



IN-COUNTRY IMPLEMENTATION REPORT 2025

A SELECTION OF
MEMBER IMPACT STORIES



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INTRODUCTION

The Alliance for Financial Inclusion (AFI) recognizes that financial inclusion policies and regulation need to be contextualized to local ecosystems and conditions to achieve the intended outcomes. Hence, through its In-Country Implementation (ICI) program, it provides support to paid Principal Members so that they can undertake customized, country-level initiatives based on their own policy priorities.

Both financial and technical resources are provided through this demand-based, member-led delivery model. This makes the program highly effective in meeting the policy implementation needs of AFI members and responds to growing member interest in learning from one another's experiences.

As of June 2025, AFI has supported over 109 in-country projects spanning 58 countries and all policy areas in which AFI is working. The ICI portfolio is thus a rich repository of knowledge and practical learnings from across the globe, which can contribute to peer-learning among member institutions and beyond. Many projects have demonstrated clear impact and innovation, led to policy change and action, and have scalability and replicability potential.

The AFI Management Unit seeks to amplify these innovative and impactful ICI projects through the creation of this annual ICI Report. Each year, the Unit selects exceptional initiatives that effect critical, long-term change from ICIs that were completed in the preceding year.

The eight projects featured in this report were chosen based on one or more of the criteria listed below.

- > **Policy development or change:** The ICI contributed directly to policy or regulation development, or policy change related to financial inclusion.
- > **Innovative policymaking:** The project was innovative in terms of policy area, methodology, policy solution etc.
- > **Replicability potential:** The project supported policy initiatives that have replication in other contexts and contribute to peer-learning in AFI.
- > **Sustainability and continuity:** Project outcomes have strong local ownership, and the member demonstrates commitment to advance the policy area/policy intervention.
- > **Focus on disadvantaged groups:** The project considered the needs of disadvantaged groups as identified in the Kigali Statement (for example, women, youth, FDPs, PWDs).

Covering areas such as inclusive green finance, FinTech, data collection, financial inclusion of forcibly displaced persons and several more, each case is a study in commitment, learning and drive at a national level.

Collectively, the projects highlighted in this Report demonstrate how AFI's support helps translate policy commitments into tangible outcomes.



DEVELOPMENT OF KNOWLEDGE TOOLS AND CAPACITY BUILDING FOR THE IMPLEMENTATION OF THE STANDARD FOR ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT IN FINANCIAL ENTITIES OF THE POPULAR AND SOLIDARITY ECONOMY SECTOR IN ECUADOR



Sébastien Lecocq / Alamy Stock Photo.



MEMBER INSTITUTION

Superintendency of Popular and Solidarity Economy (SEPS)



TIMELINE

July 2023 - November 2023

THEMATIC AREA

• Inclusive Green Finance

With its rich biodiversity, sustainable development in Ecuador is critical, given that its natural environment exists against the backdrop of an active oil industry.

Additionally, climate change is threatening another key economic sector - agriculture - which, in 2018, accounted for six percent of the gross domestic product. This is a dramatic decrease from 21 percent in 1990. Global warming has already led to an increase in drylands, making land that was previously arable no longer suitable for agriculture.

Inclusive green finance is thus crucial in Ecuador. Savings and credit unions feature prominently in the financial sector, particularly in rural areas. They offer more than 60 percent of microcredit in the country. In 2019, they offered 30 percent of all formal credit in Ecuador, the value of which was USD11.8 billion.

Given this particular convergence of natural, agricultural and financial environments, the Superintendence of Popular and Solidarity Economy (SEPS) is a strong proponent of the mitigation of climate change in the country. As a signatory to the Paris Agreement, it aims to create a landscape where entities have access to green financing to promote the development of the agricultural sector and MSMEs,

and there is reduced exposure to risk derived from the environmental and social risks of their partners or clients. Hence, financial institutions must ensure that the financial and operational sustainability of those who have benefited from a loan is not undermined by adverse impacts on environment.

With the support of AFI, the SEPS approved the Control Standard for Environmental and Social Risk Management (ESRM) in Credit Unions and Mutual Savings and Credit Associations for Housing guidelines in 2020. This was to enable efficient management of the environmental and social risk of the credit issued based on the economic activity of the member or client thereby reducing economic risks and protecting their financial stability.

SEPS recognizes that the topic is new to the relevant stakeholders and therefore identified the need for a practical manual to achieve proficient management and implementation of previously issued guidelines. SEPS also recognized that an additional guide to monitoring and reporting tools was needed for stakeholders in the sector to convey relevant and accurate information to regulatory agencies.

This In-Country Implementation (ICI) supported the creation of two Guidance Notes: one on the implementation of ESRM for credit unions regulated by SEPS and the other on monitoring and reporting tools for credit unions. Both are aimed at strengthening a sustainable financial sector with reduced risks arising from social and environmental issues and are landmark ESRM documents as they are designed specifically for MSMEs.

PROJECT ACTIVITIES

One of the two main objectives of the project was to produce a Guidance Note on how to Implement the Standard on Environment and Social Risk Management for Credit Unions Supervised by SEPS (SARAS). This serves as a comprehensive manual that walks credit unions through each step of implementing the ESRM standard.

To achieve this, SEPS held a series of meetings with agencies under its supervision to gain a deeper understanding of their progress in implementing the SARAS standard. These consultations focused on the agencies' internal ESRM policies and procedures, including how these are applied across different functions, as well as their guidelines for implementation, control, and monitoring. SEPS also conducted both online and in-person meetings with various savings and credit cooperatives to gather further operational insights.

Building on this information, SEPS defined the objective, scope and structure of the Guidance Note, ensuring that each element contained a practical orientation and content model with examples. Monitoring and reporting tools were also designed.

All of these components informed the first draft of the Guidance Note on how to implement the ESRM Standard for Credit Unions supervised by SEPS, which was finalized following further review by SEPS and AFI.

Work on the Guidance Note on Monitoring and Reporting Tools for Credit Unions began with deep desktop research to identify similar data reporting mechanisms in other countries. Weekly working meetings were held between the technical consultant and SEPS technical staff to gather feedback and ensure that the guidance notes were fully aligned with SEPS's supervisory mandate and operational procedure. Consultations were held with the staff and stakeholders to identify and define data and indicators for environmental and social risk monitoring, which would be integrated into the Management Information System used for regulatory supervision.

A checklist was then developed so that key data elements could be easily identified. These would in turn be verified by SEPS as part of its surveillance process.

These activities led to the development of the Guidance Note on Monitoring and Reporting Tools for Credit Unions

SEPS also organized three in-person workshops in three cities for credit union representatives. These were to aid their understanding of both the implementation process and the utilization of the monitoring and reporting tools detailed in the Guidance Notes.

Additionally, SEPS drew from peer learning exchanges with Bangladesh Bank and the Central Bank of Paraguay to inform future integration of ESRM into supervisory frameworks.

OUTCOME

Both the Guidance Note on how to Implement the Standard on Environment and Social Risk Management for Credit Unions Supervised by SEPS and the Guidance Note on Monitoring and Reporting Tools for Credit Unions were successfully delivered. These landmark documents will:

- > Equip credit unions to adequately implement the regulations for environmental and social risk management

- > Provide them with the monitoring and reporting tools needed to supply SEPS with relevant and accurate information about implementation

The Guidance Notes will also promote the understanding and correct application of the standards detailed within them and are a significant step towards building on environmentally friendly practices that contribute even more to the inclusive economic development of Ecuador.





WOMEN'S SOCIAL EMPOWERMENT FOR FINANCIAL INCLUSION



MEMBER INSTITUTION
Central Bank of Egypt



TIMELINE
November 2021 - October 2022

THEMATIC AREA
• Gender Inclusive Finance

The Government of Egypt has emphasized and prioritized women's economic and financial empowerment as demonstrated in the country's Sustainable Development Strategy: Egypt Vision 2030 and the National Women's Strategy launched by the National Council for Women.

The Central Bank of Egypt (CBE) has also made a number of AFI Maya Declaration commitments to further women's financial inclusion. The most recent effort in this regard is the widened reach of digital village savings and loans associations (DVSLAs), which are designed to raise the economic status of women.

However, existing research indicates that there are numerous non-financial barriers impeding women's access to and usage of formal financial services and products. A key area is a lack of self-confidence, which affects decision-making both in the household and outside of it.

Empowering women in fundamental social and personal ways will help sustain the economic and financial empowerment that is ongoing.

An existing program under the CBE aims to integrate 100,000 women into the formal financial sector. With AFI's In-Country Implementation support, and in partnership with the National Council of Women, the CBE capitalized on this network to run training programs to address issues relating to self-worth, assertiveness, rights, decision-making and domestic violence.

PROJECT ACTIVITIES

The training material was developed by experts in the area and other relevant stakeholders. This came under careful review by the CBE and was subsequently developed in coordination with technical experts to ensure that it met the purpose of this project.

The six key themes were:

1. building a positive self-image to counter a distorted one;
2. what affects self-efficacy and how to improve it;
3. the relationship between assertiveness and rights;
4. types of decision-making and the importance of information in this process;
5. the different forms of violence against women, recognizing the value of women, and
6. breaking the cycle of familial violence.

The next activity was to identify and pre-select community members who could be engaged as trainers and deliver the content successfully to the targeted audience of 30,000 women. Twelve training of trainers (ToT) workshops were organized across nine governorates before the final selection of trainers took place.

The final phase was execution of the actual workshops.

OUTCOME

The project exceeded its target and the training was cascaded to 46,868 women, with an average of 20 women per session. The data collected from participants by workshop facilitators was analyzed by an external expert, to determine if the primary goal of building self-worth for sustainable economic empowerment was met.

Key findings from the analysis were:

- > attendees who had previously seen themselves in a predominantly negative way were beginning to change their perception
- > learning new things raised participants' self-esteem
- > there was clear objection to depriving women and girls of the right to an education and the right to work.

By forging a strong and imaginative partnership with the National Council of Women, the CBE went beyond a central bank's usual sphere of influence to enhance the economic status of women through social and personal empowerment.





FINTECH SCOPING EXERCISE AND DEVELOPMENT OF THE NATIONAL FINTECH STRATEGY IN ESWATINI



Gary Blake / Alamy Stock Photo.



MEMBER INSTITUTION
Central Bank of Eswatini



TIMELINE
December 2022 - February 2023

THEMATIC AREA
• FinTech
• Digital Financial Services

While financial inclusion is high in Eswatini (as per Findex 2025, it stands at 65 percent), the country's FinTech landscape is still in early stages of development, with institutional actors like banks and mobile money service providers dominating the scene. This curtails the ability of small startups to enter the same market segment or to form partnerships with more established players.

Thus, the range of FinTech products and services is small, with mobile money being the main offering and the predominant driver of financial inclusion. As the use of digital financial services (DFS) remains relatively low,

the need to kickstart a FinTech ecosystem with diverse offerings is clear.

The drive towards this goal is already in progress, led by various agencies in both the private and public sectors. The Central Bank of Eswatini (CBE) has formed the Eswatini Fintech Working Group, seeking to provide more automated and informed processes to improve financial literacy in Eswatini, tackle disruptive technologies and steer inclusive FinTech in the country.

The CBE has also issued the 2019 Practice Note for Mobile Money Service Providers, the Agent Banking Guidelines, and the Minimum Standards for Electronic Payment Schemes, thereby creating an enabling environment for FinTech.

This project contributes to Eswatini's National Financial Inclusion Strategy's (NFIS) goal of enhancing the usage of digital financial services (DFS), while supporting the broader digital finance ecosystem.

With existing opportunities in the areas of digital ID solutions and open data/data mobility arrangements, Eswatini is in prime position to enhance the development of the local FinTech sector and to offer FinTech products and services to the wider South African Development Community (SADC) region.

There is an urgent need for startups to gain access to funding as no tech startup in Eswatini has received seed money. It is also crucial for local talent to be developed through learning programs as financial service providers (FSPs) have been importing both FinTech solutions and talent to conceptualize, build and maintain those solutions.

Given all these factors, the three-month Eswatini FinTech Scoping Exercise was an In-Country Implementation (ICI) project designed to understand and map the FinTech landscape in Eswatini as it stood. The exercise builds upon earlier guidelines and policy and is another committed step towards providing a roadmap for strategic planning and further development of the Eswatini FinTech ecosystem.



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PROJECT ACTIVITIES

Extensive desktop research was conducted on local and global FinTech trends, with particular notice taken of linkages to Eswatini's context. The data gathered helped define the key areas of focus for the landscape report. This was followed by in-depth interviews with over 21 key stakeholders, including government agencies, in Eswatini and the region.

The data from these initial activities was cumulatively used to develop a report of the Eswatini FinTech Scoping Exercise that could lead to an actionable roadmap for advancing Eswatini's FinTech ecosystem. Peer learning played a key role in the process, with a multi-unit task team from CBE attending a three-day knowledge exchange session with the Bank of Ghana's FinTech and Innovation Office. The team also had an opportunity to interact with two FinTech enterprises, Zeepay and Hubtel, and the Ghana Telecommunication Chamber and Ghana Interbank Payment and Settlement Systems (GhIPSS).

The CBE also organized a workshop for over 70 stakeholders from multiple sectors. Highlights include presentation of the draft landscape report, the peer-exchange with Bank of Ghana, another AFI member.

OUTCOME

The project successfully achieved its outcome with the preparation of a globally-benchmarked, comprehensive FinTech landscape report identifying risk, opportunities and other considerations. The benchmark frameworks used included the Sochi Accord, the Bali FinTech Accord, and the World Bank Group's Global FinTech Framework.

The report is fundamental for developing a national FinTech strategy and other policies and initiatives that advance the FinTech ecosystem. Based on the scoping exercise, AFI is now supporting CBE with the development of its first National FinTech Strategy.

These efforts will also drive greater dialogue and collaboration amongst the different stakeholders and serve as an important and verified information source for startups, FinTech enterprises, financial institutions, venture capitalists and other players seeking to provide services across the different FinTech verticals.



ADVANCING THE FINANCIAL INCLUSION OF FORCIBLY DISPLACED PERSONS IN MALAWI



Thomas Cockrem / Alamy Stock Photo.



MEMBER INSTITUTION

Reserve Bank
of Malawi



TIMELINE

October 2023 - June 2024

THEMATIC AREA

- Forcibly Displaced Persons,
- Consumer Protection and Market Conduct,
- Digital Financial Services,
- Financial Inclusion Data

As documented by the UNHCR, Malawi hosts 89,618 forcibly displaced persons (FDPs) and asylum seekers at its Dzeleka Camp as of 31 July 2022. Nationwide, the average increase of new forcibly displaced persons (FDPs) is 267 monthly; there are also 280 new births per month.

The level of financial inclusion of displaced persons remains unknown, and as such, they are largely excluded from the National Financial Inclusion Strategy (NFIS) and the National Strategy for Financial Education

(NSFE). Further, FDPs were not addressed in the Money Laundering, Terrorist Financing and Proliferation Financing (ML/TF/PF) sectoral risk assessments.

With severely curtailed access to and usage of formal financial services, FDPs cannot access labour markets and contribute economically to their host communities. They are hence unable to become financially self-reliant.

For Malawi to enhance financial inclusion for all, these FDPs need to be specifically targeted so that they can enjoy access to and usage of quality formal financial services.

Challenges include:

- > limited data on FDPs and their financial needs, which makes it difficult for authorities to design policies for their inclusion
- > lack of acceptable Identification documents that could allow FDPs to satisfy KYC requirements in line with the Financial Crimes Act and related regulations
- > lack of unique products designed to address the specific needs of FDPs as the financial service providers (FSPs) do not view them as a viable clientele
- > high risk due to housing situation and reasons for displacement.

This In-Country Implementation's (ICI) project's main objective is to foster the development and implementation of national policies to help advance financial inclusion and enhance access to and usage of quality financial services by asylum seekers, FDPs, and internally displaced persons in Malawi.



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PROJECT ACTIVITIES

The first step was a diagnostic review of FDPs in terms of financial inclusion, which involved conducting supply-side desktop research, compiling supply-side data, and analyzing demand-side data. This exercise revealed the level of financial inclusion and associated barriers for FDPs. Ultimately, this would inform the development and implementation of evidence-based national financial inclusion policies and strategies for FDPs and encourage sound coordination among key stakeholders to reduce the identified barriers.

A risk assessment of ML/TF/PF was also done via desktop research and interviews with various stakeholders, including government agencies, regulators, humanitarian agencies, and financial institutions. The assessment extensively analyzed the ML/TF/PF risk exposures posed by FDPs and will - it is believed - contribute to changing perceptions. Further, the assessment also revealed gaps in the legislative framework in Malawi which need to be addressed if the financial inclusion of FDPs is to advance.

A peer learning exchange with Zambia involved a visit to gain insight and knowledge on how Zambia successfully implemented national financial inclusion strategies for FDPs.

Applicable lessons from all these activities were then collated and developed into a roadmap for financial inclusion of FDPs in Malawi. The roadmap was presented at a national multistakeholder workshop in June 2024.

OUTCOME

The outcome of the project was a comprehensive roadmap and an implementation plan to ensure that the financial inclusion of FDPs in Malawi could be practically addressed. Crucially, this roadmap and the findings that led to it will inform key policies such as the Financial Inclusion and Financial Literacy Strategies as well as other mainstream economic and social financial inclusion policies for FDPs.

The project highlighted that advancing FDP inclusion requires more than just policies - it needs active collaboration across sectors, strong government support, and consistent follow-up to make sure that strategies in place are actually working.



NATIONAL DIAGNOSIS OF FINANCIAL LITERACY IN MOZAMBIQUE, WITH SPECIAL FOCUS ON WOMEN AND OTHER VULNERABLE GROUPS



Madeleine Jettre / Alamy Stock Photo.



MEMBER INSTITUTION
Banco de Moçambique



TIMELINE
December 2021 - December 2022

THEMATIC AREA

- Consumer Empowerment and Market Conduct

Consumer protection and financial education both occupy form a central pillar of Mozambique's National Financial Inclusion Strategy (NFIS 2016-2022). The NFIS makes specific reference to a single national financial education program and, to help establish and promote this, a Consumer Protection and Financial Education Working Group was constituted by Banco de Moçambique. The Working Group also facilitates effective implementation of initiatives related to the pillar.

A 2019 midterm review of the NFIS found that while individual institutions have developed financial literacy programs related to their sectors, concerted work on a standardized national financial education program remained unfinished.

The program was intended to reach women and other vulnerable groups. The delay was primarily due to a lack of quantified, systematized, sex-disaggregated and updated data on the level financial literacy that met international standards. Such data is integral in formulating policies and strategies that address financial education needs with specificity and accuracy.

Thus, this In-Country Implementation (ICI) enabled the Bank of Mozambique to gather Mozambique's first national-level baseline data on financial literacy aligned with international standards, helping to inform financial education policy and improve existing initiatives.

Although women's financial inclusion in Mozambique currently stands at 52 percent with a gender gap of five percentage points against them¹, female illiteracy is high at 49.4 percent with a gender gap of 22.2 percentage points against them.²

Increasing financial education and literacy levels of disadvantaged groups, especially women, can ensure that they acquire the skills and knowledge needed to access and use financial products and services apt for their needs.

PROJECT ACTIVITIES

Led by Banco de Moçambique, in close coordination with a local research house, the project encompassed:

- > development of a detailed enumerator training manual;
- > questionnaire translation;
- > retro-translation and pre-testing;
- > comprehensive data capture, cleaning, weighting, and validation, and
- > advanced multivariate analysis and population segmentation, ensuring robust, policy-relevant findings.

The survey targeted those aged 15 and over and used a sample size of 10,988 in all provinces except Cabo Delgado. The size of the sample was based on population size at the provincial and district levels.³

The four objectives of the study were to:

- > Identify the dimensions of attitudes, behaviors, and financial knowledge and financial literacy of the Mozambican population
- > Characterize the population according to eight thematic areas
- > Identify areas and population groups (or segments) by levels of financial literacy

- > Get a comparative analysis of financial knowledge, access, attitudes and behaviors of Mozambique against international levels.⁴

EIGHT THEMATIC AREAS

- > Access to financial products and services.
- > Choice and use of financial products and services.
- > Bank account management habits.
- > Digital literacy and key aspects related to digital financial literacy.
- > Planning and managing their own finances.
- > Financial attitudes and behaviors.
- > Knowledge of information sources and most used channels of access to information.
- > Financial knowledge.

Source: *Mozambique Financial Literacy Survey Findings (2023)*

These areas were used to design the questionnaire and data collection software. The survey questions were also defined using the OECD/INFE Toolkit for Measuring Financial Literacy and Financial Inclusion. This was to ensure international standard approached and techniques were employed as these would allow for the accurate comparison and positioning of Mozambique on the global financial literacy landscape.⁵

KEY OVERALL FINDINGS:

Financial Literacy Score: **51.48%**

Financial Knowledge Score: **51.69%**

Source: *Mozambique Financial Literacy Survey Findings (2023)*

1 FinMark Trust. 2019. *FinScope Mozambique 2019*. Maputo. Available at: <https://finmark.org.za/system/documents/files/000/000/153/original/FinScope-by-numbers-Mozambique-2019-english-31-07-2020.pdf>

2 Instituto Nacional de Estatística (INE). 2023. *Indicadores Socio-Demográficos - Moçambique 2006-2022*. Maputo. Available at: <https://www.ine.gov.mz/documents/20119/44355/INDICADORES%20SOCIO-DEMOGRAFICOS%20-%20MOÇAMBIQUE%2020062022.pdf>

3 The Bank of Mozambique, the Alliance for Financial Inclusion. 2023. *Mozambique Financial Literacy Survey Findings*. Maputo, Kuala Lumpur. Available at: <https://www.bancomoc.mz/media/wo0fvaml/mozambique-financial-literacy-survey-findings-october-2023.pdf>

4 The Bank of Mozambique, the Alliance for Financial Inclusion. 2023. *Mozambique Financial Literacy Survey Findings*. Maputo, Kuala Lumpur. Available at: <https://www.bancomoc.mz/media/wo0fvaml/mozambique-financial-literacy-survey-findings-october-2023.pdf>

5 The Bank of Mozambique, the Alliance for Financial Inclusion (AFI). June 2023. *Mozambique Financial Literacy Survey Findings*. Maputo, Kuala Lumpur. Available at: <https://www.bancomoc.mz/media/wo0fvaml/mozambique-financial-literacy-survey-findings-october-2023.pdf>

OUTCOME

The collected data was processed and compiled into the National Financial Literacy Diagnosis Report, a report detailing the financial literacy of the Mozambican population with a focus on women and other vulnerable groups. This clarifies the financial education needs of the population and target segments and enables

policymakers and regulators to create initiatives that are both meaningful and accessible.

The Report was shared with stakeholders through workshops and further insight generated will be taken into account in the formulation of Mozambique's next NFIS.





GREEN TAXONOMY DEVELOPMENT FOR NEPAL



Danita Delimont / Alamy Stock Photo.



MEMBER INSTITUTION
Nepal Rastra Bank



TIMELINE
December 2022 - December 2023

THEMATIC AREA
• Inclusive Green Finance

Climate and environmental change are taking a heavy toll on key economic sectors in Nepal posing life-and-limb threats to the fundamental safety of the Nepali people and their livelihoods. Human habitats, food security, water resources and the nation's unique and active tourist industry are all at high risk, with marginalized groups being the most vulnerable.

As Nepal is signatory to the UN Sustainable Development Goals and the Paris Agreement, it has ensured that measures are in place for its national economic strategy to take a green, resilient, inclusive development (GRID) direction. The Nepal Rastra Bank (NRB) has already issued the Environment and Social Risk Management

(ESRM) guideline for banks and financial institutions (BFIs) to consider environmental sustainability in their financing activities. To build on this momentum, the NRB identified the need to develop a green taxonomy, a critical step in advancing an inclusive green finance agenda. With such a framework in place, resources can be efficiently channelled towards GRID to address the twin goals of progress and sustainability.

Given the nation's particular combination of risk factors and economic drivers, this In-Country Implementation (ICI) project aimed to create a national green taxonomy specific to Nepal's context and requirements.

PROJECT ACTIVITIES

The project began with peer learning activities between officials from the NRB and the Financial Regulatory

Commission of Mongolia, an AFI member institution which had already developed and implemented a green taxonomy.

This enhanced familiarity with inclusive green finance integration into a national taxonomy and built capacity among NRB personnel. The NRB then drafted a concept note describing the process of developing a green taxonomy. Through close coordinated efforts with hired external experts, the NRB produced a draft of the national Green Finance Taxonomy document. The draft was sent for peer-review through AFI Working Groups and Steering Committees.

The draft was then also sent to multiple stakeholders - including ministries and BFIs to gather feedback. The document was subsequently finalized and published.

Overall classification was guided by the World Bank framework on green finance taxonomies focused on the financial sector. The traffic light system was included as a screening criterion, and the detailed classification will also assist in avoiding greenwashing. The common principles of the document were developed by reference to international taxonomies with the whole document adapted specifically to fit Nepal's context.

Multiple stakeholders were involved in the process of developing Nepal's Green Finance Taxonomy. Apart from the NRB, and these included the Ministry of Finance, the Ministry of Forest and Environment, and the Securities Board of Nepal (SEBON).

A green taxonomy is critical for any country with a national strategy focused on GRID. A key feature setting Nepal's Green Finance Taxonomy apart is its inclusiveness. Involving a range of stakeholders during this stage means that it can readily be used across the economic and financial sectors that they represent. This in turn assists the channelling of resources towards projects and policies that strongly promote inclusive green finance.

OUTCOME

The project created a standardized sustainability framework for the various players in the financial and economic sectors. Having a green taxonomy in place will help identify sustainable projects that need financing, thus enabling green lending. It will also help to gather green data for monitoring these projects from their inception.





FRAMEWORK, STANDARD OPERATING PROCEDURES AND CAPACITY BUILDING ON THE IMPLEMENTATION OF THE PIRI REGULATORY SANDBOX



MEMBER INSTITUTION
Central Bank of Samoa



TIMELINE
March 2022 - October 2022

THEMATIC AREA
• Digital Financial Services

As innovation is a central pillar of Samoa's draft National Financial Inclusion Strategy (NFIS), the country aims to provide an enabling environment for FinTech development and eventual presence in the marketplace. FinTech is an effective driver of financial inclusion if it is developed in an environment that offers opportunity without compromising consumer safety.

A regulatory sandbox is therefore necessary to provide a secure testing ground and a measure of market viability before a FinTech service or product enters the financial ecosystem.

Through this In-Country Implementation (ICI), the Central Bank of Samoa (CBS) sought to establish a regulatory framework for a national sandbox aligned with the Pacific Islands Regional Initiative (PIRI) Regulatory Sandbox. The CBS also identified a need to develop standard operating procedures (SOPs) for clear internal guidance.

PROJECT ACTIVITIES

To achieve the goal of having a national regulatory sandbox, the CBS organized two key activities: peer learning with experienced AFI member institutions and a multistakeholder workshop to introduce the sandbox and support CBS staff with capacity building. One of these institutions was the Bank Negara Malaysia (BNM) which shared insights that helped prepare CBS adapt relevant knowledge to Samoa's needs more readily. By working closely with hired external experts and technical personnel, CBS drafted and published the Regulatory Sandbox Framework. The consultative process ensured the national sandbox's ability to fit Samoa's context. Additionally, the CBS has generated SOPs for use by internal personnel.

OUTCOME

The creation of a conducive environment is a crucial step in financial innovation growth as it provides a safe testing space with the necessary legal, prudential, and technical infrastructure in place. Financial inclusion will, in turn, increase as a larger range of FinTech products and services enter the market. The process also helped install a structured way for CBS to evaluate FinTech applications.





SUPPORT FOR CAPACITY BUILDING IN ISLAMIC FINANCE AND THE SETTING UP OF A SEX-DISAGGREGATED DATA COLLECTION TOOL



Ian Rutherford / Alamy Stock Photo.



MEMBER INSTITUTION

Ministry of Finance
and Budget, Senegal



TIMELINE

November 2021 - November 2022

THEMATIC AREA

- Digital Financial Services (DFS),
- Financial Inclusion Data,
- SME Finance,
- Gender Inclusive Finance

A large-scale demand survey conducted by the Ministry of Finance and Budget of Senegal in 2017, with the support of AFI, showed that 21 percent of the overall population had at least one account in a formal financial institution. Men had a significantly higher access rate at 27.2 percent, compared to 16.8 percent for women. At the time, the survey did not include detailed sex-disaggregated data. The Ministry of Finance and Budget is committed to increasing financial inclusion for women - as such, policymakers need this data to design financial products and services tailored specifically for women.

Through various legal and regulatory instruments, the Ministry has also shown clear commitment to transforming the microfinance environment through the offering of digital and Islamic financial products. It recognizes that such a space must be well regulated to ensure stable development while keeping risks in check.

Given a possible correlation between overall financial inclusion, women's financial inclusion and the availability of viable Islamic financial products and services, gaps in data and in capacity among relevant personnel must be addressed.

This In-Country Implementation (ICI) therefore has two aims:

- > to help put in place a sex-disaggregated data collection tool
- > to assist in building the capacity of supervisory personnel in charge of Islamic finance and digital finance activities.

PROJECT ACTIVITIES

There were three activities organized to create the sex-disaggregated data collection tool. The first was a technical workshop to define the tool. The workshop helped identify the appropriate collection methodology, indicators, sources of data, and enabled the production of a first draft.

Peer learning exchanges took place in Rwanda, where the collection of sex-disaggregated data has advanced significantly. It clearly highlighted the importance of collecting such data systematically and gave delegates a chance to get feedback from peers on the draft tool developed by the Ministry.

The final activity, the Gender-Disaggregated Data Collection Framework Sharing Workshop, brought together all national financial sector stakeholders. During this workshop, the various stakeholders were able to give feedback on the data collection tool to ensure that their buy-in and inputs were taken into account.

To achieve the goal of enhancing the microfinance space, two training sessions were held for 50 staff members from the Ministry of Finance and Budget, the Central Bank of West African States (BCEAO) and the Ministry of Microfinance and Social and Solidarity Economy.

Peer learning exchange sessions were held with the Microfinance Supervisory Authority in Tunisia where key staff members from the Ministry and representatives from banks and insurance companies could better grasp the issues and challenges of Islamic finance. The exposure was intended to emphasize the need for a strong, clear and accessible framework for microfinance. The Senegalese delegation was also able to see microfinance at work in micro, small and medium enterprises (MSMEs).



Zsolt Repasy / Alamy Stock Photo.

OUTCOME

The Senegalese delegation benefited greatly from the peer learning exchanges and training programs, which underscored the need for a sex-disaggregated data collection tool and a well-regulated microfinance environment. The learnings are a crucial step towards tailored policymaking for women and increasing overall financial inclusion by enhancing trust in and accessibility to microfinance and Islamic financial products and services. An automated web platform will be set up to centralize, process and analyze the data collected.



Alliance for Financial Inclusion

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