

Concept Note

9th Annual G-24/AFI Policymakers' Roundtable on Financial Inclusion

"Leveraging Innovative Technology to Deliver Sustainable Financial Inclusion"

IMF HQ1 (Boardroom, HQ1-12th Floor), Washington D.C.

Wednesday, 19 April 2017, 18:00 - 20:00

Preamble

The G-24/AFI Policymakers' Roundtable at the IMF & World Bank Spring Meetings, now in its ninth year, provides a high-level platform for engaging developing and emerging country policymakers in discussions on globally relevant financial inclusion policy issues. This year's Roundtable with the theme "Leveraging Innovative Technology to Deliver Sustainable Financial Inclusion" will have a specific focus on financial technology and how it can be leveraged to accelerate progress of financial inclusion.

The 9th Roundtable will provide opportunity to discuss key work streams being overseen by AFI high-level committees; namely the Global Standards and Policy Committee (GSPC) and the Gender and Women's Financial Inclusion Committee (GWFIC).

The GSPC was established to provide guidance and advice for AFI's engagement and peer learning initiative with international Standard-Setting Bodies, and oversees policy and programs initiatives proposed by AFI Working Groups and AFI Management Unit. The current Chair is Governor Mohamed Ibrahim from the Bank Negara Malaysia. The GSPC¹ was set up to assume the roles of AFI Steering Committee, previously known as the Global Standards Sub-Committee, with broader roles on overseeing AFI policy-related initiatives.

The GWFIC was established in 2016 to provide leadership in advancing and promoting women's financial inclusion within the context of AFI's activities and workstreams. The GWFIC main mandate is to oversee the implementation of the *Denarau Action Plan*, which was approved for adoption by members in the 2016 Global Policy Forum in Nadi, Fiji. GWFIC² current chair is Deputy Governor Dr. Tukiya Kankasa Mabula from the Bank of Zambia.

The 2017 G-24/AFI Roundtable will be held in two parts, which provides opportunity to discuss key work streams being overseen by the GSPC and GWFIC:

(i) **Overcoming De-risking and Leveraging Innovative Technologies to Accelerate Financial Inclusion**

During the first part of the Roundtable, the discussion will focus on key topics being addressed under the purview of the GSPC including De-Risking, FinTech for Financial Inclusion, and the interlinkages of Financial Inclusion and Financial Stability. At the 2016 G-24/AFI Roundtable, the key findings of the Special Report on ["Stemming the Tide of De-risking Through Innovative Technologies and Partnerships"](#) were presented and deliberated. While various dialogues and studies have been initiated at the global level, tangible progress to reverse de-risking has yet to be seen for many member jurisdictions. This year's Roundtable will deliberate how the analysis produced by the international organizations can be translated into effective country implementation.

¹ Current GSPC members are senior representatives from Bank Negara Malaysia, Central Bank of Kenya, Bangladesh Bank, Reserve Bank of Malawi, Comisión Nacional Bancaria y de Valores (CNBV) Mexico, Banco Central del Paraguay, and Central Bank of the Russian Federation.

² Current GWFIC members are senior representatives from Bank of Zambia, Bank of Tanzania, Central Bank of Lesotho, National Bank of Rwanda, National Bank of Cambodia, Central Bank of Egypt, and Bank Indonesia.

The session will also explore how new financial technologies (FinTech) can be leveraged to address the challenges for financial inclusion, in light of AFI members' support at the 2016 Annual General Meeting for specific peer learning activities in this area. This is essential given the myriad of new technologies and players in the FinTech area, to identify what can be applied in the context of emerging economies with the objective of advancing financial inclusion. Applying proportionate regulations is a key consideration in creating an enabling regulatory environment to promote innovations in FinTech. This meeting will allow peer learning on proportionate regulatory approaches to FinTech such as RegLab and Sandbox approaches, and support AFI members in implementing effective policy changes to promote innovations for financial inclusion.

While recognizing the need for financial policymakers and regulators to keep pace with the rapid advancement of technologies, preserving financial stability while advancing financial inclusion is crucial to ensure positive impact on financial sector and economic growth. The [Bali Outcome Statement](#), which documented the key highlights from the 2016 Global Conference³ on "Maximizing the Power of Financial Access: Finding an Optimal Balance Between Financial Inclusion and Financial Stability", aligns these needs and identify roles of policymakers in balancing objectives of the financial sector. The Roundtable will provide opportunity for countries to share their views and experiences in this area.

(ii) Closing the Financial Inclusion Gender Gap

The second part of the discussion will focus on the work of the AFI GWFiC to implement the [Denarau Action Plan](#), the AFI Network Commitment to Gender and Women's Financial Inclusion, adopted during the 2016 AFI Global Policy Forum in Nadi, Fiji. The Plan affirms the AFI Network's commitment towards the design and implementation of regulations and policies to expand women's access to quality financial services.

As part of the activities to implement the actions under the Plan, two of AFI Working Groups; the Financial Inclusion Strategy Peer Learning Group has developed the Guideline Note on Integrating Gender and Women's Financial Inclusion into National Strategies, while the Financial Inclusion Data Working Group developed the Toolkit on How to Leverage Sex-Disaggregated Financial Inclusion Data to Accelerate Women's Financial Inclusion. Other AFI Working Groups are identifying and implementing various activities to implement the Plan based on their mandates. These activities will feed into the overall AFI strategic implementation framework for the *Denarau Action Plan*.

While various activities are being planned and implemented at the global level in support of the *Denarau Action Plan*, concerted in-country implementation is crucial to effectively close the financial inclusion gender gap. The Roundtable will encourage and identify ways to achieve this objective. Some of the AFI member institutions that have since made commitments to support women's financial inclusion in their country, such as Bank of Zambia and Central Bank of Egypt, will share their experiences. The Roundtable will provide an excellent opportunity for policymakers to share their views and identify ways to move forward.

³ The Global Conference was co-hosted by AFI and Bank Indonesia on Nov 30 and Dec 1, 2016 in Bali, Indonesia. AFI members and partners including the International Monetary Fund (IMF), World Bank Group, Financial Stability Board (FSB), the South East Asian Central Banks (SEACEN) Research and Training Centre, and academic institutions, participated in the conference.