco Central del Paraguay
	Reza Baqir	Former Governor, State Bank of Pakistan
	Sabine Lautenschlaeger	Former Board Member, European Central Bank

The rich personal insights and strategic guidance shared by the panellists conveyed how financial regulators and central bankers can utilize policy levers at their disposal to proactively engage with the contemporary challenges of technology innovation, climate change, and the need for social inclusion. At the same time, they must stay true to their core mandates of preserving price and financial stability, while mitigating against risks to central bank independence.

A debate between the role of central banks in ensuring price and financial stability, and going further in terms of financial development goals has been undertaken. The debate considers various financial and macroeconomic outcomes over the decades, from repression to liberalization policies in the 1970s in different regions, such as India and Latin America, and then back to a narrow mandate for central banks in the face of inflation and financial crises in the 1980 and 1990s.

After the global financial crisis in late 2000s, macroprudential supervision was added to maintain price stability. More recently, the world witnessed many central banks adding financial inclusion to their mandate. Currently, the interest on financial inclusion comes from different regions, developing and developed, expanding the scope of financial inclusion and the role of central banks in terms of technology; risks and solutions; gender; youth, and green finance.

From the panel discussion, it was clear that the debate around the role of central banks in terms of financial inclusion is an important one, given the influence that central banks can have both on stability and

development issues, and the evolving contexts different economies face in terms of market structures and pressing policy needs. Dr Reza Baqir, former Governor of the State Bank of Pakistan (SBP) and former and former IMF Official understands that, for instance, policy orthodoxy and a narrow mandate is not the same from the perspective of a central banker. For developing countries, with so many market failures, the opportunities to expand the mandate of the central bank and contribute to the financial development without overlooking stability are obvious.

From the perspective of a former central banker in a developed jurisdiction, focusing on aspects beyond price and financial stability entails the risk of losing focus on this primary objective. Sabine Lautenschlaeger, former board member of the European Central Bank, reminded participants that without stability, there cannot be inclusion or development. Additionally, expanding the mandates of a central bank can eventually curb its independence from the governments and from political decisions.

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The first and the best way for central bank to fight inequality is to maintain price stability, because inflation is the worst outcome for the poorest.

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Sabine Lautenschlaeger

Martin Galstyan, Governor of the Central Bank of Armenia (CBA), said during the session that the current challenges faced on a global scale are so immense that there is a concerted effort from various institutions in the same country, so it is needed to be able to face them directly. A central bank should focus on the main

role of stability while partnering with key stakeholders in the government and private sector to promote the other development and structural changes, thus protecting the core central bank role of stability while supporting these other critical policies.

Dr Reza Baqir opened the debate between the global standards on integrity and stability, and how to harmonize them with the requirements of innovation and inclusion. The debate, now more than ever, is representative of one of the main pain points among financial regulators.

María Fernanda Carron, Board Member of Banco Central del Paraguay and Deputy Governor Aishah Ahmad of the Central Bank of Nigeria both shared perspectives from two different regions that face similar challenges in different developing jurisdictions in terms of balancing stability priorities with other important issues, including financial sustainability, innovation, and inclusion. Deputy Governor Ahmad highlighted the difference in developing economies in terms of the large gap in

financial sectors in reaching out to most markets and eventually ensure a better financial and monetary policy transmission. Going beyond the traditional roles of the central bank can eventually reinforce policies apparently mutually exclusive as integrity and inclusion. An example can be the rollout of national IDs, in a format that enforces both integrity and inclusion. The use of technology and innovation, and the opportunities that central banks in many jurisdictions have to impulse them to tackle ‘market failures as the one of (financial) exclusion’ is another example shared.

In conclusion, the session was less a debate between the orthodoxy of central banks in focusing on their core mandate of price stability and financial stability versus the expansion of financial inclusion mandates, and more a discussion on the necessity for central bankers to both maintain their core mandates and still utilize the tools at their disposal and their institutional position to be a catalyst of change.



CONCLUSIONS AND POLICY OUTCOMES OF THE 2022 GPF

The 2022 Global Policy Forum under the theme of “Moving forward together: Towards a resilient, inclusive and sustainable future”, was well-attended by institutions’ high-level representatives.

After postponement due to the COVID-19 pandemic, the Forum proved once more the importance of financial inclusion policies in bringing about financial innovative solutions and promoting sustainability and resilience among the most vulnerable groups in our jurisdictions. The update of the **Sharm El-Sheikh Accord on Inclusive Green Finance**¹⁹, the **Denarau Action Plan**²⁰, and the **Sochi Accord on Inclusive FinTech**²¹ is a clear sign that the AFI network is moving in the right direction, renewing its commitment and focus towards the promotion of more sustainable and resilient societies.

Discussions at the various plenary sessions of the GPF revealed that there is a need for AFI member institutions to share experiences and lessons learnt during the COVID-19 pandemic. Inclusive green finance will be important to be kept in the overall financial inclusion agenda as climate risks increasingly affect more vulnerable groups which are the targets of most financial inclusion initiatives. At the same time, implementation of inclusive green finance should consider the context of respective national jurisdictions and leverage a dynamic, iterative, and collaborative approach. The practices of collecting sex-disaggregated data and promoting women into leadership positions should be widened, while women's financial inclusion policies and regulations should lead to life-transforming changes for such women.

The past global financial crisis and the COVID-19 pandemic also suggest that while central banks must stay independent, there is potential to expand their mandate to incorporate financial inclusion and other priority areas beyond the orthodox focus on the maintenance of financial and price stability.

The GPF also saw the emotive re-connection between participants and memorable exchanges of practical experiences and knowledge. In addition, a new regional initiative, SARFII, was launched, strengthening ties between very important economies in the region.

19 Alliance for Financial Inclusion (AFI). 2022. Sharm El Sheikh Accord on Inclusive Green Finance. Updated in September 2022. 6 September. Kuala Lumpur. AFI. Available at: <https://www.afi-global.org/publications/sharm-el-sheikh-accord-financial-inclusion-climate-change-green-finance/>

20 Alliance for Financial Inclusion (AFI). 2022. Denarau Action Plan on Gender Inclusive Finance. Updated in September 2022. 6 September. Kuala Lumpur. AFI. Available at: <https://www.afi-global.org/publications/denarau-action-plan-the-afi-network-commitment-to-gender-and-womens-financial-inclusion/>

21 Alliance for Financial Inclusion (AFI). 2022. Sochi Accord on Inclusive FinTech. Updated in September 2022. 5 September. Kuala Lumpur. AFI. Available at: <https://www.afi-global.org/publications/sochi-accord-fintech-for-financial-inclusion/>

Also significant was the renewal of Maya Declaration commitments; the renewal of critical leadership positions to safeguard the steering of AFI, and new high-level recognition awards. These were the Nestor Espenilla Jr. Financial Inclusion Innovation Award, recognizing the innovation inside the AFI network and the Global Youth Financial Inclusion Award, which recognizes initiatives driving financial inclusion for youth. The awards ceremony also included the established and important Peer Leadership Awards, the Maya Declaration Commitment, Institutional Leadership, and Technical Leadership. With the 2022 FinTech Showcase Award, due recognition was given to innovators working on implementation.

The 2022 Global Policy Forum, right after the pandemic has also proven the high commitment from our leaders that can be showed with the highest participation from high-level member representatives in all GPFs.





CLOSING

CLOSING REMARKS

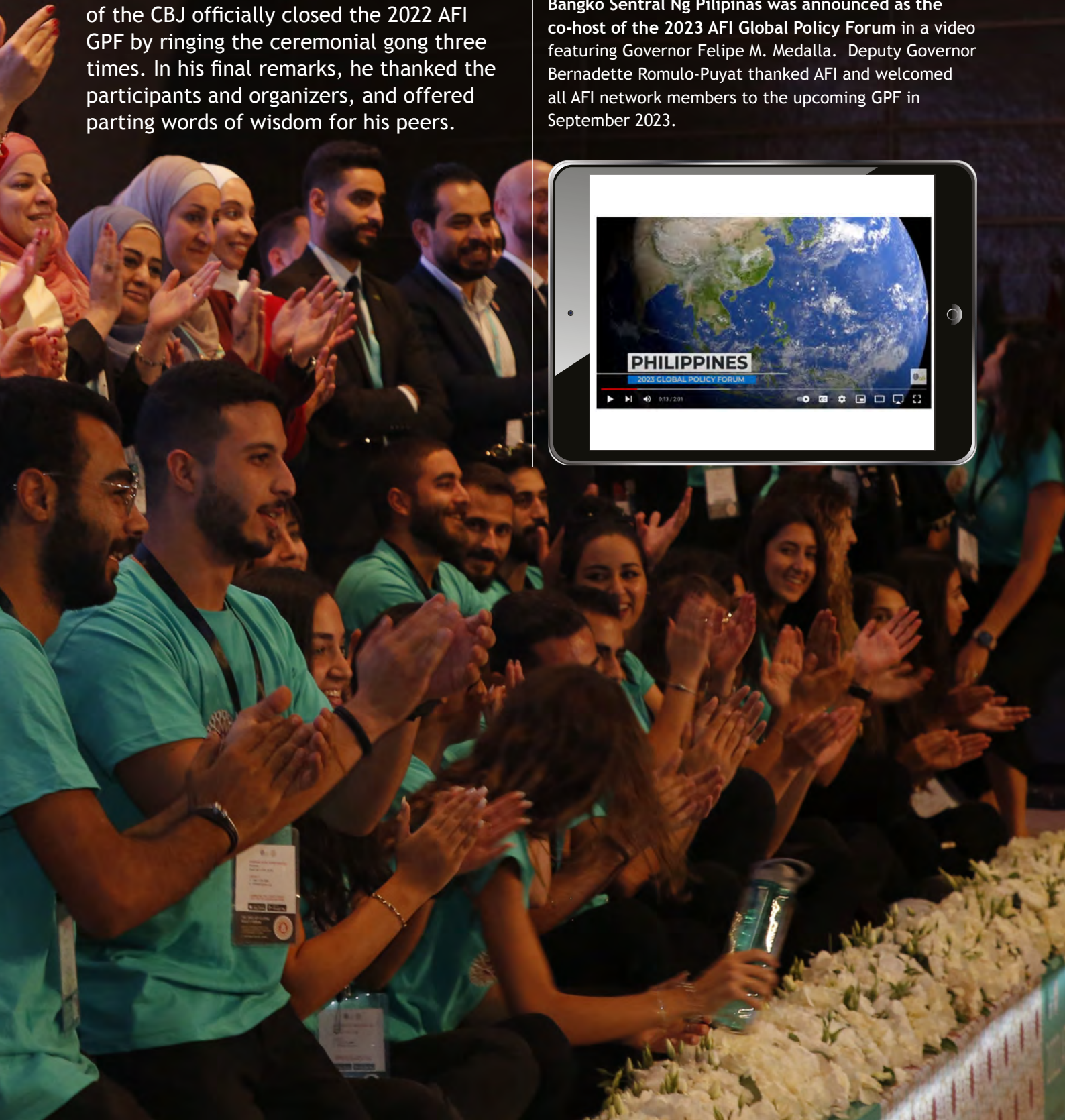
Ziad Asa'ad Ghanma
Deputy Governor, Central Bank of Jordan

Dr. Alfred Hannig
Executive Director, AFI

Deputy Governor Ziad Asa'ad Ghanma of the CBJ officially closed the 2022 AFI GPF by ringing the ceremonial gong three times. In his final remarks, he thanked the participants and organizers, and offered parting words of wisdom for his peers.

Dr Alfred Hannig, Executive Director of AFI, thanked the CBJ for the “warmth, relaxed and personal touch” felt at the 2022 AFI GPF that made it such a success. “We leave with a very good feeling, and I think that the bar has risen again. We’re very happy that you took the responsibility and for all the efforts to make that happen,” he concluded.

Finally, a much-anticipated moment arrived when the **Bangko Sentral Ng Pilipinas** was announced as the co-host of the **2023 AFI Global Policy Forum** in a video featuring Governor Felipe M. Medalla. Deputy Governor Bernadette Romulo-Puyat thanked AFI and welcomed all AFI network members to the upcoming GPF in September 2023.



GLOSSARY

ADA	Appui au développement autonome
AFI	Alliance for Financial Inclusion
AfPI	African Financial Inclusion Policy Initiative
BRH	Banque de la République d'Haïti
BSP	Bangko Sentral ng Pilipinas
CBDC	central bank digital currencies
CBJ	Central Bank of Jordan
CBoB	Central Bank of Bahamas
CEMCWG	Consumer Empowerment and Market Conduct Working Group
CGAP	Consultative Group to Assist the Poor
CNBV	Comisión Nacional Bancaria y de Valores de México
DAP	Denarau Action Plan
DFS	digital financial services
DFSWG	Digital Financial Services Working Group
ECAPI	Eastern Europe & Central Asia Policy Initiative
EGFIP	Expert Group on Financial Inclusion Policy
e-KYC	e-Know-Your-Customer
FATF	Financial Action Task Force
FDPs	forcibly displaced persons
FIARI	Financial Inclusion in the Arab Region Initiative
FIDWG	Alliance for Financial Inclusion Financial Inclusion Data Working Group
FILAC	Financial Inclusion Initiative in Latin America and the Caribbean
FinTech	technology used to facilitate financial or banking services, and the businesses providing fintech
FISPLG	Financial Inclusion Strategy Peer Learning Group
FSP	financial service providers
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
GPF	Global Policy Forum
GSMA	Groupe Speciale Mobile Association
GSPWG	Global Standards Proportionality Working Group
IGF	Inclusive Green Finance
IGFWG	Inclusive Green Finance Working Group

IGO	Intergovernmental Organization (IGO) Special Committee
IMF	International Monetary Fund
JoPACC	Jordan Payments and Clearing Company
KYC	Know-Your-Customer
LHoFT	Luxembourg House of Financial Technology
M4H	Mobile for Humanitarian Innovation
MFI	Microfinance Institution
MSMEs	Micro, small and medium enterprises
M&E	monitoring and evaluation
NFIS	National Financial Inclusion Strategy
OPM	Office of the Prime Minister
PIRI	Pacific Islands Regional Initiative
PMA	Palestine Monetary Authority
PPD	Public-Private Dialogue
RegTech	Regulatory technology
SARFII	South Asia Regional Financial Inclusion Initiative
SBP	State Bank of Pakistan
SDG	Sustainable Development Goals
SEPS	Superintendencia de la Economía Popular y Solidaria de Ecuador
SME	Small and medium enterprises
SMEFWG	SME Finance Working Group
SUGEf	Superintendencia General de Entidades Financieras Costa Rica
SupTech	Supervisory technologies
UCC	Uganda Communications Commission
UNCDF	United Nations Capital Development Fund
UNHCR	United Nations High Commission For Refugees
UNSGSA	UN Secretary-General's Special Advocate for Inclusive Finance for Development

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