



2023 AFI GLOBAL POLICY FORUM REPORT



SPECIAL REPORT

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INTRODUCTION

Following the successful 2022 Global Policy Forum (GPF) in Jordan, the 2023 GPF was co-hosted by Bangko Sentral ng Pilipinas (BSP) and the Alliance for Financial Inclusion (AFI) from 12 to 15 September in the Philippines, a nation known for its cultural diversity, natural beauty, and warm hospitality. The meeting took place at the Philippine International Convention Center (PICC) in Manila.

More than 700 representatives from AFI member institutions, partners, and guests attended the event - which was themed Stability, Sustainability, and Inclusivity for Shared Prosperity - to discuss the intersection between stability, sustainability and inclusion against the backdrop of a rapidly evolving global socioeconomic, geopolitical and environmental landscape. These discussions brought together different voices and perspectives on financial inclusion, which are much-needed as we respond with to the new challenges arising in the global post-pandemic situation era.

During the GPF the AFI Network endorsed the Manila Manifesto,¹ a commitment to leverage on the coordination, collaboration and engagement with standard-setting bodies (SSBs).

The Manila Manifesto highlights the importance of the relationship between AFI and SSBs, showing how they include the voices of countries with developing and emerging economies in discussions about proportional application of global standards for the financial inclusion of individuals and MSMEs. By including them, more evidence on the impact of these standards on financial inclusion has been brought forth. In addition, it underscores how engaging with SSBs and international bodies can clarify the paths in which financial inclusion can be further factored into the Manifesto's implementation.

During the 2023 AFI Global Financial Inclusion Awards, the AFI network recognized and commemorated the outstanding achievements of AFI members in advancing financial inclusion. The ceremony honored policymakers and regulators, who, over 2022, have gone through extraordinary lengths to develop and implement high-impact policies that improve the access, usage, and quality of formal financial services for populations that

need it most. Under the AFI Peer-Leadership Awards, the AFI network recognized members' contributions to the network activities in terms of Maya Declaration Commitments, Institutional Leadership, and Technical Leadership.

Furthermore, for the second year running, the AFI Awards ceremony celebrated the Nestor Espenilla Jr. Financial Inclusion Innovation Award, honoring the memory and legacy of Governor Nestor Espenilla Jr. in the Philippines, his home country, by recognizing AFI members' commitments towards innovation. Also, for the second time, the Global Youth Financial Inclusion Award was presented to acknowledge and recognize financial policymakers and regulators across the globe. These are institutions that are undertaking impactful initiatives, policies, or regulations to accelerate financial inclusion of youth. Additionally, the Awards session recognized the 2023 AFI's Gender Inclusive Finance (GIF) Ambassador Institutions for making notable efforts on Gender Inclusive Finance initiatives, as they accelerate the pace of change in the strategic implementation of the Denarau Action Plan.² Before the Awards ceremony closed, AFI member institutions issuing Maya Declaration Commitments for the first time were duly recognized.



Manila Manifesto

[> View here](#)

Denarau
Action Plan

[> View here](#)

- 1 Alliance for Financial Inclusion (AFI). 2023. Manila Manifesto. September 2023. Kuala Lumpur. Alliance for Financial Inclusion. Available at: <https://www.afi-global.org/publications/manila-manifesto/>
- 2 Alliance for Financial Inclusion (AFI). 2022. Denarau Action Plan on Gender Inclusive Finance (Updated September 2022). September 2022. Kuala Lumpur. Alliance for Financial Inclusion. Available at: <https://www.afi-global.org/publications/denarau-action-plan-the-afi-network-commitment-to-gender-and-womens-financial-inclusion/>

The Inclusive Fintech Showcase 2024 edition was formally launched during a separate session. The aim of the Inclusive Fintech Showcase can be broken down into the following:

- > to search for solutions to enhance interoperability and cost reduction in digital payments;
- > to boost digital financial literacy and financial health for disadvantaged groups;
- > to catalyze access to finance for women and youth entrepreneurs;
- > to leverage data management and analytics for financial inclusion impact, and
- > to strengthen resilience and enable adaptation for climate vulnerable populations.

The finalists will be revealed in February 2024, and the winners will be announced in April 2024.

The GPF also hosted the six regional initiatives leaders' roundtable meetings. The AfPI, ECAPI, FIARI, FILAC, PIRI, and SARFI each organized meetings with their respective leader and experts to:³ discuss policy priorities from a regional perspective, agree on next steps to address different regional opportunities and challenges, and formalize ambitious agendas for the near future.

During the GPF, with two days of high-level plenary discussions and technical break-out sessions, global leaders, members, and partners were able to establish important linkages among policies pertaining to different areas such as: financial stability, sustainability, and inclusivity. It was a discussion that started last year about the future of central banking in the ongoing context of global uncertainty and increased instability. The discourse found that financial inclusion is critical for financial regulators and policymakers to complete other mandates including financial sustainability, financial stability, and a more equitable financial system. During the discussions there was a unanimous agreement that public-private dialogue (PPD) and engagement with the SSBs, as stated in the new Manila Manifesto, are vital for the Global South to safeguard gains in financial inclusion.

Trending topics discussed at the Forum included: the role and potential risks of Artificial Intelligence (AI) in inclusive finance; creating a more inclusive environment for women; youth entrepreneurs and forcibly displaced persons (FDPs); the critical role of competition enablers to accelerate the digital transformation in developing economies, and the role of inclusive green finance policies to mitigate MSMEs' risks in the context of more

sustainable economies. The GPF this year also reflected on the role of financial inclusion as a conduit for financial stability and sustainability for more equitable distribution and prosperity for all.

NEW MEMBERS AND MEMBERSHIP UPGRADES



The Bank of Central African States / Banque des États de l'Afrique Centrale (BEAC) was created in 1972 and is the central bank of the Central African Economic and Monetary Community (CEMAC) represented by Cameroon, Central African Republic, Chad, Equatorial Guinea, Gabon, and the Republic of the Congo. The BEAC joined recently as an AFI Principal Member.



Banque Centrale des Comores (BCC) joined AFI as Principal Member in January 2023.



Ministry of Finance and Economic Development Zimbabwe joined AFI as Principal Member in March 2023.



The Délégation Générale à l'Entreprenariat Rapide des Femmes et des Jeunes (DER F/J) in Senegal joined AFI as an Associate Member.



The Superintendencia de Bancos de República Dominicana in January 2023 and the Comisión Nacional Bancaria y de Seguros Honduras in February 2023 were upgraded from Associate to Principal Members respectively.



³ Initiative (ECAPI); Financial Inclusion in the Arab Region (FIARI); Financial Inclusion Initiative in Latin America and the Caribbean (FILAC); Pacific Islands Regional Initiative (PIRI), and the South Asia Regional Financial Inclusion Initiative (SARFI).

NEW PARTNERSHIPS ANNOUNCED



At the 2023 GPF, AFI was delighted to welcome the GSMA, which represents over 1,000 mobile operators and businesses, as an African regional partner to AFI's PPD platform.

“

A robust and enabling regulatory environment is critical to ensuring that mobile money remains affordable, accessible and safe for everyone.

”

Ashley Olson Onyango, Head of Financial Inclusion and AgriTech, GSMA.



AFI announced at AFI's African Financial Inclusion Policy Initiative (AfPI) Leaders' Roundtable a four-year partnership with the African Development Bank (AfDB), aimed at supporting financial policymakers and regulators to increase access to finance for women-led small and medium-sized enterprises (WSMEs) in Africa.

The project will be implemented through the Bank's Affirmative Finance Action for Women in Africa (AFAWA) initiative,⁴ building on previous research in seven African countries, which highlighted the barriers faced by women entrepreneurs when seeking access to finance, including the high cost of financial services and a lack of financial education.

“

We are thrilled to launch this new chapter in our long-standing relationship with AF.

”

Malado Kaba, the Bank's Director for Gender, Women and Civil Society.



The Grand Duchy of Luxembourg and AFI have launched a two-year agreement to boost financial inclusion in Palestine. The Directorate for Development Cooperation and Humanitarian Affairs of the Luxembourg Ministry of Foreign and European Affairs will be providing financial support for an AFI project to help the Palestine Monetary Authority (PMA) develop and implement innovative and sustainable financial inclusion policies and regulations, with a focus on digital financial services (DFS) and gender inclusive finance.

“

Gender should never be a barrier to accessing financial services, or to participating in the economy.

”

Paul Weber, Head of the Inclusive and Innovative Finance Unit at the Luxembourg Directorate for Development Cooperation and Humanitarian Affairs.

4 African Development Bank Group. No date. Affirmative Finance Action for Women in Africa (AFAWA). Abidjan. African Development Bank Group. Accessed 29 November 2023. Available at: <https://www.afdb.org/en/topics-and-sectors/initiatives-partnerships/afawa-affirmative-finance-action-women-africa>

2023 GPF IN NUMBERS



82

NUMBER OF COUNTRIES
WITH AFI MEMBERSHIP



59

NUMBER OF COUNTRIES WITH
AFI MEMBERSHIP REPRESENTED
DURING THE 2023 GPF

PARTICIPANT INDIVIDUALS BY INSTITUTIONAL REPRESENTATION DURING THE 2023 GPF

PARTICIPANTS BY TYPE	WOMEN	MEN	TOTAL		%
LEADERS	27	35	62	<div><div></div></div>	8.6%
TECHNICAL MEMBERS	159	219	378	<div><div></div></div>	52.6%
AFI TEAM	31	21	52	<div><div></div></div>	7.2%
PARTNERS	42	37	79	<div><div></div></div>	11.0%
BSP CO-HOST	56	42	98	<div><div></div></div>	13.6%
LOCAL STAKEHOLDERS	9	28	37	<div><div></div></div>	5.2%
POTENTIAL MEMBER	3	6	9	<div><div></div></div>	1.3%
FORMER MEMBER	1	2	3	<div><div></div></div>	0.4%
TOTAL	328	390	718	<div><div></div></div>	100.0%

Source: Alliance for Financial inclusion



HIGH LEVEL OUTCOMES

The 2023 GPF renewed the network commitment for the Global South to safeguard gains made in financial inclusion and ensure a proportional application of global standards as reflected in the endorsed AFI Manila Manifesto.



The 2023 GPF renewed the network commitment for the Global South to safeguard gains made in financial inclusion and ensure a proportional application of global standards as reflected in the endorsed AFI Manila Manifesto.

4 Four new members, the BEAC, the BCC, the Ministry of Finance and Economic Development Zimbabwe, and Senegal's Délégation Générale à l'Entrepreneuriat Rapide des Femmes et des Jeunes (DER F/J)

Recently joined our network of regulators and policymakers striving to enable a more prosperous and equitable financial system for all. Additionally, the Superintendencia de Bancos de la Republica Dominicana and the Comisión Nacional Bancaria y de Seguro de Honduras upgraded their membership from "associate" to "principal".

Three important partnerships were also announced during the GPF:

1. **the GSMA network**, representing 1,000 mobile operators and businesses, joined AFI as an African partner to the PPD platform,
2. **a four-year partnership between AFI and the African Development Bank**, aiming to support financial policymakers and regulators in increasing access to finance for WSMEs in the region, and
3. **the Grand Duchy of Luxembourg and AFI**, which, together, launched a two-year agreement to boost financial inclusion in Palestine in collaboration with the PMA.

The AFI Inclusive Fintech Showcase announced a call for nominations regarding the best FinTech and RegTech innovators whose solutions enhance access to and the usage and quality of formal financial

services for low-income populations in developing countries and emerging markets. The Showcase awards will be presented in 2024.

During the Forum, AFI was delighted to announce the following awards:

TECHNICAL LEADERSHIP AWARD

- > **Arab Region:** Khaled Bassiouny, Central Bank of Egypt
- > **Asia Region:** Aishath Asna Hamdi, Maldives Monetary Authority
- > **Eastern Europe & Central Asia Region:** Sevak Mikayelyan, Central Bank of Armenia
- > **Latin America & The Caribbean:** Ann Valery Victor Metellus, Banque de la République d'Haiti
- > **Pacific Region:** Lanna Lome-Ileremia, Central Bank of Samoa
- > **Sub-Saharan Africa Region:** Paul Oluikpe, Central Bank of Nigeria

INSTITUTIONAL LEADERSHIP AWARD

Bank of Ghana

MAYA DECLARATION COMMITMENT AWARD

Banque Centrale des Etats de l'Afrique de l'Ouest

GLOBAL YOUTH FINANCIAL INCLUSION AWARD

Central Bank of Egypt

NESTOR ESPENILLA JR. FINANCIAL INCLUSION INNOVATION AWARD

National Bank of Rwanda

Congratulations to all the winners and nominees!

Finally, during the GPF, Jordan Payments and Clearing Company (JoPACC) became the 86th AFI member by announcing its Maya Declaration Commitment.

76

More than 76 AFI member institutions have currently at least one institutional commitment.

AFI WORKING GROUP CONVERGENCE MEETING - REFLECTIONS ON THE MANILA MANIFESTO

MC	Nik Kamarun	Senior Policy Manager, AFI
MODERATOR	Eliki Boletawa, PhD	Director Policy Programs and Implementation, AFI
SPEAKERS	Florabelle M. Santos-Madrid	Director, Bangko Sentral ng Pilipinas
	Mynard Bryan Mojica	Deputy Director, Bangko Sentral ng Pilipinas
	Ismail Adam	Bank of Ghana & Chair, SMEFWG
	Wati Seeto	Reserve Bank of Fiji & Chair, CEMWG
	Settor Amediku, PhD	Bank of Ghana & Outgoing Chair, FIDWG
	Mohanad Salous	Palestine Monetary Authority & Chair, FISPLG
	Candy Ngula	Bank of Namibia & Chair, DFSWG
	Paul Oluikpe, PhD	Bank of Nigeria & Outgoing Chair, IGFWG



After all seven working groups' sessions, more than 300 working group representatives, with some partners, convened for a technical session to discuss and share insights on the Manila Manifesto.

The Manifesto is a new AFI membership commitment to encourage open dialogue with the global SSBs based on multi-stakeholder dialogue and on building an evidence-based approach to identify unintended consequences from these standards. This stands to ensure proportionality and a risk-based approach to their implementation.

During the session moderated by the AFI Management Unit, the Bangko Sentral ng Pilipinas, represented by Florabelle M. Santos-Madrid and Mynard Mojica, shared the background, rationale and main components of this important network commitment. SSBs have a positive influence on the quality of financial inclusion policy being implemented in every country. However, challenges still persist in the proportionality and unintended consequences of the implementation, especially in developing and emerging economies.

The process was consultative; all working group representatives shared insights and recommendations for the implementation of the Manila Manifesto in three main areas, namely, voice, impact, and collaboration. A summary of each component was then presented by leaders of the different working groups.

1. VOICE

Ismael Adam of the Bank of Ghana and incoming Chair SMEFWG, and Wati Seeto of the Reserve Bank of Fiji and CEMCWG Chair shared the main recommendations collected by the group. The conclusion was that it was crucial to ensure the involvement of different stakeholders affected by policies introduced. This could be achieved by engaging the public through specific platforms that allowed for feedback while respecting regulators' mandates.

2. IMPACT

Dr Settor Amediku of the Bank of Ghana and outgoing FIDWG Chair, and Mohanad Salous of the Palestine Monetary Authority and FISPLG Chair, recommended an additional engagement with regional SSB groups ensuring a regional consultative framework and

enhancing the data collection guided by GSPWG identification of unintended consequences, and pairing the quality of AFI knowledge products with those of SSBs.

3. COLLABORATION

Candy Ngula of the Bank of Namibia and DFSWG Chair, and Dr Paul Oluikpe of the Central Bank of Nigeria and outgoing IGFWG Chair presented recommendations including engagement by regulators with academic and research institutions. This was considered critical to allow a balanced and informed approach, especially to leverage on data to enhance financial innovation and global standards.

“

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.

”

Pia Roman Tayag, BSP Assistant Governor

REGIONAL INITIATIVES MEETINGS

Members from the six regional initiatives, 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 2024. The members of the AfPI; ECAP; FIARI; FILAC; PIRI, and the South Asia Regional Financial Inclusion Initiative (SARFII) deliberated respectively on recent regional initiatives achievements and the way forward.

The members of the African Financial Inclusion Policy Initiative (AfPI); Pacific Islands Regional Initiative (PIRI); Eastern Europe & Central Asia Policy Initiative (ECAP); 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.





AFRICAN FINANCIAL INCLUSION POLICY INITIATIVE (AFPI)

Governor Caroline Abel, of the Central Bank of Seychelles, chaired and moderated the AfPI leader's roundtable. The meeting was attended by over 15 Governors and Deputy Governors, as well as by 9 Senior Managers representing their institutions.

During the AfPI Leaders' roundtable, the AfDB and AFI officially launched the new partnership between AFI and AfDB's Affirmative Finance Action for Women in Africa (AFAWA) on "Developing an Enabling Financial Policy and Regulatory Environment for Women SMEs in Africa". Malado Kaba, Director for Gender, Women and Civil Society in the AfDB and Dr. Alfred Hannig, Executive Director of AFI, launched the project. During the launch event Kaba welcomed the opportunity to work together through this four-year project between AFI and AfDB, to develop and implement policies that positively impact women entrepreneurs. She indicated that the overall objective of the project is to support financial sector regulators and policymakers, across AFI African member institutions in developing gender responsive policies and regulations to enhance access to finance for women-led enterprises SMEs (WSMEs). Ms. Audrey Hove, Senior Policy Manager, Gender Inclusive Finance at AFI Management Unit, presented the key findings of seven case studies conducted by AFI through an initial collaboration with AFAWA on "Increasing women's financial inclusion and closing the women's SME credit gap through enabling financial policy and regulation". The case studies, conducted in 2020-2021, highlight the common barriers to women-led enterprises SMEs accessing finance, Legal barriers to women owning

and inheriting property, social and cultural norms, inadequacies in credit infrastructure, lack of demand side and supply side sex-disaggregated data, inadequacy of financial services, lack of formal identification required to access bank financing, low-income levels (often due to a high amount of unpaid domestic work), among other challenges.

The partnership includes 13 additional case studies in other African countries to enhance gender-based data analysis to inform regulation and policies on increasing access to finance for women-led SMES (WSMEs). The project also seeks to improve knowledge and capabilities for the regulators to design policies, as well as to implement enabling policies to bridge the access to finance gap for WSMEs. AfPI Leaders provided some guidance on actions to be considered for the long-term sustainability and effective impact of the project.

AfPI Leaders also exchanged views on reported financial inclusion policy and regulatory reforms in Africa in 2022 and approved a revised AfPI work plan for 2023-2024. The next 2024 AfPI meeting will be held in Cote d'Ivoire, and co-hosted by the nation's ministry of finance and AFI Management Unit.

“

We all know that Gender Inclusive Finance can pave the way for developing economies to build resilient and sustainable futures for all.

”

Elsie Addo Awadzi, deputy governor, Bank of Ghana, GIF Committee Chair





EASTERN EUROPE & CENTRAL ASIA POLICY INITIATIVE (ECAPI)

Led by Bayarsaikhan Dembereldash, Chairman of the Financial Regulatory Commission of Mongolia and Firdavs Tolibzoda, First Deputy Chairman from the National Bank of Tajikistan, the ECAPI Leaders' Roundtable and EGFIP meeting was moderated this year by the ECAPI Chair and Co-Chair, represented by Garegin Gevorgyan and Armenuhi Mkrtchyan of the Central Bank of Armenia, and by Dilbar Abduganieva of the Central Bank of Uzbekistan.

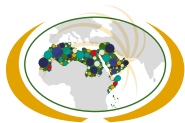
After an AFI update on the members' achievements since the previous GPF in Jordan, the ECAPI participants - including EGFIP members from the Central Bank of Armenia, the Central Bank of Uzbekistan, the Financial Regulatory Commission of Mongolia, and the National Bank of Tajikistan - engaged on a strategic dialogue on the vision for financial inclusion in the region.

Among the main objectives shared during the session was the priority to deepen and broaden member engagement in the region and to increase mutual support with regard to knowledge- and expertise-sharing. This was to facilitate financial inclusion and

close persistent financial inclusion gaps, including gender- and generation-related gaps. Overall, the meeting helped to identify objectives and common parameters of the next phase of the ECAPI Workplan, which will be developed in the months ahead.

The aspirations that arose from the meeting included: becoming a regional leader on policy implementation within the AFI network, enhancing knowledge exchange and collaboration by sharing expertise, and increasing membership in the region.





FINANCIAL INCLUSION FOR THE ARAB REGION INITIATIVE (FIARI)

The FIARI meeting gathered around 50 participants from AFI members institutions in the Arab region, with four leaders: First Sub-Governor of the Central Bank of Egypt (CBE) May Abulnaga, Sub-Governor of the Financial Inclusion Sector in the CBE, M. Sherif Lokman, Deputy Governor of the Central Bank of Tunisia, Nadia Gamha, and CEO of JoPACC and member of the Jordanian Parliament Maha Bahou. In her opening remarks, Gamha emphasized the need to reinforce collaboration between AFI Arab region members and to develop an action plan to promote capacity building and peer exchanges between members. This is needed especially with regard to the priority policy areas identified in the region, namely, DFS, financial literacy, consumer protection, and inclusive green finance. Leaders were updated on the progress made since the inception of the regional initiative, the activities organized within FIARI in 2023, and potential new memberships in the region. There was a presentation on the 2023 Member Needs Assessment, and members took the important step of voting for a name for the AFI Arab region initiative. The initiative is now formally known as the Arab Region Financial Inclusion Initiative (ARFIPI).

A PPD was facilitated by Khaled Bassiouny, General Manager of the Financial Inclusion Department at the CBE. He invited Mohanad Salous, Chief of the Financial Inclusion Unit in the Palestine Monetary Authority and Stephen Crowe, Global Head of Anti Money Laundering at Thunes, to discuss how to support DFS uptake to achieve the financial inclusion of youth and women in the Arab Region. The focus was on the potential of more transparent, innovative, and secure DFS in the region, alongside resolving the key barriers faced especially by women and youth in Palestine. After the PPD discussion, Bahou moderated the Leaders' Roundtable - which included May Abulnaga, Sherif Lokman, and Nadia Gamha - which explored how to best advance on key regional priorities including digital remittances, digital financial literacy, and green finance.

In her closing remarks, Abulnaga highlighted the huge efforts undertaken by members in the Arab region to achieve their financial inclusion objectives. She said she looked forward to more collaboration in the Arab region and beyond, building on members' strengths, and consolidating relations around projects like the digital platform. She also mentioned the scaling up of the new ARFIPI, and ensuring that it complemented FIARI and other initiatives.





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

The FILAC Leaders' Roundtable meeting was held on 13 September 2023 with approximately 30 participants from the LAC region. The meeting was led by Jean Baden Dubois, Governor of the Banque de la République d'Haïti (BRH) and outgoing Chair of FILAC Leaders' Roundtable. Dubois acknowledged the vision, and the strategic, high-level leadership steering FILAC towards achievements including the development of a regional roadmap to greater financial inclusion for disadvantaged groups such as women and migrants. He also spoke about the commitment under the FILAC umbrella, to build a robust network of advocates, formulate standards, and build consensus to address the ongoing challenges of financial inclusion.

Attendees were updated on the status of two forthcoming knowledge products- the Gender Inclusive Finance Roadmap and the Special Report on Financial Inclusion for Migrants. In addition, a review of the FILAC Charter was requested by members.

As part of the agenda, the new Chair of the FILAC Leaders' Roundtable, the Central Bank of The Bahamas and Vice Chair, Superintendencia de la Economía Popular y Solidaria de Ecuador (SEPS) Ecuador were introduced. The Central Bank of The Bahamas will be the host of the next FILAC EGFIP Meeting in 2024.



SOUTH ASIA REGIONAL FINANCIAL INCLUSION INITIATIVE (SARFII)

During the SARFII, leaders acknowledged the draft SARFII knowledge product on Payment Innovations and Risks in South Asia and commented that the content reflected the current situation with payment systems in their countries and reiterated their vision for a unified cross-border payment system in South Asia. During the session, the low levels of financial literacy and digital financial literacy, as well as cybersecurity risks were identified as the most significant risks that the South Asia region faces. The SARFII workplan was approved by the leaders and the EGFIP members were advised to proceed with the implementation of activities for 2024.

“

Since the inauguration of SARFII a year ago, during AFI's GPF 2022, member institutions have worked towards the mutual goal of promoting financial inclusion in the South Asia region. While important strides have been made towards achieving this goal, it is worth noting the significant importance placed on SARFII's plans to facilitate financial inclusion through digital means. Specifically, digitizing the payment ecosystem in the South Asia region.

”

Governor Ali Hashim, Maldives Monetary Authority





PACIFIC ISLANDS REGIONAL INITIATIVE (PIRI)

The PIRI Leaders' Roundtable meeting recorded a great participation of leaders representing six member countries from the PIRI+ regional initiative. The meeting started with leaders providing high-level updates on their respective financial inclusion journeys and ongoing interventions to ensure deepening of their financial inclusion objectives are achieved. Notable updates included progress by member countries on their national financial inclusion strategies (NFIS), DFS, inclusive green finance (IGF), small and medium enterprise finance (SMEF), and financial education and literacy initiatives.

PIRI leaders were updated on the Pacific De-risking Action Plan following the workshop held with PIRI member jurisdictions, namely, Seychelles, Marshall Islands, Australia, New Zealand, other development partners, and regional stakeholders. PIRI Leaders endorsed the recommendations to finalize the implementation of the De-risking Action Plan and the associated activities going forward.

The PIRI leaders received updates on the Pacific Regional Regulatory Sandbox, highlighting the progress achieved since the inception of the Initiative. This included three member countries achieving full readiness and live implementation of their regulatory sandboxes, two members finalizing the legal and legislative requirements to implement and launch their sandboxes, and two members currently initiating the development of the regulatory sandbox framework and standard operating procedures (SOPs). PIRI leaders endorsed the recommendations to proceed with the full operationalization of the PIRI Regional Regulatory Sandbox Portal and provide the needed support for member adoption and utilization.

Leaders discussed the strategic direction for the regional initiative highlighting the collaborative effort required to ensure PIRI priorities are taken forward in a proactive manner. They also spoke about the need to increasingly build capacity and capability across the member jurisdictions, to continue to leverage technology and innovation responsibly, and to ensure knowledge and experiences generated are shared and disseminated across the region and the AFI network.

The Reserve Bank of Fiji is assuming the Chair for PIRI position, with the National Reserve Bank of Tonga as the Vice Chair. The next PIRI meetings will be hosted by the Reserve Bank of Fiji in 2024.



8TH AFI ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) of AFI was held on 13 September 2022, a day ahead of the official opening of the 2023. This was the eighth AGM of AFI since AFI became an independent and member-owned organization in 2016.

The AGM commenced with opening 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 led the AGM. He then invited Bernadette Romulo-Puyat, Deputy Governor of the Bangko Sentral ng Pilipinas to deliver welcome remarks on behalf of the AGM co-host institution. This was followed with opening remarks from the 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 7th AFI AGM held virtually on 6 September 2022 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 2022 and August 2023, 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 reports by the Chairs of AFI's Committees on the work of the respective Committees including the Audit Committee (Emmanuel Akaro of the Bank of Tanzania); Budget and Finance Committee (Assistant Governor George Awap of the Bank of Papua New Guinea); Gender Inclusive Finance Committee (Deputy Governor Elsie Addo Awadzi of the Bank of Ghana); Global Standards and Policy Committee (Deputy Governor Dr. Francis Chipimo of the Bank of Zambia), and Investment Committee (Deputy Governor Jenifer Sullivan of the Central Bank of Seychelles). The Membership Council ratified and accepted the AFI Annual Report and Audited Financial Report for the Financial Year ending 31 December 2022.

The Membership Council received a preliminary report on the assessment of the Intergovernmental Organization (IGO) Status for AFI as presented by the Chair of the IGO Special Committee Aziza Rimane of Bank Al-Maghrib. During the presentation, Rimane called upon more AFI members to conduct internal consultations with relevant stakeholders and submit their feedback to AFI. The Membership Council then received a presentation providing an overview of the AFI Global Financial Inclusion Awards including the criteria and selection process.

The Membership Council approved AFI's Phase IV Strategic Plan for implementation from 2024 to 2028 and adopted the Manila Manifesto as the deliverable of the 2023 GPF, setting out the AFI network's commitment to coordinate, collaborate, and engage with global SSBs. The Membership Council approved the amendments to AFI's Articles of Association, ratified the appointment of Principal Member institutions to serve on the AFI Board of Directors for the term September 2023 to September 2025. These included the Reserve Bank of Fiji, which assumed the role of Chair of the AFI Board of Directors. The Membership Council also ratified the appointment of Principal Member institutions to serve on the AFI Committees, including the Investment Committee for the term September 2023 to September 2025; it additionally filled the vacancies on the Audit Committee, Global Standards and Policy Committee, and IGO Special Committee.

In the closing session of the AGM, De La Fuente, as the outgoing Chair of the Board of Directors, expressed his appreciation to the Membership Council and introduced the new Chair of the Board of Directors, Ariff Ali, Governor of the Reserve Bank of Fiji who accepted the new role and thanked the Membership Council. This was followed by appreciation remarks from other outgoing members of the Board, namely, the Central Bank of Kenya and Nepal Rastra Bank.

New members of the Board of Directors, Banco Central de Reserva de El Salvador, Banque de la République d'Haïti, the State Bank of Pakistan, and the National Bank of Rwanda also gave appreciation remarks.

Members of the AFI Board of Directors for the term running from September 2023 to September 2025 are as follows:

1. **Ariff Ali**, Governor, Reserve Bank of Fiji (Chair)
2. **Dr Serey Chea**, Governor, National Bank of Cambodia
3. **Dr Karamo Kaba**, Governor, Banque Centrale de la République de Guinée
4. **Nadia Gamha**, Deputy Governor, Central Bank of Tunisia
5. **Douglas Pablo Rodriguez**, President, Banco Central de Reserva de El Salvador
6. **Ronald Gabriel**, Governor, Banque de la République d'Haïti (previously represented by Jean Baden Dubois)
7. **Jameel Ahmad**, Governor, State Bank of Pakistan
8. **Soraya Munyana Hakuziyaremye**, Deputy Governor, National Bank of Rwanda
9. **Martin Galstyan**, Governor, Central Bank of Armenia
10. **Dr Alfred Hannig**, Executive Director, AFI (Non-voting member and Secretary of the Board)

MANILA MANIFESTO

The AFI Membership Council met on 13 September 2023, ahead of the 2023 GPF, to review the progress and work of the network over the past year. The AFI Membership Council adopted the Manila Manifesto⁵ as the main deliverable from the GPF, with the aim of setting out the AFI network commitment to coordinate, collaborate, and engage with global SSBs in pursuing opportunities to advance systematic policy dialogue in areas where global standards or internationally accepted principles have yet to be defined. These include digital innovations (for instance, artificial intelligence and digital platforms), climate risks, and green finance.

The Manila Manifesto adopted by the AFI Network arose from the reality that financial regulation has been significantly influenced by global standards for financial stability, financial integrity, and for new emerging areas such as financial sustainability. Standards have contributed to a safer and sounder financial system, albeit with some challenges in their proportionate implementation, such as regarding capacity and resources, inter-agency coordination, and the collection and use of reliable data to inform standards implementation.

Through the Manila Manifesto, the AFI membership recognizes the effort from SSBs in acknowledging the risk posed by financial exclusion to their goals,

engaging with financial inclusion stakeholders, and integrating financial inclusion with their work in a manner that is consistent with their core mandates. Alongside this, the SSBs make clear that there is a need for proportionate and risk-based implementation of global standards. In addition, it must be recognized that the flexibilities permitted by the standards should be utilized to mitigate potential for unintended consequences for the inclusion of women and other disadvantaged groups.

The Manila Manifesto commits to keeping the voices of developing and emerging countries into the continuing discussion of the application of global standards and their implications for financial inclusion of individuals and micro, small, and medium enterprises, as well as gathering evidence on the impact of global standards on promoting financial inclusion.

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5 Alliance for Financial Inclusion (AFI). 2023. Manila Manifesto. September 2023. Kuala Lumpur. Alliance for Financial Inclusion. Available at <https://www.afi-global.org/publications/manila-manifesto/>



INCLUSIVE FINTECH SHOWCASE LAUNCH

MODERATOR	Nomcebo Hadebe	CEO, Ministry of Finance, Centre for Financial Inclusion, Eswatini
SPEAKERS	Lito Villanueva	Executive VP and CI&IO, Rizal Commercial Banking Corporation (RCBC) / Chair of Fintech Alliance Philippines
	Makoto Takemiya	Co-Founder & CEO, Soramitsu
	Paul Webber	Head of Unit, Inclusive and Innovative Finance, Luxembourg Ministry of Foreign and European Affairs

The session highlighted the global and regional trends in inclusive FinTech innovation and launched the upcoming fourth edition of the AFI Inclusive FinTech Showcase 2024.

The speakers shared their experience and lessons learned on starting and promoting the use of different FinTech applications. In the Philippines, the example given was the digitalization of payments. Soramitsu in Cambodia piloted central bank digital currencies (CBDCs) and blockchain technology under the National Bank of Cambodia initiative. In Africa - and soon in Southeast Asia - FinTech helps advance progress in attaining the fundamental Sustainable Development Goals (SDGs) with the support of the Luxembourg Ministry of Foreign and European Affairs.

After this session, the Inclusive Fintech Showcase for 2024 was formally launched to reward solutions that support the enhancement of interoperability and cost reduction in digital payments; boost digital financial literacy and financial health for disadvantaged groups; catalyze access to finance for women and youth entrepreneurs; leverage data management and analytics for financial inclusion impact; and strengthen resilience and adaptation for climate-vulnerable populations. Finalists will be announced in February 2024, and the winners revealed in April.

“

The journey towards inclusive FinTech is done through collaboration, knowledge sharing, and a wholistic ecosystem approach.

”

Paul Webber, Luxembourg Ministry of Foreign and European Affairs



DIGITAL FINANCIAL SERVICES REFERENCE GUIDE LAUNCH

MODERATOR	Harish Natarajan	Practice Manager, Financial Inclusion and Infrastructure, World Bank
OPENING REMARKS	Ilya Sverdlov	Director, ERO and Donor Relations and Global Partnerships
SPEAKERS	Ariadne Plaitakis	Senior Program Officer, Financial Services for the Poor, Bill & Melinda Gates Foundation
	Eric Duflos	Senior Financial Sector Specialist, CGAP
	Ahmed Dermish	Lead Specialist, Policy and Government Advocacy, UNCDF

Launched in 2018 by the Bill and Melinda Gates Foundation as an internal document, the Inclusive Digital Financial Inclusion Reference Guide was later made public to support policymakers.

The Reference Guide was created with the support of AFI, CGAP,⁶ UNCDF,⁷ UNSGSA,⁸ and the World Bank and has now been updated.

The Guide represents the collaboration by the institutions mentioned to consolidate the learnings and knowledge that the regulatory community has gathered on inclusive DFS.

With an initial focus on e-money and basic enablers, the new portal will cover topics such as the supervision of DFS, expand on the different types of DFS products and services, and contain updates in terms of risks. Among the challenges mentioned during the session were the data protection and abuse risks, data value creation, and the obstacles to enabling consistent regulatory mandates among different key players in the DFS ecosystem.

The Guide is conceived as a living document and a toolkit for regulators. It will be hosted by the World Bank on its website.

“

It is really a wealth of information of all these critical enabling regulations and supervisory elements that need to be put in place to increase further financial inclusion.

”

Eric Duflos, CGAP

“

The structure of the guide allows the user to come in within the context that they have...The best regulation is the next regulation.

”

Ahmed Dermish, UNCDF

⁶ Consultative Group to Assist the Poor (CGAP)

⁷ United Nations Capital Development Fund (UNCDF)

⁸ United Nations Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA)



AFI GLOBAL AWARDS

The AFI Global Financial Inclusion Awards 2023 recognized and celebrated the outstanding commitment of AFI members in advancing financial inclusion.

The ceremony honored policymakers and regulators who demonstrated strong commitment to the AFI network over the past year and implemented high-impact policies in the areas of innovation and the financial inclusion of youth.



AFI AWARDS

The Awards fell into the following three categories:

PEER LEADERSHIP AWARDS

Awards in this category were presented based on members' commitment and contribution to the AFI Network in the past year. Exceptional contributions were recognized in the areas of:

a) Maya Declaration Commitments:

Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO)

b) Institutional Leadership:

Bank of Ghana

c) Technical Leadership:

- > **Arab Region:** Khaled Bassiouny, Central Bank of Egypt
- > **Asia Region:** Aishath Asna Hamdi, Maldives Monetary Authority
- > **Eastern Europe & Central Asia Region:** Sevak Mikayelyan, Central Bank of Armenia
- > **Latin America & The Caribbean:** Ann Valery Victor, Banque de la République d'Haiti
- > **Pacific Region:** Lanna Lome-Ieremia, Central Bank of Samoa
- > **Sub-Saharan Africa Region:** Paul I. Oluikpe, Central Bank of Nigeria

THE GLOBAL YOUTH FINANCIAL INCLUSION AWARD

A high-level AFI Award that acknowledges and recognizes financial policymakers and regulators undertaking impactful initiatives, policies or regulations to accelerate the financial inclusion of youth. It is in continuation of the Global Inclusion Awards originally initiated in 2012 by Child & Youth Finance International (CYFI) and transferred to AFI in 2019. The winner this year was the Central Bank of Egypt.

THE NESTOR ESPENILLA JR. FINANCIAL INCLUSION INNOVATION AWARD⁹

This high-level AFI Award honors the memory and legacy of Governor Nestor Espenilla Jr. - a founding member of AFI and a global champion of innovation and inclusion - by recognizing an AFI member that has leveraged technology to advance financial inclusion. This year's winner was the National Bank of Rwanda (NBR).

GENDER INCLUSIVE FINANCE AMBASSADOR RECOGNITION

The ceremony also recognized the 2023 AFI's GIF Ambassador Institutions. These members are recognized for making notable efforts in terms of GIF initiatives, as they accelerate the pace of change in the strategic implementation of the Denarau Action Plan.¹⁰ To become eligible as an ambassador, an institution would have to have met at least four of the following indicators: recording a GIF policy change, GIF-related Maya commitment, the collection of sex-disaggregated data, NFIS with a clear gender strategy, member of the GIFC, or support for developing a pipeline of women's leadership. Below is a list of the institutions recognized during the ceremony.

- > Bank Negara Malaysia
- > Bank of Namibia
- > Bank of Papua New Guinea
- > Central Bank of Solomon Islands
- > National Bank of Tajikistan
- > Reserve Bank of Vanuatu
- > Bank of Sierra Leone

MAYA DECLARATION COMMITMENTS

Also recognized at the ceremony were members that made a Maya Declaration Commitment (MDC) for the first time in 2023, and members that have completed targets, made new targets, or reported progress on existing targets. In 2023, JoPACC was recognized as the 86th AFI member with an institutional commitment.

9 The Global Youth Financial Inclusion Award and the Nestor Espenilla Jr. Financial Inclusion Innovation Award were subject to the decision of an External Jury who reviewed and deliberated on the nominations. The Jury included Prof Ratna Sahay, Former Special Advisor to the Managing Director at the International Monetary Fund, Vakhtang Abrahamyan, Former Deputy Governor Central Bank of Armenia and Executive Director, Esther Dassanou, Director Gender Programs, Mastercard Foundation, and Prof. Olayinka David-West, Associate Dean and Professor of Information Systems, Lagos Business School

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

2023 GLOBAL POLICY FORUM OPENING CEREMONY



WELCOME REMARKS	Dr Eli Remolona Jr.	Governor, Bangko Sentral ng Pilipinas
OPENING REMARKS	Dr Ariff Ali	Governor, Reserve Bank of Fiji
	Dr Alfred Hannig	Executive Director, AFI
GUEST SPEAKER	Dr Zeti Akhtar Aziz	Former Governor, Bank Negara Malaysia
KEYNOTE ADDRESS	Honorable Rex Gatchalian	Secretary, Philippines Department of Social Welfare and Development

WELCOMING REMARKS BY BANGKO SENTRAL NG PILIPINAS GOVERNOR REMOLONA JR.

After an emotive opening with a new AFI Hymn, Dr Eli Remolona Jr., Governor of the BSP, welcomed all the heads of institutions and other distinguished members, partners, and special guests to the 2023 GPF.

Governor Remolona shared the financial inclusion journey of the Philippines, starting with the tenure of Governor Rafael Buenaventura¹¹ who instituted microfinance as a flagship policy in the 2000s, followed by Governor Amando Tentangco¹² who expanded the focus on microfinance to financial inclusion and established multisectoral partnerships to foster financial inclusion.

Governor Remolona also highlighted the adoption of digital technology by Governor Nestor Espenilla Jr.,¹³ and the establishment of the NFIS by Governor Benjamin Diokno with the implementation process led by Governor Felipe Medalla. Governor Remolona thanked and welcomed all participants addressing AFI's call for "Stability, Sustainability, and Inclusivity for Shared Prosperity".¹⁴

“

Together let us address AFI call for stability, sustainability and inclusivity for shared prosperity.

”

Governor Remolona Jr., Bangko Sentral ng Pilipinas

OPENING REMARKS BY RESERVE BANK OF FIJI GOVERNOR ARIFF ALI AND AFI EXECUTIVE DIRECTOR

Dr Ariff Ali, Governor of the Reserve Bank of Fiji (RBF) and incoming Chair of the AFI Board opened the 2023 GPF with a quote recognizing the 15-year journey of the AFI Network and its relevance towards promoting

stability, sustainability and inclusivity for shared prosperity in the current global context.

Governor Ali emphasized the following three underpinnings from the AFI Board's perspective.

1. the strategic positioning of AFI as a network for emerging and developing countries
2. maintaining and growing membership
3. the value of good partnerships to support the work and programs on financial inclusion

Governor Ali reaffirmed the Board's support of the Network and concluded with a reminder of the importance of financial inclusion in reinforcing financial stability and sustainability, and of always considering the context of each country to tailor effective policy solutions.

“

Fifteen years ago, AFI along with some member countries and donors present in the room today, planted a seed on financial inclusion. That tree has sprouted and grown tremendously, providing financial lifelines to millions worldwide. Today, we sit in the shade provided by the tree, and through this GPF continue to care for and water it, so that it can grow even further and provide shade to even more people.

”

Governor Ariff Ali, AFI Board Chair, Governor of the Reserve Bank of Fiji

11 Full name: Rafael Carlos Baltazar Buenaventura

12 Full name: Amando Maglalang Tetangco Jr.

13 Full name: Nestor Aldave Espenilla Jr.

14 This was the tagline for the 2023 GPF.

Dr Alfred Hannig, Executive Director of AFI warmly welcomed all participants to the 2023 GPF, thanking the BSP for co-hosting and organizing a splendid venue and making other arrangements for the Forum. Reminiscing on the shared journey of BSP and AFI, Dr Hannig reminded the audience on the relevant role of BSP as the first member institution that joined the Network. Since the beginning, the BSP has shared and assimilated policy knowledge and experiences and continues to do so. He also talked about the instrumental role of Bank Negara Malaysia (BNM) in hosting the AFI headquarters during its transformation to an international organization, reminding all that the path towards financial inclusion is now more important than ever.

This is so in the context of new risks arising in the post-pandemic era, including geopolitical fragmentation. Climate change and biodiversity loss are also issues to contend with. Emphasizing that financial inclusion is complementary, and not a competing objective to monetary and financial stability, Dr Hannig stressed the relevance of keeping financial inclusion high on the policy agenda, especially through engagement with SSBs, as set out in the Manila Manifesto. Dr Hannig closed by talking about the contribution AFI can make to delivering both stability and sustainable development, and to meeting not just the challenges of today, but those of the future.

“

This year's GPF theme is a strong reflection of the contemporary challenges - but also opportunities - we are facing in financial inclusion. Shared prosperity is our ultimate goal. But I want to remind you that even if we achieve full financial inclusion, it does not mean that we can let go of our efforts. We must continue to improve and maintain financial inclusion. This is in everyone's interest - not just in the interest of the developing world.

”

Dr. Alfred Hannig, Executive Director, AFI

GUEST SPEAKER DR ZETI AKHTAR AZIZ, FORMER GOVERNOR BANK NEGARA MALAYSIA

Dr Zeti, former Governor of BNM highlighted the rising income inequalities caused by global developments such as the pandemic, digitalization, and inflation, and emphasized the importance of stability and sustainability in achieving greater financial inclusion and shared prosperity. Dr Zeti praised AFI for its contribution to advancing the financial inclusion agenda and bringing stakeholders together. She emphasized

the need for a financial inclusion ecosystem to increase interconnectivity and integration of various components and create transformative progress.

The seven vital elements of the ecosystem mentioned by Dr. Zeti are listed below.

1. the financial infrastructure
2. financial products offerings
3. consumer protection
4. financial literacy
5. proportionate regulation and supervisory oversight
6. well-structured distress and resolution mechanisms
7. an appropriate development environment for financial and regulator professionals

Hence, the integration and synthesis of these seven elements are crucial for delivering impactful outcomes in financial inclusion.

Dr Zeti also stressed the need for greater coordination and collaboration in managing the financial inclusion agenda, and in the design of governance arrangements, by multiple agencies within and across countries.

She acknowledged the critical role of leadership in bringing together component parts of the financial inclusion ecosystem to deliver outcomes that help achieve shared prosperity.

KEYNOTE ADDRESS BY THE HONORABLE REX GATCHALIAN, SECRETARY OF THE PHILIPPINES DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT

Sharing his personal experience as a member of Congress and as a local Chief Executive, the Honorable Secretary Gatchalian highlighted the challenges of poverty and financial exclusion at the micro level. Financial literacy and financial inclusion are both key enablers of the SDGs.

Secretary Gatchalian talked about challenges faced during the COVID-19 pandemic, where financially excluded individuals had to physically go to payout centers to receive cash grants, despite the government's advice to stay at home. These experiences drove the need to introduce innovative ways to provide effective access to financial products and services for the disadvantaged sectors. The government now is addressing financial exclusion through the National Strategy for Financial Inclusion (NSFI) 2022-2028. The three most important programs of the Social Welfare and Development Department are also aligned with the key objectives of the NSFI.

The Social Welfare and Development Department is committed to ensuring that no one is left behind in their financial inclusion journey. The shared prosperity agenda focuses on ensuring that the benefits of economic growth reach every citizen, especially the most vulnerable members of society. Financial inclusion is a collective mission that requires the participation of governments, financial institutions, civil society, and

international organizations and a well-organized and structured leadership. It is important in this regard to recognize the role of the BSP as leader of the Financial Inclusion Steering Committee, focusing on monitoring progress and facilitating evidence-based policymaking.



THE FINANCIAL INCLUSION JOURNEY OF THE PHILIPPINES

GPF guests were treated to an artistic performance organized by the Bangko Sentral ng Pilipinas as a precursor to the financial inclusion story of this resilient nation of sand and sea.

The musical performance started with a presentation of the seven symbols honoring the enduring spirits of both the modern era and ancient times.

- > **Fire:** symbolizes the collective passion for improving lives and sustaining the mission of financial inclusion.
- > **Water:** represents life, providing soothing, nurturing, and cleansing qualities.
- > **Rice:** symbolizes clarity of mind and steadfastness in pursuing the noble goal of financial inclusion.
- > **Salt:** signifies being the salt of the earth, striving to bring out the best in everyone.

- > **Nada:** a Philippine hardwood symbolizing strength and stability.
- > **Bamboo:** represents resilience and regeneration in the pursuit of stability, sustainability, and financial inclusion.
- > **Handwoven textiles:** symbolize the unique contributions of each participant in the 2023 GPF

The performance included songs such as "We Say Mabuhay" to welcome participants to the Philippines. This was followed by a group of performers presenting "Bayanihan", the Filipino spirit of working together for a common good, exemplified by citizens coming together to celebrate hope and family.

Financial inclusion necessitates a collective effort from the entire nation, guided by the Bayanihan spirit, to ensure that all Filipinos can eventually live under one roof of prosperity.

Filipinos on the ground were interviewed and recorded. The videos were screened at this session and guests could see how happy they were at seeing their fellow citizens gaining access to financial services, and how fulfilling it was to have helped them achieve their aspirations. Still, though progress has been made in financial inclusion, work continues.



OVERVIEW OF THE NATIONAL STRATEGY FOR FINANCIAL INCLUSION 2022 - 2028

Launched in January 2022, the NSFI 2022 - 2028 serves as a responsive and relevant blueprint for mobilizing the nation towards accelerated financial inclusion. Championed by 21 Philippine government agencies forming the Financial Inclusion Steering Committee (FISC), it represents a unified effort towards inclusive growth and financial resilience for every citizen.

TWENTY-THREE YEARS OF THE PHILIPPINES FINANCIAL INCLUSION JOURNEY

The financial inclusion journey of the Philippines began in 2000, when the BSP adopted microfinance as a poverty elevation program. The advocacy aimed to provide small loans to the underprivileged, helping them become productive and thereby improve their future. By the early 2000s to 2011, microfinance became mainstream in the banking sector through regulations on housing microfinance, micro insurance, and micro agriculture finance.

BSP joined the AFI network in 2008. Under the leadership of BSP Governor Amando Tetangco Jr., the microfinance unit transformed into the Inclusive Finance Advocacy (IFA) Staff, making the BSP the first central bank in the world to establish a unit solely dedicated to financial inclusion.

In 2009, the Economist Intelligence Unit recognized the Philippines as having the best regulatory framework for microfinance in the world. The Philippines consistently ranked first in Asia and was in the top five globally for having a favorable environment for financial inclusion. With technological and digital innovations, BSP's commitment to accessible financial services remains unwavering. BSP issued landmark guidelines on electronic money transactions in 2009, prioritizing financial safety for Filipinos.

The year 2014 witnessed BSP's introduction of financial consumer protection regulations. The following year, in 2015, the National Retail Payment System (NRPS) was created, leading to the launch of electronic fund transfer (EFT) services InstaPay and PesoNET, through which Filipinos can conveniently send or receive funds with a BSP-regulated account. Key policies on digital finance were issued in 2017-2018 to democratize access to transaction accounts.

The BSP advocates for financial inclusion, but collaboration is needed for maximum impact. Financial and consumer protection initiatives were rolled out to empower consumers and ensure safe use of financial

services. The Financial Consumer Protection Act provides a legal foundation for protecting financial consumers' rights.

The challenges brought by the COVID-19 pandemic come with a silver lining: more Filipinos and businesses recognize the benefits of going digital. Through the foundational regulatory efforts made by BSP in previous years, account ownership nearly doubled in those two years, reaching its highest growth rate to date. Additionally, the number of e-money users increased more than fourfold. The pandemic prompted 37 percent of adults to start saving more for emergencies. Sixty percent of those with mobile phones and internet access performed online financial transactions, a significant increase from 2019.

BSP's inclusive digital finance efforts focus on building a robust innovation ecosystem. This included the introduction of a digital banking license in 2020 to attract digital-forward market players. In 2021, it launched the Open Finance framework. The implementation of the Philippine Identification System Act (PhilSys) serves as a key enabler for scaling these innovations and benefiting more consumers. Additionally, ICT policy reforms have been introduced to improve digital connectivity in underserved areas.

The journey has been long. However, the recently launched NSFI 2022 - 2028 has set a pathway for more empowered consumers, reduced disparities in financial inclusion, increased access to finance by agricultural and MSME sectors, and improved financial health and resilience for all, leaving no one behind.

PLENARY 1 - BUILDING INCLUSIVE FINANCIAL SYSTEMS AMIDST GLOBAL UNCERTAINTY

MODERATOR	Alfred Hannig	Executive Director, Alliance for Financial Inclusion
SPEAKERS	Rogério Lucas Zandamela	Governor, Banco de Moçambique
	Aisha Ahmad	Deputy Governor, Central Bank of Nigeria
	Suhaimi Ali	Assistant Governor, Bank Negara Malaysia
	Sabine Lautenschlager	Former Board Member, European Central Bank and Board Member, Dubai Financial Service Authority

There is clear evidence to show that financial inclusion policies have been successful over the last 15 years. Concerted effort towards financial inclusion began with the international financial crisis of 2008, and has progressed in a relatively stable financial global outlook, now representing more than 70 percent of the global population.

After the pandemic and pockets of macroeconomic instability driven by geopolitical, environment, technological, and economic stress, many fear losing the gains of financial inclusion.

All the speakers agreed that financial inclusion is a critical mandate for financial regulators to allow them to complete their other mandates of financial stability. Establishing the foundations in terms of key policies, using the leadership and conveying power from the financial regulators and leveraging on strategic partnerships between the public and the private sector are vital conditions to achieving financial inclusion. At the same time, it enables regulators to fulfil other key mandates, such as financial and monetary stability. Including the voice of the Global South in global standards to ensure proportionality and support from the Global North is also a crucial element to consider in the perseverance of the financial inclusion goals. The discussion supported the need for the Manila Manifesto as it enhances the cooperation and collaboration with SSBs.

MOZAMBIQUE

Governor Zandamela emphasized the need to separate central bank mandates from its various roles, including

financial inclusion, and prioritize the financial inclusion role as critical in developing countries. The central banks are required to be mindful about how global standards are applied in the respective jurisdictions, especially with regard to a proportional approach. Many foreign banks are not applying a proportional approach in developing countries. This has a significant impact on costs. In this regard, financial regulators are required to ensure proportional implementation to safeguard financial inclusion.

NIGERIA

Deputy Governor Aisha N. Ahmad emphasized the important role of central banks in leading the path towards the adoption of DFS. She recommended a strategic approach by structuring the building-blocks: establishing the infrastructure and the policy framework, enabling interoperability, strengthening the PPD coordination and collaboration, and making full use of financial policymakers' convening power.

Financial inclusion is a tool for achieving central bank mandates. The relevant question is how policymakers ascribe their resources to competing priorities. The conversation has shifted to what the Global North should be doing. Compliance costs need to be considered in drafting global standards.

“

It [financial inclusion] proves to be what we need to ensure that we are prepared and resilient for the next crisis. Financial inclusion is more than just a goal now, it is the path for resilience; it is a path for economic achievement and poverty alleviation; it is the path to a sustainable future.

”

Aishah N. Ahmad, Deputy Governor, Central Bank of Nigeria

MALAYSIA

BNM Assistant Governor Suhaimi, agreed that financial inclusion can be an enabler in achieving financial outcomes because it empowers consumers and communities by equipping them with the knowledge and resources to invest, save, manage risk, and actively participate in the economy towards better financial well-being. Among the main lessons learned, he highlighted the need for regulatory adaptability to address emerging risks and challenges.

This had to be aligned with the “no-one-size- fits-all” principle, and calibrated and tailored to address the specific characteristics of the population. Assistant Governor Suhaimi also mentioned the relevance of financial literacy and a corresponding monitoring and evaluation effort to identify and nurture successful interventions. A global voice in SSB forums, such as the one offered by AFI to developing countries, is essential to align priorities and guarantee proportionality in implementation according to the country’s particular context.

DUBAI

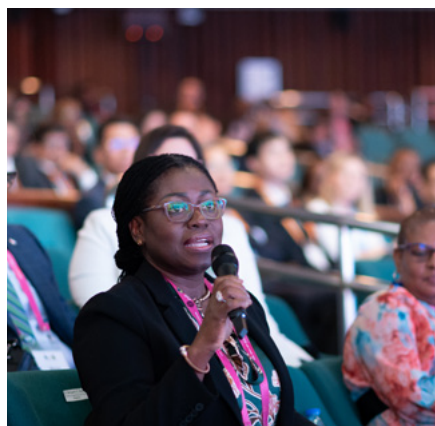
Sabine Lautenschlager, Board Member in the Dubai Financial Services Authority emphasized that even if global standards might have unintended consequences, especially in the short term, these standards promote a more stable and safer environment in the medium and long terms. The Global North should support developing countries in adapting those standards in different contexts.

“

Together let us address AFI call for stability, sustainability and inclusivity for shared prosperity.

”

Sabine Lautenschlager, Board Member, Dubai Financial Services Authority



PLENARY 2 - AFI LEADERS' PUBLIC-PRIVATE DIALOGUE ROUNDTABLE

MODERATOR	Sophie Sirtaine	Chief Executive Officer, CGAP
SPEAKERS	High-Level Leaders of AFI Member Institutions and AFI PPD Partners	

For this first time, AFI hosted the PPD Roundtable as a plenary session at the GPF, bringing together 30 high-level member policymakers and regulators, four PPD partners (GSMA, Mastercard, Thunes, and Visa) and an external moderator, Sophie Sirtaine, CEO at CGAP.

The PPD Roundtable, From Dialogue to Action for Impact – Public-Private Collaboration to Advance the Financial Inclusion of Women, Youth, and MSMEs, articulated key insights, including the need for good quality disaggregated data and the ability to effectively analyze it, the need to financially educate people and SMEs, especially with regard to digital financial literacy, and the importance for women and young people to be

able to access labor markets in order to drive financial inclusion for women, youth and MSMEs. The need to strengthen the linkages between the public and private sector at the national and regional levels was also highlighted. Leaders emphasized that financial and digital literacy can be accelerated through successful public-private collaboration.

While synergies and alignment with the private sector are critical to drive and implement financial inclusion, challenges remain in developing an enabling environment for implementing public policy. This includes infrastructure and the utilization of digital tools and services. A practical collaboration mechanism between AFI member institutions and private-sector partners in advancing financial inclusion of women, youth, and MSMEs is vital.



BREAK-OUT SESSIONS - TECHNICAL BREAKOUT 1 ARTIFICIAL INTELLIGENCE IN FINANCE

MODERATOR	Robin Newnham	Policy Analysis and Guidance, AFI
SPEAKERS	Douglas Arner	Professor in Law, University of Hong Kong
	Guy Sheppard	COO Financial Service, Aboitiz Data Innovation
	Gina Romero	Co-Founder & Head of Special Projects, Connected Women
	Candy Ngula	Deputy Director National Payment Systems, Bank of Namibia

The session approached the topic from the perspective of experts in the field and financial regulators, exploring current advantages, shortcomings, and risks of the use of Artificial Intelligence (AI) to bolster financial inclusion.

Throughout history, there have been different waves of AI development. What sets the current interest in AI apart is that the applications have been broadened by the combination of the digitization of information, the decreasing cost of data storage, the ease of transferring and communicating data, and developments in analytics theory and technique.

UNIVERSITY OF HONG KONG

AI can help solve distinct financial sector challenges faced by different types of economies. For developing countries, the predominant challenge revolves around the affordability and accessibility of financial services, often described as a "money/cost" challenge. In developed countries, the primary concern shifts towards addressing the complexities of financial fraud and security.

ABOITIZ

AI in the financial sector is prevalent in several key areas including advanced customer segmentation on the one hand and lending, on the other. In the area of customer segmentation, AI enables businesses to better understand and target their audiences, and to develop new products for cross-selling and upselling. An example would be insurance that is tailored to individual needs. Furthermore, the most significant use case for AI is lending, especially for Micro, Small, and Medium Enterprises (MSMEs). AI allows the use of alternative data such as geographic data, power consumption, and e-commerce data which enhances the risk assessment and credit decision-making processes of financial institutions. Finally, anomaly and fraud detection is another area where AI can be used to analyze know-your-customer (KYC) data and detect fraud. The challenge lies in building the necessary data ecosystem to make the above use cases work.



CONNECTED WOMEN

Women are less represented in developing economies, making the intersection of women and technology complicated. The gender disparity in the tech industry introduces bias in the design and deployment of digital tools. To reduce or eliminate this bias, there is a need to bring more women into the technology space. In line with this, Connected Women's¹⁵ advocacy involves training women in skills needed by the AI industry (e.g. data annotation and image tagging).

NAMIBIA

From the regulatory perspective, as in the case of the Bank of Namibia, it is important to avoid being prescriptive in regulations by being technology agnostic, and to be principle-based in ensuring that good practices around technology are carried out. Consumer protection and ensuring trust among users is an important consideration in adopting new technologies such as AI.

In the realm of finance, recent applications of AI include advanced customer segmentation, to develop new products for upselling and cross-selling; lending, especially for MSMEs; and anomaly and fraud detection. However, there is also the risk that AI might widen the

disparity between genders and that technology may not be well understood by users and regulators, and therefore have unintended consequences. To be able to use AI and technology more effectively and to bridge the gender gap, there is a need to ensure that the technology used is principle-based, that there is proper understanding of the technology and the algorithms behind these new applications, and that gender parity in the use of technology and digital tools is enhanced.

“

There is risk for technology to exacerbate the digital divide. We already have gender frameworks, but the challenge is the data itself have gaps. How can one build an AI model for data that don't exist. The systemic problem is that not enough women are in the tech space.

”

Gina Romero, Co-Founder & Head of Special Projects,
Connected Women

¹⁵ For further information, please visit Connected Women. Accessed 29 November 2023. Available at: <https://connectedwomen.com/>



TECHNICAL BREAKOUT 2 CREATING AN INCLUSIVE ENVIRONMENT FOR YOUTH ENTREPRENEURS

MODERATOR	Eric Duflos	Senior Financial Sector Specialist, CGAP
SPEAKERS	Nomcebo Hadebe	CEO, Ministry of Finance - Centre for Financial Inclusion, Eswatini
	Natalia Sanchez	Superintendencia de Bancos de la República Dominicana
	Khaled Bassiouny	Central Bank of Egypt
	Ruel Amparo	CEO, Agrilever Philippines

The session primarily focused on understanding and addressing the challenges faced by youth entrepreneurs in low- to middle-income countries

It was aimed at exploring their potential in driving economic growth and discussing strategies to raise awareness and improve collaboration to support this demographic. Notable challenges highlighted were limited resources, restricted access to financial services due to age restrictions, inadequate entrepreneurship training, and the need for tailored financial literacy and mentoring programs. The four speakers presented perspectives on regulatory support, financial education, technology's role, and alignment with youth policies to empower and create opportunities for young entrepreneurs.

AGRILEVER PHILIPPINES

From personal experience, Ruel Amparo emphasized the pivotal role of technology and education in overcoming limitations faced by young entrepreneurs, including practical issues such as sales strategies and cashflow management. He also said that it was important for young entrepreneurs to employ youth as casting the net in this demographic could attract talents and new perspectives for the business, given how innovative and tech-savvy youth are.

DOMINICAN REPUBLIC

Natalia Sanchez shared the key role of youth and entrepreneurship in the Dominican Republic NFIS and highlighted the need for tailored financial education and leveraging social media to foster responsible spending.

EGYPT

Khaled Bassiouny emphasized the role of the CBE in supporting youth and entrepreneurship by providing an alternative credit scoring regulation for banks, and allowing them to perform different credit assessments, given that most young entrepreneurs do not have any credit history or available collateral to offer. With regard to non-financial services, Egypt regulators provide guidance for young entrepreneurs, especially during the early stages. This is done by incubating new entrepreneurs and those who have just established startups, and providing them with business basics such as marketing, packaging, and bookkeeping, all encapsulated in a six-month program. Finally, the importance of data and conducting market studies to understand challenges as well as supply and demand side analysis, was emphasized.

KINGDOM OF ESATINI

Nomcebo Hadebe stressed the importance of aligning youth policies with financial inclusion initiatives through mentorship and training programs, such as the one developed in Eswatini. This project is called Financial Inclusion Cluster Development (FINCLUDE+) and has a specific target of 60 percent participation of women and youth.

The session concluded by emphasizing the need to encourage PPD that are focused on youth entrepreneurs in order to facilitate peer learning and understand the group's unique needs. A recommendation was made for AFI to establish a centralized platform showcasing various financial literacy programs, thereby enhancing accessibility for youth in developing nations.

The issues addressed during the Q&A session included:

- > the absence of specific policies for financial regulators to assist youth in managing debt-related stress, despite the potential of 'rescue funds' possessed by central banks, indicating the challenges in reaching those in need;
- > the complexity of developing regulatory frameworks for youth entrepreneurship, underlining the importance of understanding youth behavior, and continually testing and evolving regulatory approaches;
- > advocating for mentorship as crucial support for youth entrepreneurs, and emphasizing the role of showcasing successful financial management as a source of inspiration for young individuals;
- > failures in regulations, particularly the lack of easily accessible information and mentorship for youth, calling for targeted and transparent dissemination of funding schemes, and
- > exploring alternative avenues for youth to access information beyond social media, suggesting partnerships with educational institutions and utilizing surveys to understand youth behavior for more efficient market management.



TECHNICAL BREAKOUT 3 COMPETITION ENABLERS TO ACCELERATE DIGITAL FINANCIAL INCLUSION

MODERATOR	Ahmed Dermish	United Nations Capital Development Fund (UNCDF)
SPEAKERS	Kwame Agyapong Oppong	Bank of Ghana
	Diego Cruz	Central Bank of Brazil
	Francis Wang'ombe Kariuki	Former Director-General, Competition Authority of Kenya
	Ariadne Plaitakis	Bill and Melinda Gates Foundation

An AFI member institution survey on DFS and competition, conducted from July 2023 to August 2023, aimed to establish interest and gather insights on competition dynamics.

The main findings conclude that the rapid growth of DFS has transformed the industry but the concentration of power among a few players requires attention and regulatory scrutiny. The survey included 51 respondents from 48 institutions (45 countries). Most of the respondents were from Sub-Saharan Africa region.

According to the results, the majority of customers are served by a limited group of service providers. However, there is no consensus on whether concentration of financial services has an impact on affordability of services for unbanked people. However, there appear to be higher barriers of entry for banks, as most respondents answered that banks have heavier licensing and compliance requirements than payment providers for basic services. In terms of capacity, the majority indicate that there is sufficient capacity in the central bank to influence and impact financial sector competition. The best tools for regulators to manage competition are usually market conduct supervision, enabling policies to do with licensing and supervision, and coordination with the competition authority.

The regulators from Brazil, Ghana and Kenya emphasized the importance of enabling competition on their DFS markets and presented the four main areas affecting competition. These included:

1. diversification,
2. harmonization of the regulatory framework, so no one has undue advantage,
3. interoperability, and
4. accessibility.

Ariadne Plaitakis emphasized that competition enablers are different from competition in the market. While competition enablers do not necessarily fall under competition authorities, those authorities have a legal framework and tools to enforce competition (e.g. merger control). Foundational elements such as consumer protection, data privacy and protection, cyber security, digital public infrastructure should be there, and could be leveraged to establish interoperability and diversification of financial service providers not only vertically but also in each segment of the value chain.

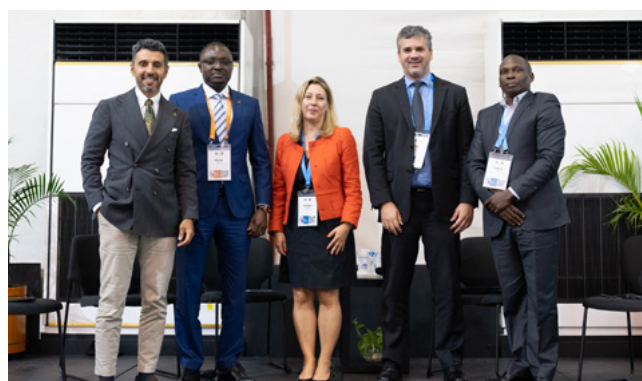
There is a general concurrence of the value to further study the relationship of competition, market conduct and financial inclusion.

“

Whether the central bank has a role on competition depends on the domestic market landscape. The central bank is usually responsible for positive outcomes and if that means ensuring there is competition then it must consider competition in the conduct of its mandates.

”

Kwame Agyapong Oppong, Head of FinTech and Innovation, Bank of Ghana



TECHNICAL BREAKOUT 4 MEANINGFUL FINANCIAL INCLUSION FOR FORCIBLY DISPLACED PERSONS IN A DIGITIZED WORLD

MODERATOR	Pia Roman Tayag	Assistant Governor, Bangko Sentral ng Pilipinas
SPEAKERS	Layanah Al-Wreikat	Director of Business Development and Operations, Jordan Payments & Clearing Company (JoPACC)
	Andrew Kawere	Deputy Director Payments, Bank of Uganda
	Isvary Sivalingam	Southeast Asia Lead, Better Than Cash Alliance
	Rebecca Spriggs	Senior Advocacy Manager, Mobile Money, GSMA

The discussion focused on effective and innovative digital financial inclusion policies and initiatives to ensure that Forcibly Displaced Persons (FDPs) are not left behind in a society that is rapidly embracing digital technology. Along with providing key takeaways for the future, the panelists also emphasized the challenges and potential benefits of promoting digital financial inclusion for FDPs.

When discussing the concept of financial inclusion, it is widely acknowledged that individual efforts alone are insufficient. It is imperative that regulators, the private sector, and international partners like the United Nations work jointly towards a common goal.

The achievement of financial inclusion, especially among this group, which is particularly vulnerable, requires the active involvement of all stakeholders through collaborative partnerships. More data to understand FDPs needs and a strategic approach by regulators is essential to encourage financial service providers (FSPs) to provide products that are suitable for FDPs. For the FSPs, the business models must make sense, and they must be able to justify their investments to help communities.

From the questions on key priorities to be addressed, the representative from Bank of Uganda (BoU) responded that the issue of data has now become quite prominent, and BoU initiatives aim to proactively gather statistics to support more targeted policy interventions. For instance, Uganda's recently approved NFIS includes targeted initiatives focused on promoting

digital financial literacy among refugees, specifically women refugees.

“

There wasn't a lot of data on refugees that had been formally and publicly collected. The issue of data has now become quite prominent, and our initiatives aim to proactively gather statistics to support more targeted policy interventions. For instance, as part of our recently approved national financial inclusion strategy, we have targeted initiatives that have focused on promoting digital financial literacy among refugees, specifically women refugees.

”

Andrew Kawere, Bank of Uganda



AFI RESEARCH INITIATIVE COMPLEMENTARITY OF MONETARY STABILITY, FINANCIAL STABILITY AND FINANCIAL INCLUSION

MODERATOR	Dr Alfred Hannig	Executive Director, Alliance for Financial Inclusion
SPEAKERS	Soraya M. Kakuziyaremye	Deputy Governor, National Bank of Rwanda
	Professor Dirk Douglas Zetsche	ADA Chair in Financial Law and Inclusive Finance, University of Luxembourg

The Executive Director of AFI, Dr Hannig, moderated a brief and engaging session about the ongoing AFI research project on the complementarity of financial inclusion with financial and monetary stability.

The session established a dialogue between Deputy Governor Sonaya Kakuziyaremye from the NBR and Prof Dirk Zetsche from the University of Luxembourg, who jointly shared the rationale and some highlights on the research between AFI, the University of Luxembourg and five AFI members institutions, including the National Bank of Rwanda (NBR), the BCEAO, the National Bank of Cambodia, Banco Central del Paraguay (the central bank of Paraguay), and the Palestine Monetary Authority to identify key linkages between financial inclusion and financial stability through data and policy analysis.

Deputy Governor Soraya M. Kakuziyaremye briefly shared the important achievements in Rwanda related to financial inclusion and the mechanism by which improvements in financial inclusion positively impacted millions of Rwandans. She also spoke about the risks that inflation and financial instability can present to poverty reduction

and financial inclusion. The deputy governor said that the NBR was excited to contribute to the research study to understand how the three policy objectives of financial stability, financial inclusion and financial consumer protection can be actively balanced, especially in the context of the current poly-crisis environment.

According to Professor Zetsche, from a theoretical perspective, there are at least six positive contributions that financial inclusion makes to financial stability. These will be assessed through the country data from the five AFI member institutions collaborating in the research. The conclusions of the study will be shared at the next GPF.



PLENARY 3 - MSMEs IN THE FACE OF CLIMATE CHANGE - HOW CAN FINANCIAL INCLUSION TURN THE TABLES

MODERATOR	SungAh Lee	Deputy Director, International Union for Conservation of Nature
SPEAKERS	Ariff Ali	Governor, Reserve Bank of Fiji
	Bayarsaikhan Dembereldash	Chairman, Financial Regulatory Commission Mongolia
	Sarah Buitoni	Director - Leadership and Diversity Programs, Women's World Banking
	Eric Roberto M. Luchangco	Senior Vice President and CFO Bank of the Philippine Islands

SungAh Lee, Deputy Director of the International Union for the Conservation of Nature (IUCN) moderated a high-level panel of speakers including Governor Ariff Ali from the RBF, Chairman Bayarsaikhan Dembereldash, of the Financial Regulatory Commission of Mongolia, Sarah Buitoni, Director of Women's World Banking, and Eric Roberto M. Luchangco, Senior Vice President, Chief Finance Officer, Chief Sustainability Officer of the Bank of the Philippine Islands.

The discussion focused on progress to ensure access to green finance for MSMEs, and included concrete examples from Fiji, Mongolia and the Philippines. There was a strong recognition of the importance of tailoring policies to ensure the specific needs of WMSMEs are met. A particular emphasis of the session was how to ensure proportionality in green finance regulation and make certain that regulations around green finance contributed tangible progress towards financial inclusion, and did not result in exclusion.

FIJI

Governor Ariff Ali shared that as a result of Cyclone Winston in 2016, which damaged one third of Fiji's gross domestic product (GDP), the Fiji government shifted towards a green transition policy through the legislation of a Climate Act, thereby providing the legal basis for Fiji's sustainable development and climate action ambitions. The Act includes the imposition of a tax for large businesses, which is utilized for climate action and for victims of climate change. MSMEs which represent the majority of businesses globally, are usually more adversely impacted by natural disasters and climate change, and are least prepared for a sustainable transformation. The RBF has championed inclusive green finance interventions to benefit MSMEs. These policies include:

- > disaster rehabilitation facilities
- > credit guarantee schemes
- > climate-related parametric insurance allowing entities negatively impacted by natural disasters to recover through concessional financing and access climate-related insurance



Additionally, Fiji is working on its greening financial taxonomy and environmental, social and governance (ESG) guidelines and has adopted projects under its greening the financial system project- initiative with the French Development Agency and Global Green Growth Institute.

MONGOLIA

Chairman Dembereldash from the Financial Regulatory Commission (FRC) of Mongolia said that given Mongolia's vulnerability to climate change impacts, the FRC has been diligently establishing key policy frameworks on sustainable finance through a strategic partnership between public, private and international sectors, promoting sustainable green finance for over 10 years now. Some examples include a green taxonomy, which facilitates banks' and investors' provisions of green loans, and an integrated database of green financial products and services. Other important actions include the ESG disclosure guidelines, allowing lenders to consider whether the applicants' products meet the ESG standards and criteria. Additionally, the FRC is working on new incentives for non-bank financial institutions (NBFIs) involved in providing green loans, which include adjustments in regulatory measurements and the introduction of more flexible performance criteria and credit guarantee mechanisms.

BANK OF THE PHILIPPINE ISLANDS

Luchangco, Vice-President, Chief Financial Officer, and Chief Sustainability Officer of the Bank of the Philippine Islands (BPI) said that the bank has been championing sustainable financing in the Philippines through strategic partnerships with the international Finance Corporation (IFC) since 2008, financing energy efficiency and renewable projects, including those produced by SMEs. The BSP, as regulator, through inclusion of sustainability loans under mandatory lending requirements of banks, has allowed BPI to be more aggressive in lending for sustainability projects. Luchangco recognized that there is still a need to develop a green taxonomy to qualify projects which fall under sustainability loans, and in turn, further encourage banks to expand their portfolios to include more projects under IGF.

WOMEN'S WORLD BANKING

Sarah Buitoni, who represented Women's World Banking, expressed that the economic impacts from climate change are not gender-neutral. Due to pre-existing gender inequities and gender social norms (i.e. limited mobility, access to resources, and household decision-making power), low-income women are

among the most vulnerable sectors. In the process of the green transition, she emphasized that regulators, civil society and the private sector must ensure that financial products, policies, and interventions consider the specific vulnerabilities encountered by women. In scaling IGF for MSMEs, work must be done across the financial ecosystem to ensure that WMSMEs have the tools, resources, and capabilities necessary to be at the forefront of climate solutions. She concluded that there is ample evidence on the benefits of gender diversity for innovation and economic stability, and emerging research shows that there is a correlation between women leaders, climate action, and sustainability.

“

We see the need for more inclusive green finance - but more needs to be done to ensure these policies are not gender-neutral, but gender-transformative.

”

Sarah Buitoni, Women's World Bank

In conclusion, there was a strong call made by attendees of the session to ensure that decision-makers in global climate finance developments also consider the most vulnerable segments of the population, such as women, among its key social targets, and support the MSME sector in jurisdictions with high environmental and climate vulnerability. An additional call to countries - both the Global North and South - to honor their current climate commitments and ensure that resources are available to those whose need may be greater.

“

I have two messages to COP28: This is the time for more transparency to what was committed and what was implemented. We need to know if countries have walked the walk. The second message... if these funds are actually made available for climate change, let's make it easier to access the committed climate finance... Let's make sure it can be accessed.

”

Governor Ariff Ali, Reserve Bank of Fiji

PLENARY 4 - FINANCIAL INCUSION FOR SHARED PROSPERITY

MODERATOR	Olayinka David-West	Professor and Associate Dean, Lagos Business School
SPEAKERS	Maha Prasad Adhikari	Governor, Nepal Rastra Bank
	Emmanuel Mpawe Tutuba	Governor, Bank of Tanzania
	Maha Bahou	CEO, Jordan Payments and Clearing Company
	Patsian Low	VP Inclusive Impact & Sustainability Asia Pacific, Visa
	Aristotle Alip	Founder and Chairman Emeritus, CARD MRI

During the session, participants delved into the strategies that financial regulators and stakeholders employ to construct a secure and inclusive global financial ecosystem that contributes to shared prosperity. Distinguished panelists shared insights into various policies and initiatives undertaken within their nations and industries, all of which have proven instrumental in advancing financial inclusion. In turn, these efforts foster inclusive economic growth and the equitable distribution of prosperity for all.

NEPAL

Governor Maha Prasad Adhikari from Nepal Ratra Bank emphasized the importance of central banks' role as regulator of the financial system to procure financing for more vulnerable sectors, such as the agricultural sector. In Nepal, there are mandatory loan requirements, as the need to invest 15 percent of credit to the agricultural sector has proven instrumental in supporting vulnerable sectors while ensuring sustainable measures to guarantee sound portfolios. Governor Adhikari also shared the efforts of Nepal Rasta Bank in digitizing the financial sector, and the policies being implemented to ensure the benefits accrue for all segments of the population.

TANZANIA

The Bank of Tanzania has been an active collaborator with the government to improve financial inclusion for marginalized populations and rural communities, concurrently addressing the intricate challenge of

multidimensional poverty. This strategy encompasses not only the expansion of financial access but also substantial investments in education, healthcare, and poverty reduction through diverse programs like the Build a Better Tomorrow initiative and the Social Action Fund.

JORDAN PAYMENTS AND CLEARING COMPANY

Jordan stands out as one of the countries with remarkably high digital infrastructure penetration. This year, the growth rate in the utilization of DFS in Jordan has exceeded expectations, surging by an impressive 300 percent. In response to this trend, Jordan has initiated efforts to bolster digital financial literacy and awareness programs within universities, aiming to enhance the digital skills of its citizens, including young people.

VISA

Bridging the gap between access to financial products and their actual utilization is crucial. Trust and confidence play a significant role and should not be underestimated as potential barriers to adoption. It is imperative to equip customers and businesses with the skills and knowledge needed to trust that digital transactions are safe and secure. Achieving this requires not only an educational focus on financial literacy within schools and banks, but also a committed partnership among regulators, government agencies, and the community at large. Visa has partnered actively with the private sector in countries such as Indonesia and Malaysia to empower farmers and SMEs through financial literacy initiatives so that they gain confidence and trust in the positive results that will be yielded by enhancing the digital landscape for all stakeholders involved.

AFI can play a critical role in driving inclusion of underserved and underrepresented groups. By bringing diverse partners to the table, AFI enables governments, businesses and NGOs to work together for sustained and scalable ways to uplift everyone, everywhere in the digital economy. - Patsian Low, Vice President, Inclusive Impact & Sustainability for Asia Pacific at Visa

CARD MRI

CARD MRI has been instrumental in providing essential services to numerous Filipinos, especially those who are economically disadvantaged. However, the Philippines still faces important challenges such as the lack of adequate connectivity, especially among rural areas, and high connectivity costs. Additionally, there is a lack of unified digitized platforms for MFIs to reduce operational costs and improve efficiency. This exacerbates the persistent digital divide between rural and urban regions.

Aristotle Alip said that AFI should maintain its current efforts and further enhance its ecosystem. The world is dealing with a multifaceted challenge akin to a many-headed hydra in the pursuit of the SDGs. Financial inclusion serves as a critical conduit to attaining these goals and fostering widespread prosperity. Drawing from the valuable insights garnered, it is crucial to incorporate these lessons into initiatives across nations. By doing so, we can genuinely commit to the principle of 'leaving no one behind' in the collective journey towards sustainable development.

“

The clock is ticking and we really need to work to make sure we leave no one behind.

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Prof Olayinka David-West, Associate Dean, Lagos Business School



CLOSING CEREMONY OF THE 2023 GLOBAL POLICY FORUM

CLOSING REMARKS	Dr Eli M. Remolona Jr.	Governor, Bangko Sentral ng Pilipinas
SPEAKERS	Dr Alfred Hannig	Executive Director, Alliance for Financial Inclusion

The AFI network renewed its commitment to achieving worldwide financial inclusion during the closing ceremony of the 2023 GPF. The Forum, co-hosted with BSP, was attended by over 700 participants comprising representatives from AFI member institutions, funding partners, private sector partners, and knowledge partners.

CLOSING REMARKS BY DR ELI M. REMOLONA JR., GOVERNOR, BANGKO SENTRAL NG PILIPINAS

In his closing remarks, Dr Eli M. Remolona Jr., Governor of the BSP, expressed his gratitude to fellow members of AFI, colleagues, special guests, and attendees for their active participation in the 2023 GPF. He acknowledged the success of the Forum and thanked everyone for their contributions towards the common goal of financial inclusion and shared prosperity.

Dr Remolona highlighted the importance of financial inclusion and sustainable development for stability, as well as the opportunities and risks presented by new technologies like AI. Responsible innovation and addressing the hurdles to financial inclusion were emphasized, along with the need for a nuanced approach to serve various sectors such as FDPs, women, youth, and small enterprises.

The insights gained from regulators, academia, government, and industry partners will inform strategies to address these challenges. The initiatives and commitments shared during the Forum will help strengthen the tools and resolve in building a global financial ecosystem that is stable, sustainable, and inclusive. The importance of evidence-based policymaking as highlighted by the AFI Research Initiative, and the application of global regulatory standards without hindering financial inclusion, as emphasized in the Manila Manifesto, were also mentioned.

Dr Remolona concluded by urging continued collaboration in order to build a more inclusive world where no one is left behind. The BSP expressed gratitude to AFI for the opportunity to host the Forum and emphasized the commitment to further progress in the future.

“

The insights we gained from the forum speakers and participants will help us sharpen our tools toward building a global financial ecosystem that is stable, sustainable, and inclusive.

”

Dr Eli M. Remolona, Jr., Bangko Sentral ng Pilipinas Governor

CLOSING REMARKS BY DR ALFRED HANNIG, EXECUTIVE DIRECTOR, ALLIANCE FOR FINANCIAL INCLUSION

In his closing speech, Dr Alfred Hannig, Executive Director of AFI, thanked Governor Remolona and then invited Pia Roman Tayag, Assistant Governor of BSP, and SungAh Lee, Deputy Director, International Union for Conservation of Nature to speak. Both representatives have been close allies of AFI's since its inception 16 years ago.

Roman and Lee expressed their gratitude and mentioned that the core DNA of AFI, which started as a platform for knowledge exchange among peers, has remained unchanged. Both emphasized the importance of preserving this DNA as it has informed numerous policies that have made a significant impact on millions of people worldwide.

Roman also highlighted the continued conviction among members that financial inclusion is complementary to the primary objectives of central banks, regulators, and supervisors, and stressed the importance of providing evidence, learning from examples and mistakes, and sharing lessons within the network. She finally expressed gratitude to the BSP and Governor Remolona for their continued commitment to championing AFI, and taking it further.

“

The 2023 Global Policy Forum has inspired us to work even harder to secure and expand financial inclusion, it has reaffirmed our collective dedication to creating opportunities for all, and to make a lasting impact on the lives of individuals and communities everywhere.

”

Dr Alfred Hannig, AFI Executive Director

Dr Hannig also expressed his gratitude to Governor Dr Remolona for covering the highlights of the GPF. He mentioned that the chosen theme had provided inspiration to work harder in securing financial inclusion achievements and expanding under uncertain conditions. Dr Hannig thanked the working group leaders for their recommendations on enhancing and strengthening policy development and implementation, and congratulated the newly appointed leaders. Dr Hannig acknowledged the presence of over 200 working group members - from the seven AFI working

groups - who attended the session on the reflections on the Manila Manifesto. He also emphasized the importance of strategic partnerships in advancing financial inclusion and creating opportunities for all. Dr Hannig then invited Firdavs Tolibzoda, Chairman of the National Bank of Tajikistan, to recite Bani Adam, a famous Persian poem celebrating the unity of mankind.

ANNOUNCEMENT OF THE 2024 GPF HOST

The Banco Central de Reserva de El Salvador (BCRES) has been announced as the host of the 2024 Global Policy Forum, to be held in September of next year. During his speech, Douglas Pablo Rodríguez Fuentes, President of BCRES expressed his excitement at El Salvador being selected as the host of the 2024 GPF. He thanked Dr Hannig for this unique opportunity in Latin America. El Salvador, renowned for its impressive volcanoes and gastronomy, will serve as the venue for this significant event, bringing together esteemed personalities and experts in global policies. The event will offer a platform to promote financial inclusion and reinforce robust financial policies.



GLOSSARY

AFAWA	Affirmative Finance Action for Women in Africa	FRC	Financial Regulatory Commission
AfDB	African Development Bank	GGGI	Global Green Growth Institute
AFI	Alliance for Financial Inclusion	GIF	Gender Inclusive Finance
AfPI	African Financial Inclusion Policy Initiative	GPF	Global Policy Forum
AGM	Annual General Meeting	GSMA	Global System for Mobile Communications Association
AI	Artificial Intelligence	GSPC	Global Standards and Policy Committee
BCC	Banque Centrale des Comores	GSPWG	Global Standards Proportionality Working Group
BCEAO	Banque Centrale des Etats de l'Afrique de l'Ouest	IFA	Inclusive Finance Advocacy
BCRES	Banco Central de Reserva de El Salvador	IFC	International Finance Corporation
BEAC	Banque des États de l'Afrique Centrale / Bank of Central African States	IGF	Inclusive Green Finance
BNM	Bank Negara Malaysia	IGFWG	Inclusive Green Finance Working Group
BRH	Banque de la République d'Haïti	IGO	Intergovernmental Organization
BSP	Bangko Sentral ng Pilipinas	IUCN	International Union for the Conservation of Nature
CEMAC	Central African Economic and Monetary Community	JoPACC	Jordan Payments and Clearing Company
CEMCWG	Consumer Empowerment and Market Conduct Working Group	KYC	Know-Your-Customer
CGAP	Consultative Group to Assist the Poor	MDC	Maya Declaration Commitment
CNBV	Comisión Nacional Bancaria y de Valores de México	MSMEs	Micro, Small, and Medium Enterprises
CYFI	Child & Youth Finance International	NBFI	Non-Bank Financial Institutions
DER F/J	The Délégation Générale à l'Entrepreneuriat Rapide des Femmes et des Jeunes	NFIS	National Financial Inclusion Strategy or Strategies
DFS	Digital Financial Services	NRPS	National Retail Payment System
DFSWG	Digital Financial Services Working Group	NSFI	National Strategy for Financial Inclusion
ECAPI	Eastern Europe and Central Asia Policy initiative	PICC	Philippines International Convention Center
EFT	Electronic Fund Transfer	PIRI	Pacific Islands Regional Initiative
EGFIP	Expert Group on Financial Inclusion Policy	PMA	Palestine Monetary Authority
ESG	Environmental, Social and Governance	PPD	Public-Private Dialogue
FDPs	Forcibly Displaced Persons	RBF	Reserve Bank of Fiji
FIARI	Financial Inclusion for the Arab Region Initiative	RegTech	Regulatory Technology
FIDWG	Financial Inclusion Data Working Group	SARFII	South Asia Regional Financial Inclusion Initiative
FILAC	Financial Inclusion Initiative in Latin America and the Caribbean	SDGs	Sustainable Development Goals
Fintech	Financial Technology	SMEF	Small and Medium Enterprise Finance
FISC	Financial Inclusion Steering Committee	SMEFWG	Small and Medium Enterprises Finance Working Group
FISPLG	Financial Inclusion Strategy Peer-Learning Group	SOPs	Standard Operating Procedures
		SSBs	Standard-Setting Bodies
		UNCDF	United Nations Capital Development Fund
		UNSGSA	United Nations Secretary-General's Special Advocate for Inclusive Finance for Development
		WMSMEs	Women-Owned and Women-led MSMEs
		WSMEs	Women-Owned and Women-led Small and Medium-Sized Enterprises

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