
G20 Financial Inclusion Action Plan Progress Report 2014-2017

16 June 2017



GPI

Global Partnership
for Financial Inclusion

Abbreviations

AAAA	Addis Ababa Action Agenda
AFI	Alliance for Financial Inclusion
AML/CFT	anti-money laundering and countering the financing of terrorism
BCBS	Basel Committee on Banking Supervision
BIS	Bank for International Settlements
BMZ	German Federal Ministry for Economic Cooperation and Development
CGAP	Consultative Group to Assist the Poor
CPMI	Committee on Payments and Market Infrastructures
CYFI	Child & Youth Finance International
EMDE	emerging market and developing economy
FCPFL	Financial Consumer Protection and Financial Literacy
FATF	Financial Action Task Force
FIAP	Financial Inclusion Action Plan
FSAP	Financial Sector Assessment Program
FSB	Financial Stability Board
GDP	Gross Domestic Product
GIH	Global Infrastructure Hub
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GPFI	Global Partnership for Financial Inclusion
GVCs	global value chain
IADI	International Association of Deposit Insurers
IAIS	International Association of Insurance Supervisors
ICT	Information and Communication Technology
IDFR	International Day of Family Remittances
IFC	International Finance Corporation
IIWG	Investment and Infrastructure Working Group
IMF	International Monetary Fund
INFE	International Network on Financial Education
IOSCO	International Organization of Securities Commissions
LIC	low-income country
LIDC	low-income developing country
MSME	micro, small and medium enterprise
MVTS	money value transfer services
MTO	money transfer operator
NIR	new industrial revolution
OECD	Organisation for Economic Co-operation and Development
OTC	over-the-counter
SAR	Special Administrative Region
SDG	Sustainable Development Goal
SEWA	Self Employed Women's Association
SME	small and medium enterprise
SSB	standard-setting body
UNSGSA	United Nations Secretary-General's Special Advocate for Inclusive Finance for Development
WBG	World Bank Group

I. Executive Summary

This report takes stock of the work of the G20 Global Partnership for Financial Inclusion (GPFI) under the 2014 G20 Financial Inclusion Action Plan (FIAP). The 2014 FIAP contains **10 action areas** and a **results framework**, which defines a set of five cross-cutting issues that are relevant for the work of the GPFI as such and all Subgroups. The 2014 FIAP was put into practice mainly by the four Subgroups of the GPFI and their Implementing Partners. The GPFI produced numerous outputs since 2014¹. Several of those had and continue to have a direct effect on the implementation of (inter)national policies and regulations, as well as private sector activities that facilitate financial inclusion. However, for other important outputs the effect is indirect and hard to measure.²

The **SME Finance Subgroup** supported small and medium-sized enterprise (SME) access to financial services by promoting the replication of successful policy reforms, supporting the SME Finance Forum and facilitating activities under the SME Finance Compact and the SME Finance Initiative (see Action Areas 1-3). Main outputs of the Subgroup include the *G20 Action Plan on SME Financing* and its *Implementation Framework*, the *GPFI Private Sector Engagement Strategy*, the *Synthesis Report on Innovations in Agricultural Finance* and the *Report on SME Finance Compact Workshop*. In addition, the Subgroup launched the online platform “Ye! Community” to support young entrepreneurs. In the *G20 Action Plan on SME Financing* and its *Implementation Framework* the G20 agreed, and encouraged non-G20 countries to take action on a national level to enhance SME access to financial services. Since 2014, 15 countries have developed or implemented new SME finance policies; several of those include reforms that are recommended in the Action Plan.

The **Regulation and Standard-Setting Bodies (SSB) Subgroup** engaged in mainstreaming financial inclusion in the work of the SSBs and encouraging the incorporation of financial inclusion in financial sector assessments of the IMF and the World Bank (see Action Areas 4 and 5). Key outputs of the Subgroup that contributed toward both action areas are the GPFI White Paper on *Global Standard-Setting Bodies and Financial Inclusion* and the Third GPFI Conference on SSBs and Innovative Financial Inclusion. Furthermore, the Subgroup supported individual SSBs in developing and disseminating financial inclusion-related outputs. These outputs and activities contributed to the outcome that several SSBs and global bodies published 11 documents that are directly relevant to financial inclusion and reflect a less siloed approach to standard setting and regulation.

The **Financial Consumer Protection and Financial Literacy (FCPFL) Subgroup** focused on improving the capacity of public authorities to develop and implement FCPFL measures and promoting FCPFL good practices for digitally delivered financial products and services (Action Areas 6 and 7). Main outputs of the Subgroup include a *Global Mapping of Financial Consumer Protection & Financial Literacy Initiatives*, a report on *Digital Financial Solutions to Advance Women’s Economic Participation*, and several Organisation for Economic Cooperation and Development/International Network on Financial Education (OECD/INFE) reports. These outputs served to inform policy makers of implementation approaches for FCPFL measures. Since 2014, seven countries have implemented consumer protection systems broadly consistent with G20 and World Bank standards. Furthermore,

¹ See Annex B for a list of GPFI reports and events.

² For example the work on the G20 *National Remittance Plans* (see Action Area 9) has a direct effect on the implementation of national policies, while the widely read GPFI White Paper on *Global Standard-Setting Bodies and Financial Inclusion* and the Third GPFI Conference on SSBs and Innovative Financial Inclusion promoted financial inclusion by facilitating discussions on coordination and collaboration among SSBs and other relevant global bodies (see action area 4).

11 countries have implemented or adopted National Financial Education strategies in line with OECD/INFE standards.

The **Markets and Payment Systems Subgroup** helped to address money transfer operator (MTO) bank account closures due to banks' de-risking activities and contributed to reducing the cost of sending remittances. Furthermore, the Subgroup promoted innovative technologies to grow responsible financial inclusion (see Action Areas 8-10). Main outputs of the Subgroup include reports on *The G20 Survey on De-Risking Activities in the Remittance Market*, *The Use of Remittances and Financial Inclusion*, and *Innovative Digital Payment Mechanisms Supporting Financial Inclusion*. In addition, the Subgroup supported the drafting process of the 2015 G20 *National Remittance Plans*, as well as the 2017 update process (to be finalized by the end of the year). It also monitored progress against the plans annually. These outputs contributed to all G20 members taking international or domestic policy actions to reduce costs of sending remittances.

Further, the GPFI has responded to **additional financial inclusion commitments** – made by the Leaders since the adoption of the FIAP – through its work. Most commitments relate to digitization, remittances and SME finance. The GPFI responded to G20 commitments in the area of digitization through the *G20 High-Level Principles for Digital Financial Inclusion* and the update of the *Financial Inclusion Indicators*, among other activities. In the areas of SME finance and remittances, the SME Finance Subgroup and the Markets and Payment Systems Subgroup addressed those Leaders' commitments as part of their activities under Action Areas 1-3 and 8-10. Examples include the update of *National Remittances Plans*, the *G20 Action Plan on SME Financing* and the respective *Implementation Framework*.

In 2016, the G20 aligned itself to the **2030 Agenda for Sustainable Development**, including the **Sustainable Development Goals (SDGs)** by endorsing the *G20 Action Plan on the 2030 Agenda*. Financial inclusion is a key enabler for several SDGs. The GPFI in particular contributes toward SDGs 1, 2, 5, 8, 9, 10 and 16 through its work to promote SME access to finance, to mainstream financial inclusion in the work of SSB, to facilitate financial literacy and consumer protection, to reduce the cost of sending remittances and to foster innovative financial products.

II. Introduction

The original FIAP³ was endorsed by Leaders at the Seoul Summit in 2010 against the background of a financial crisis. Building on the commitment to improving access to financial services for the poor at the Pittsburgh Summit in September 2009 and the subsequent launch of the G20 Financial Inclusion Experts Group (subsequently becoming the GPFI), the endorsement of the FIAP strengthened the focus of the G20 on financial inclusion (see FIAP Progress Report 2010-14).

As the G20's global financial agenda transitioned from "crisis response" to a "steady state" of operation, the FIAP was reviewed and updated in 2014 under the Australian Presidency. The 2014 FIAP entails 10 action areas that were addressed in the four Subgroups of the GPFI:

- SME Finance
- Regulation and SSBs
- Consumer Protection and Financial Literacy
- Markets and Payment Systems

³Financial Inclusion Experts Group (2010): G20 Financial Inclusion Action Plan

In addition, the 2014 FIAP introduced the results framework, which assesses how the four Subgroups have addressed five cross-cutting issues:

- innovation
- women's economic empowerment
- data harmonization
- cooperation with the private sector
- outreach and promotion

Since the adoption of the 2014 FIAP, G20 Leaders, as well as Finance Ministers and Central Bank Governors, made additional financial inclusion commitments at the G20 summits in Brisbane, Antalya and Hangzhou. Most of those commitments focused on the areas remittances, digitization and SME finance.

In 2015, the global community agreed on the universal and transformative *2030 Agenda for Sustainable Development*, including the SDGs and the *Addis Ababa Action Agenda on Financing for Development* (AAAA). In 2016, the G20 aligned its work with the 2030 Agenda by endorsing the *G20 Action Plan on the 2030 Agenda*. Financial inclusion is a key enabler for several SDGs. Greater access to formal financial services in the agricultural sector for example opens up investment opportunities, thus contributing to reducing poverty (SDG1) and hunger (SDG2) as well as achieving higher economic growth and employment (SDG 8).

This report takes stock of the work of the GPFi since the 2014 FIAP came into effect in November 2014 up to the G20 Hamburg Summit in July 2017 by assessing progress in the action areas and by applying the results framework. In addition, it assesses GPFi contributions to the SDGs and to additional G20 financial inclusion commitments.

III. Progress on the Financial Inclusion Action Plan and Additional G20 Commitments

Action Areas

The 2014 FIAP entails 10 action areas that leveraged the G20's convening power and its effectiveness in adopting and supporting initiatives at the highest global level to advance financial inclusion. Substantial progress has been made in all action areas.

One to five indicators measure progress in each respective action area. Several indicators are referring to numbers of certain Subgroup outputs only (for example number of case studies, policy recommendations and implementation approaches). However, this count does not necessarily account for the impact of these outputs to the respective policy goals reflected in the Action Areas.

Small and Medium-Sized Enterprise Finance Subgroup

Action Area 1: Accelerate and replicate successful policy reforms that facilitate the expansion of financial services to SMEs

Although policy reforms in the area of SME finance need to be adapted to the national political and economic context, policy makers can benefit tremendously from experiences made in other countries. Indicator 1.1 measures GPFi contributions to this process.

Indicator 1.1: Number of case studies of successful policy approaches that enhance SME access to finance: 10

Under the 2010 FIAP, the SME Finance Subgroup produced a collection of 23 case studies⁴. Their results were discussed at the SME Finance Compact Workshop on 10 September 2015 (see the *Report on SME Finance Compact Workshop*, highlighting challenges, solutions and recommendations, also Action Area 3 for more details on the workshop). Under the 2014 FIAP, the Subgroup published a policy paper on *Climate Smart Financing for Rural MSMEs*, which includes 10 policy related case studies, in 2017. To inform the drafting of the paper, a GPMI workshop was held on 23 February 2017. In addition, a synthesis report on New Trends in Agricultural Finance was commissioned by the Subgroup and produced by the WBG and Germany. Results were discussed at the G20 Round Table on Innovations in Agricultural Finance on 9 September 2015.

The *G20 Action Plan on SME Financing*, together with its *Implementation Framework*, are key outputs that facilitate the replication of successful policy reforms. The Action Plan was jointly developed by the SME Finance Subgroup and the Investment and Infrastructure Working Group (IIWG) in 2015, whereas the respective *Implementation Framework* was developed by the SME Finance Subgroup in 2016. Both were endorsed by the Leaders in Antalya and Hangzhou respectively. The Action Plan identifies a set of successful credit market infrastructure reforms and promotes their implementation in G20 countries as well as in interested non-G20 countries, including low-income developing countries (LIDCs). The *Implementation Framework* was added to the Action Plan to provide countries with a tool to benchmark themselves against a set of international good practices. It includes the areas credit reporting systems, secured transactions and moveable collateral registries, and insolvency regimes. Self-assessment is an important first step to inform the selection and sequencing of reforms in the individual country context. The first self-assessments were carried out by the G20 countries in 2017 under German Presidency and consolidated in a baseline report.

Policy reforms were also discussed at the public policy session of the G20 Workshop “Helping SMEs Go Global – Moving Forward in SME Finance” on 24 February 2017. The other sessions covered successful case studies with regard to the role of (i) sustainable global value chains, (ii) innovative finance, and (iii) development banks in SME finance.

Further, a stocktaking study on *Leveraging Financial Services for SMEs in Sustainable Global Value Chains* will be published in 2017. The study identifies, maps and analyzes existing financing models, good practices and policies as well as partnerships that provide credit-constrained SMEs with incentives to upgrade their production processes to enable them to comply to required sustainability standards in global value chains.

Action Area 2: Establish the SME Finance Forum as global center for good practice knowledge exchange and promotion

The SME Finance Forum was established by the GPMI in 2012 and is managed by International Finance Corporation (IFC). In 2015, the SME Finance Forum launched its global member network. Since then, 110 member institutions from more than 50 countries became members and have a privileged access to events, networking opportunities, knowledge resources as well as policy-making bodies. The dues of membership organizations enable the Forum to cover a part of its operating costs (see below). The goal of long-term financial sustainability of the forum is expected to be achieved by December 2019. Financial support from G20 member countries will be necessary until

⁴Enhancing SME Access to Finance- Case Studies, November 17, 2014

then. Up to now, the Forum has grown substantially, and has become a globally recognized center, as the following four indicators illustrate:

Indicator 2.1: Number of unique visitors to Forum: 23,000+ (in 2016)

Indicator 2.2: Number of participants in LinkedIn group: 7800+

Indicator 2.3: Number of new public-private memberships: 110+

Indicator 2.4: Financial support for Forum: The member network covered over 30 percent of its operational costs through dues and sponsorships in calendar year 2016. The remaining costs were covered by GPFI member countries.⁵

Action Area 3: Improve financial access through the SME Finance Compact, SME Finance Initiative, and key development achievements

The SME Finance Compact and the SME Finance Initiative are collaborative platforms that were launched in 2012. The former supports policy reforms in LIDC and the latter serves as a catalytic investment and technical assistance platform. The following three indicators measure country actions as well as GPFI achievements with regard to assisting countries.

Indicator 3.1: Number of countries that have developed or implemented new SME finance strategies: 15

Fifteen⁶ countries have developed or implemented new policies (this includes strategies and regulations) in the area of SME finance since 2014.

Indicator 3.2: Number of institutions assisted: 54 institutions from 48 countries.

AFI provided support via grants to nine⁷ institutions to improve access to finance for MSMEs. Furthermore, AFI hosted the following events that served as a learning and exchange opportunity for participating institutions:

- Access to Financial Services for the MSMEs Training, 18 - 22 January 2016, Kuala Lumpur (23 participating institutions)
- Joint Peer Learning - SME Finance, 10-13 May 2016, Kuala Lumpur (5 participating institutions)
- SME Finance Working Group Meeting, 24 May 2016, Ulaanbaatar (23 participating institutions)
- Access to Financial Services for the MSMEs, 6 – 10 March 2017, Kuala Lumpur (23 participating institutions)

⁵ In particular, the following GPFI members supported the forum financially: the Canadian Ministry of Foreign Affairs, Trade, and Development; the German Federal Ministry for Economic Cooperation and Development (BMZ); the Korean Ministry of Strategy and Finance; the Netherlands Ministry of Foreign Affairs; the U.K. Department for International Development; and the U.S. Agency for International Development.

⁶ Bangladesh, Belarus, Bhutan, Burundi, China, Costa Rica, Fiji, Mongolia, Morocco, Senegal, South Africa, Swaziland, Tanzania, Tonga, Vanuatu

⁷ People's Bank of China, Ministry of Finance of Swaziland, Ministère de l'Economie, des Finances et du Plan du Sénégal, Ministère des Finances, du Budget et de la Privatisation du Burundi, Reserve Bank of Fiji, Financial Regulatory Commission of Mongolia, National Reserve Bank of Tonga, Superintendencia General de Entidades Financieras de Costa Rica, Reserve Bank of Vanuatu

- SME Finance Working Group Meeting, 13-16 March 2017, Mahe (32 participating institutions)

Indicator 3.3: Funding mobilized for financial services and capacity building:

AFI hosted five SME related events that served as a learning and exchange opportunity for participating institutions (see indicator 3.2). The events were valued at approximately Euro 256,000.

Indicator 3.4: Number of SMEs receiving services and number of net new jobs created in SMEs receiving assistance:

Due to varying country data availability, this indicator cannot be measured reliably.

During an outreach event in Antalya in September 2015, options for scaling-up support for SME finance in developing countries were reviewed, and new partnerships to implement the SME Finance Compact were facilitated. Discussions continued in 2016. Within the framework of the *Maya Declaration*, AFI members set specific goals and targets for the financial inclusion of SMEs, which are in line with the objectives of the SME Finance Compact.

Another important Subgroup activity that contributed toward this action area was the launch of a global online platform for young entrepreneurs called the “Ye! Community” together with Child & Youth Finance International (CYFI) during the GPFI meetings in September 2015. In addition to connecting young entrepreneurs to peers and funding partners, the platform provides training, mentorship and online tools. The Ye! Award, which celebrates outstanding young entrepreneur’s achievements, is part of the Global Inclusion Awards. In 2017, the Ye! Award was also an official event of Germany’s G20 Presidency.

IFC’s Global SME Finance Initiative started in 2012 and will be active until 2021. According to the 2016 *Annual Review* of the Global SME Finance Initiative, it reached 65,104 SMEs with loans as of December 2015. Additional loans to SMEs through development of financial infrastructure and disbursed by private finance initiatives are valued at £3.47bn. The number of new jobs created and supported by SMEs benefiting from the Initiative is estimated at 370,000.

Regulation and Standard-Setting Bodies Subgroup

Action Area 4: Mainstream financial inclusion in the work of the standard-setting bodies and other relevant global bodies and increase understanding of the interdependence of financial inclusion, stability, integrity and consumer protection

The following four indicators aim to measure the degree to which the actions of SSBs and policy makers reflect the goals of this action area.

Indicator 4.1: Number of significant multi-SSB activities on financial inclusion in which at least 5 relevant SSBs participate: 3

1. Engagement with the SSBs in the process of updating the White Paper during 2015; September 2015 meeting on Recommendations of White Paper (FSB, BCBS, CPMI, FATF, IADI, IAIS, IOSCO).
2. High-Level meeting on SSBs and financial inclusion convened by the UNSGSA and the Chair of BCBS, September 2016 ((FSB, BCBS, CPMI, FATF, IADI, IAIS, IOSCO).

3. 3rd GPFi Conference on SSBs and financial inclusion, Basel, October 2016 (FSB, BCBS, CPMI, FATF, IADI, IAIS, IOSCO)

Indicator 4.2: Number of new SSB and global body policy documents of direct relevance to financial inclusion that reflect a less siloed approach: 11⁸

Indicator 4.3: Number of G20 governments and non-G20 governments participating in the GPFi implementing coordination mechanisms addressing perceived risk in cross border payments:

This indicator cannot be reliably measured because the GPFi's activities in this field are diverse and include diagnostics (e.g., the World Bank survey), developing policy recommendations and encouraging individual countries to analyze the problem within their national contexts. Keeping track of whether individual countries react to the results of published analysis or take action on GPFi recommendations would require a structured monitoring process.

Indicator 4.4 Concrete examples of financial inclusion policy making informed by analysis of financial inclusion, stability, integrity and consumer protection linkages:

Several countries now reflect consideration of the linkages between financial inclusion, stability, integrity and consumer protection in their Financial Inclusion Strategies. According to survey results on the *Range of Practice in the Regulation and Supervision of Institutions Relevant to Financial Inclusion*, 50 percent of supervisory authorities in the 59 jurisdictions covered take specific steps to balance the objective of financial stability with those of financial inclusion, financial integrity, consumer protection/market conduct and/or competition. The survey was conducted by the Financial Inclusion Workstream of the Basel Consultative Group. Examples mentioned in the survey include "setting up a market conduct/consumer protection unit independent from prudential supervision and with direct reporting line to management; developing regulations that include financial integrity, consumer protection and stability provisions; making decisions in management committees where multiple objectives are represented; developing a risk-based approach to financial integrity that considers potential adverse regulatory impact on financial inclusion." At the global level, increasing consensus regarding the importance of these linkages can be found in the SSB and global body policy documents mentioned under Indicator 4.2.

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1. FSB: *Monitoring the effects of agreed regulatory reforms on emerging market and developing economies* (November 2014)
2. FSB: *Financial Reforms – Finishing the Post-Crisis Agenda and Moving Forward: letter to G20 central bank governors and finance Ministers* (February 2015)
3. BCBS: *Sound management of risks related to money laundering and financing of terrorism* (February 2016 update of January 2014 document)
4. BCBS: *Range of practice in the regulation and supervision of institutions relevant to financial inclusion* (January 2015)
5. BCBS: *Guidance Paper Consultative Document* (December 2014)
6. CPMI: *Payment aspects of financial inclusion* (April 2016)
7. FATF: *RBA Guidance for Virtual Currencies* (June 2015)
8. FATF: *Guidance for a Risk-Based Approach: Money or Value Transfer Services* (2016)
9. IADI: *Revised IADI Core Principles for Effective Deposit Insurance Systems*. (November 2014)
10. IAIS: *Issues Paper: Conduct of Business in Inclusive Insurance Markets*. (November 2015)
11. GPFi: *2nd White Paper Global Standard-Setting Bodies and Financial Inclusion: the Evolving Landscape* (March 2016)

The key outputs of the Regulation and SSB Subgroup in this action area are the GPF White Paper on *Global Standard-Setting Bodies and Financial Inclusion* and the Third GPF Conference on SSBs and Innovative Financial Inclusion. Both work streams facilitated discussions on coordination and collaboration among SSBs and other global bodies (e.g., the Financial Stability Board) around financial inclusion issues. Seven global bodies actively participated in the outline and drafting process of the White Paper and 10 attended the conference. This indicates that the GPF is now accepted as the convener of SSBs and other relevant global bodies on the theme of financial inclusion. The implementation of the recommendations in the White Paper is an ongoing multi-stakeholder process that will be continued in the next years.

Furthermore, the Subgroup engaged in development and dissemination of outputs of individual SSBs and other relevant global bodies. This contributed toward deepening the understanding of the implications of financial inclusion for their work and the implications of their work for financial inclusion. The Subgroup also encouraged the active participation of emerging market and developing economies (EMDEs) in relevant activities of outreach bodies of the SSBs.

In 2017, the Subgroup engages in this action area by reinforcing the focus on financial inclusion and coordination among the SSBs. As a first step, a table that tracks SSB activities relevant to financial inclusion was discussed with SSBs in January 2017 and finalized in March 2017; this table will be updated on a semi-annual basis. Other 2017 areas of engagement include (i) encouraging joint activities on themes of relevance to multiple SSBs, (ii) supporting activities of relevance to financial inclusion of specific SSBs and other relevant global bodies, and (iii) contributing to other GPF work that is related to regulation and standard-setting.

Action Area 5: Encourage effective and consistent incorporation of financial inclusion in financial sector assessments

Closely connected to Action Area 4, this action area aims at improving the measurement of the country-level application of SSBs' standards and guidance with regard to financial inclusion. The following two indicators measure the number of documents published by SSBs and other global bodies that are related to financial sector assessments and incorporate financial inclusion.

Indicator 5.1: Number of publicly available and widely used financial sector assessment methodologies and other tools adopted since updating of FIAP reflecting increased understanding of interdependence of inclusion, stability, integrity and consumer protection: 1

The International Association of Deposit Insurers (IADI) *Core Principles for Effective Deposit Insurance Systems*, which are used by the International Monetary Fund (IMF) and the World Bank in the context of the Financial Sector Assessment Program (FSAP) to assess the effectiveness of jurisdictions' deposit insurance systems and practices, were updated in November 2014. One of the innovations of the revised version of the Core Principles is the incorporation of an explicit reference to financial inclusion issues. References to stability and consumer protection are also made. On the other hand, integrity is not mentioned, and the interdependence of the four goals is not made explicit.

Furthermore, a draft Guidance Note on the treatment of financial inclusion in FSAPs was piloted in 2016. The Subgroup will contribute to the finalization of the document and its implementation in 2017.

Indicator 5.2: Number of publicly available financial sector assessment reports and findings since updating of FIAP reflecting increased understanding of financial inclusion by assessors:

An analysis of FSAPs conducted in 2014 by the World Bank identified an accelerating trend toward the treatment of aspects of financial inclusion in FSAPs over the 2000–2013 period. There has been no further enumeration.

The widely read GPMI White Paper on *Global SSBs and Financial Inclusion* (see Action Area 4) dedicated one chapter to financial inclusion and financial sector assessments, thus contributing to this action area. The World Bank and the IMF actively engaged in drafting the chapter. In 2017, engagement in this action area focuses on three themes: (i) Further development of methodologies and other tools employed in financial sector assessments to better integrate financial inclusion considerations (for example the finalization of the Guidance Note mentioned above); (ii) increased understanding of financial inclusion by financial sector assessors reflected in more consistent incorporation of financial inclusion in assessment reports and findings; (iii) promotion of enhanced engagement with, and feedback from, national authorities undergoing assessments on the question of implementation of global standards and guidance.

Financial Consumer Protection and Financial Literacy (FCPFL) Subgroup

Action Area 6: Improve the capacity of public authorities and other relevant stakeholders to develop and implement financial literacy and consumer protection measures

The following indicators measure both Subgroup activities as well as developing country actions.

Indicator 6.1: Number of developing countries⁹ which have implemented consumer protection systems broadly consistent with G20 High Level Principles on Financial Consumer Protection, WB Good Practices on Financial Consumer Protection: 7

The following countries fulfill this indicator: Argentina, Brazil, India, Indonesia, Saudi Arabia, Mexico, People's Republic of China.

The following countries are currently implementing consumer protection systems that are expected to fulfill this indicator: Turkey, South Africa.

Indicator 6.2: Number of developing countries which have implemented or adopted National Financial Education strategies in line with the OECD/INFE High-level Principles on National Strategies for Financial Education approved by G20 Leaders in 2012: 11

The following countries fulfill this indicator: Armenia, Brazil, Ghana, India, Indonesia, Jordan, Malaysia, Morocco, Nigeria, South Africa, Turkey.

The following countries are currently implementing national financial education strategies that are expected to fulfill this indicator: Argentina, People's Republic of China, Colombia, Costa Rica, El Salvador, Guatemala, Kenya, Kyrgyzstan, Lebanon, Malawi, Mexico, Pakistan, Paraguay, Peru, Saudi Arabia, Tanzania, Thailand, Uganda, Uruguay, Zambia.

Indicator 6.3: Number, relevance and depth of Financial Literacy and Consumer Protection surveys, maps and best practices, which are developed and disseminated:

Due to space constraints, only highly relevant and in-depth surveys, maps and best practices will be considered here. Under these restrictions, the following items have been identified:

⁹ This report uses the definition of "Developing Regions" versus "Developed Regions" by the UN Statistics Division (<https://unstats.un.org/unsd/methodology/m49/>). All countries that are listed under "Developing Regions" fulfill the prerequisite for being included under indicators 6.1 and 6.2.

three financial literacy surveys¹⁰, two surveys covering consumer protection amongst other topics¹¹, one map¹² and three best practice documents.¹³

Under this action area, the Subgroup also participated in the drafting of the *G20 High-Level Principles for Digital Financial Inclusion* from a financial consumer protection and financial literacy point of view. The G20/OECD Task Force on Financial Consumer Protection and the OECD and its INFE contributed to this work stream.

With regard to data, the Subgroup encouraged G20 and non-G20 countries to implement G20-acknowledged tools to measure and compare levels and needs for financial literacy of individuals and small businesses across countries. In particular, the OECD/INFE toolkit (see part c of the results framework), which was updated in 2015, was recommended.

The 2015 update of the WBG's *Global Mapping of Financial Consumer Protection & Financial Literacy Initiatives* (see Indicator 6.3) was commissioned by the Subgroup. The goal of this update was to provide a general overview of existing activities, data and analysis developed on FCPFL by various international organizations.

Furthermore, the Subgroup welcomed six documents developed by the G20/OECD or OECD/INFE:

- Report on *Financial Education for MSMEs in Asia* (2017)
- *Core Competencies Frameworks on Financial Literacy for Youth* (2015)
- *Core Competencies Frameworks on Financial Literacy for Adults* (2016)
- *Policy Handbook on the Implementation of National Strategies for Financial Education* (2015)
- *Policy Analysis and Practical Tools on Financial Education for Migrants and Their Families* (2015)
- *Progress Report on Financial Education for MSMEs and Potential Entrepreneurs* (2015)

Action Area 7: Promote consumer protection and financial education good practices for digitally delivered financial products and services

This action area stresses the increasing importance of digitalization processes for consumer protection and financial education. The following indicator measures the analytical and dissemination work of the Subgroup.

Indicator 7.1: Number of public and private sector good practices and emerging solutions for responsible digital finance identified and disseminated: 89

The G20, the OECD and its INFE have conducted a survey and presented the results in the report *Ensuring Financial Education and Consumer Protection for All in the Digital Age* in 2017. The report includes public and private sector good practices and emerging solutions for responsible digital finance in the areas of financial education (33), consumer protection (17) and overcoming supply side challenges (11). The highlights from the report were published in 2016. In addition, the Subgroup commissioned the 2015 report on *Digital Financial Solutions to Advance Women's Economic Participation*, which includes good practices and emerging solutions for governments (11), international donors and funders (3), the financial industry

¹⁰ OECD/INFE Survey on Measuring Financial Literacy (covered a total of 44 countries between 2010 and 2015); World Bank demand-side survey on Enhancing Financial Capability and Inclusion (covered a total of 12 countries between 2009 and 2015); OECD PISA financial literacy assessment of students (covered a total of 25 countries in 2012 and 2015)

¹¹ World Bank Global Survey on Consumer Protection and Financial Literacy (covered a total of 114 economies in 2010 and 2013); FSB Implementation and Monitoring Network Survey (monitors progress in the implementation of the G20 financial reforms by 25 FSB jurisdictions)

¹² World Bank Group (2015): *Global Mapping of Financial Consumer Protection & Financial Literacy Initiatives*

¹³ G20/OECD (2014): *Effective Approaches to Support the Implementation of the G20/OECD High-level Principles on Financial Consumer Protection*; UN Resolution 70/186 on Consumer Protection (2015); World Bank (2012): *Good Practices for Financial Consumer Protection*

(7) and large businesses (7) to promote responsible digital finance (see results framework section b).

Markets and Payment Systems Subgroup

Action Area 8: Help to analyze and consider ways to address the MTO bank account closure issue

The MTO bank account closure issue is the outcome of de-risking activities of banks in the remittance market. The following three indicators measure GPFi achievements in the areas fostering data availability and awareness of the issue as well as convening stakeholders to develop solutions.

Indicator 8.1: *Seek to obtain and publish more comprehensive data on the number of bank accounts of MTOs and other remittance service providers being closed by country on a periodic basis:*

The Subgroup requested the World Bank to undertake the *G20 Survey on De-Risking Activities in the Remittance Market*. Furthermore, it supported the World Bank in drafting the survey and distributing it to banks and MTOs. The survey obtained input from governments, banks, MTOs and other remittance services providers from 13 G20 countries on the scale and scope of account closures of MTOs. The results, which were published in 2015, entail data on the number of bank accounts of MTOs and other remittance service providers being closed by country in 2014. In total, the share of the MTOs reporting they have had one or more bank accounts closed increased from 28 percent to 54 percent between 2010 and 2014. As a result, 7 percent of MTOs reported being unable to operate regularly through bank channels at the time of the survey. Of the participating 25 banks, five reported not offering their services to MTO principals, while 15 reported not opening accounts for agents of MTOs.

Indicator 8.2: *Number of actions taken to contribute to raising awareness on the issue, working with other forums as appropriate:* 6

The Subgroup contributed to the planning and development of a de-risking panel at the July 2016 GPFi Forum. The panel explored the impacts of de-risking on the global remittance market and linkages with digital financial inclusion.

The *Report on the G20 Survey on De-risking Activities in the Remittance Market* also served to raise awareness of the issue. Furthermore, the Subgroup provided input to the GPFi Regulation and SSB Subgroup on drafts of de-risking-related sections of the White Paper on *Global SSBs and Financial Inclusion*. In addition, it encouraged G20 member countries to analyze the issue within their circumstances and actively propose forms to reduce its impact.

In 2017, the Subgroup, in collaboration with the Regulation SSB Subgroup, the Financial Action Task Force (FATF) and the Financial Stability Board (FSB) set up public-private workshops to deepen exchange on this issue. The first workshop was held on 22 March.

The World Bank, as Implementing Partner of the GPFi, also launched country pilot studies to analyze the effects of de-risking on consumers and on the wider economy in order to complement the work that the FSB is doing at the global level.

Indicator 8.3: *Arrange for at least one high level meeting each year of key stakeholders, e.g. regulators, MTOs, banks etc., to identify solutions to the issue as appropriate:*

In 2015 as well as in 2016, one high-level meeting with key stakeholders took place:

- The fifth Global Forum on Remittances and Development, convened by the GPFi Implementing Partners – the International Fund for Agricultural Development

and the World Bank as well as the European Commission – took place in Milan, Italy, from 16 to 19 June 2015.

- The session “Financial Inclusion Not Exclusion: Managing De-Risking” took place during the World Bank/IMF Annual Meetings in Washington, DC, on 7 October 2016.

Action Area 9: Reduce the cost of sending remittances

Moderate reductions in the cost of sending remittances have been achieved since 2014, despite ongoing challenges to the accessibility and affordability of remittance flows, such as de-risking (see Action Area 8) and transaction infrastructure (see Action Area 10). The global average cost of sending remittances declined from 7.99 percent in Q4 2014 to 7.45 percent in Q1 2017 (World Bank’s Remittance Prices Worldwide, Issue number 21). As of Q1 2017, the average cost of sending remittances are below the 5 percent target (see Additional G20 Commitments) in two G20 countries: Russian Federation (2.09 percent) and the Republic of Korea (4.87 percent). The following three indicators summarize the actions of G20 members and those of the GPFI in this area.

Indicator 9.1: Number of G20 members taking at least one international or domestic policy action to reduce costs of sending remittances and/or to increase transparency of remittance transfers: 20

Building on the *G20 Plan to Facilitate Remittance Flows*, which was agreed by Leaders in September 2014, *National Remittance Plans* were developed in 2015. In the latter document, each G20 member reported on past policy actions to reduce the cost of sending remittances and/or to increase transparency, before presenting a plan for future policy actions. The policy actions presented were diverse (see Indicator 9.3 for a list of measures taken), but most aimed at the domestic context.

Indicator 9.2: Number of policy options or recommendations issued on the most efficient ways to influence remittances costs: 12¹⁴

Eight recommendations to address the problems derived from account closures were made in the World Bank’s *Report on the G20 Survey on De-Risking Activities in the Remittance Market* (see Indicator 8.1 for more details). The recommendations can be grouped in three areas: clarify regulatory expectations, increase the effectiveness and proportionality of MTO supervision, and correct the misconception that MTOs are “inherently high-risk.” In addition, the Subgroup commissioned a study on *The Use of Remittances and Financial Inclusion*. The five recommendations presented in the study aim to influence remittance cost by fostering innovation and promoting competition in the remittance market (see Indicator 10.3 for more information on this study).

Indicator 9.3: Number of G20 members actively pursuing national commitments /new targets and that may incorporate further relevant factors other than cost, such as accessibility, transparency, consumer protection and reducing the risk of exclusion:

Most G20 members pursued national commitments/new targets between 2014 and 2017. Measures taken include price-comparison websites, consultative forums, changes to financial infrastructure, initiatives to address structural issues in receiving countries, promoting access

¹⁴ This includes eight recommendations that aim to address the de-risking phenomenon. De-risking might influence remittance cost, for example by reducing competition in the remittance market. However, “the effects of the de-risking phenomenon on the cost of sending remittances are still uncertain.” (Report on the G20 Survey on De-Risking Activities in the Remittance Market)

to digital services, studies into solutions for particular corridors, and new legal frameworks and regulatory reforms.

The Subgroup also engaged in some activities under this action area that are not captured by the above indicators. In 2015, it supported the implementation of the *G20 Plan to Facilitate Remittance Flows*. Related to this, it provided technical input on individual G20 members' *National Remittance Plans* in cooperation with the Development Working Group. Yearly monitoring of the plans is an ongoing task of the Subgroup, since G20 Leaders agreed at the Antalya Summit in 2015 that *National Remittance Plans* will be reviewed annually, with updates to take place every two years until 2019.

The Subgroup is in the process of coordinating the efforts of the G20 members to update their *National Remittance Plans* by the end of 2017. The update process will incorporate the alignment with the 2030 Agenda, the application of the *G20 High-Level Principles for Digital Financial Inclusion* and consideration of the impact of de-risking activities on remittance flows and costs.

On an aggregate level, the Subgroup finalized its *Update to Leaders on Progress Towards the G20 Remittance Target* in 2016.

Action Area 10: Expand opportunities for innovative technologies to grow responsible financial inclusion

The output of the Subgroup in this action area focused on digital payments as one of the innovative technologies driving responsible financial inclusion. The following five indicators measure the GPFi achievements with regard to analyzing the issue with foci on public-private partnerships, remittances and payment ecosystems.

Indicator 10.1: Stock take/gap analysis of opportunities for innovative technologies and business models to grow financial inclusion:

The Markets and Payment Systems Subgroup commissioned the WBG's Payment System Development Group, the Better Than Cash Alliance and AFI to develop a Stocktaking Report on *Innovative Digital Payment Mechanisms Supporting Financial Inclusion*. The 2015 report provides an overview of those areas in the payments value chain, where recent digital and business model innovations are opening up new possibilities, particularly in developing countries, where the need for financial inclusion is the most acute. Main results were discussed on a lively panel on innovations in digital payment systems at the July 2016 GPFi Forum. The Subgroup also contributed to the planning and development of the panel under the Chinese Presidency.

Indicator 10.2: Number of examples of public-private partnerships, including partnerships with banks, MTOs and telecom companies that increase cooperation and expand financial inclusion through emerging technologies: 5

The Subgroup analyzed this issue in a Guidance Note on *Building Inclusive Digital Payments Ecosystems*, which was finalized in 2017. The document highlights the importance of collaboration between businesses and the different government institutions (including regulators) for building infrastructure and driving adoption. To facilitate this cooperation, the establishment of an "ecosystem coordinating forum" incorporating all major stakeholders is recommended. Five examples of successful implementation are mentioned (Mexico, Brazil, the United Kingdom, Peru and the Philippines).

Indicator 10.3: Number of policy options and implementation approaches identified to increase the development impact of remittances in the receiving country: 15

The Subgroup requested the International Fund for Agricultural Development and the WBG to prepare a report on *The Use of Remittances and Financial Inclusion*. The report, which was finalized in 2015, analyzes the financial inclusion impact of remittances on the senders and the receivers, as well as broader development effects of remittances in the receiving country. Building on this, it develops policy recommendations to maximize the impacts of remittances on both financial inclusion and sustainable development. There are five main policy recommendations that aim to increase the development impact of remittances in the receiving country and nine case studies that identify implementation approaches in this area.

The Guidance Note on *Building Inclusive Digital Payments Ecosystems*, also includes a remittance related policy option.

Indicator 10.4: Number of “good practice” case studies on emerging technologies that have been successfully applied to extend financial inclusion:

The 2015 Stocktaking Report on *Innovative Digital Payment Mechanisms Supporting Financial Inclusion* includes fifteen examples of emerging technologies that have been successfully applied to extend financial inclusion and concisely describes their functionality and application. The examples are presented as part of the analysis of innovations in four thematic areas: (i) foundational infrastructure, (ii) service and product design, (iii) access and delivery channel, (iv) scalability, replicability and sustainability.

The report on *The Use of Remittances and Financial Inclusion* also includes three case studies of how new technologies are used to respond to the financial needs of remittances users.

Indicator 10.5: Number of policy options and implementation approaches for regulators, government agencies and the private sector on the sustainable provision of inclusive payment eco-systems, working with the Regulation and SSB Subgroup: 43

The Stocktaking Report on *Innovative Digital Payment Mechanisms Supporting Financial Inclusion* includes 18 implementation approaches (mainly but not exclusively for the private sector) that relate to the provision of inclusive payment ecosystems (for the four thematic areas of analysis, see Indicator 10.4).

The Guidance Note on *Building Inclusive Digital Payments Ecosystems* includes 25 policy options and implementation approaches for governments, mainly focusing on the areas “Managing Multiple and Diverse Stakeholders”, “Balancing Innovation, Market Protection, and System Integrity”, “Building Trust in Digital Payments” and “Establishing an Appropriate Regulatory Environment”.

Results Framework

The 2014 FIAP introduced the results framework and stressed: “It is critically important that the work of the individual Subgroups incorporates an understanding of and addresses cross-cutting issues; reflects the inputs of key stakeholders; and is used by those stakeholders when setting policy or designing products.” Therefore, it will be explained in the following, how each Subgroup has...

a)...addressed the challenges of creating an environment to promote safe and secure innovative financial products, development and adoption of innovative business models, and innovative approaches to policy and regulatory reforms advancing financial inclusion;

All Subgroups contributed to the development of the *G20 High-Level Principles for Digital Financial Inclusion*, and the 2016 update of the *Financial Inclusion Indicators*, which are key outputs of the GPGI with regard to this part of the results framework (see Additional G20 Commitments, Digitization).

The **SME Finance Subgroup** has stressed, in particular, the importance of innovation for financial inclusion in its Reports on *Innovations in Agricultural Finance*, *Alternative Data Transforming SME Finance* and in the GPGI Workshop on Financing Entrepreneurship – Innovative Solutions, held in June 2015. The workshop focused on successful business models and factors that encourage or discourage innovation. Through written output and events like this, the Subgroup promoted dialogue between the industry and policy makers. This has contributed to SSBs, as well as domestic regulators and policy makers in many emerging markets, starting to take a more enabling approach to innovators.

The **Regulation and SSB Subgroup's** key 2016 outputs are the GPGI White Paper and the GPGI SSBs conference. In addition, the Subgroup used content of the GPGI White Paper to support the preparation of the high-level meeting convened by the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA) and the Basel Committee on Banking Supervision (BCBS) Chair and supported the work of specific SSBs. All these activities focused on innovation, or more specifically on the new and shifting risks of digital financial inclusion and the policy, legal, regulatory and supervisory responses.

The **FCPFL Subgroup**, through its Implementing Partners, has developed principles, best practices and implementation tools to be used by policy makers and businesses to ensure that innovative financial products are beneficial to consumers and SMEs and improve their financial wellbeing. A good example for this work is the G20/OECD INFE report *Ensuring Financial Education and Consumer Protection for All in the Digital Age*, which was published in 2017 (see Action Area 7).

The main output of the **Markets and Payment Systems Subgroup** in this area is the 2015 Stocktaking Report on *Innovative Digital Payment Mechanisms Supporting Financial Inclusion* (see Indicator 10.1). The report on *The Use of Remittances and Financial Inclusion* (see Indicator 10.3 and 10.4) will have a long term impact toward increased attention for the topic of remittances. The report has been the backbone of an advocacy campaign geared toward the consideration of the United Nations General Assembly for adoption of the International Day of Family Remittances (IDFR). The first IDFR was celebrated on 16 June 2015, and one of its goals is to support private-sector initiatives that provide innovative financial products.

b)... developed guidance or promoted the uptake of policies and services, which effectively promote women's economic empowerment;

The **SME Finance Subgroup** since 2015 appointed Women's World Banking and the Global Banking Alliance for Women as affiliated partners of the Subgroup and cooperated with the WBG's Women, Business and the Law program to incorporate the views of key stakeholders. The Subgroup raised awareness of gender gaps in SME access to finance in many of its activities. The SME Finance Subgroup and the GPGI as a whole contributed to a compendium on *Mainstreaming Gender and Targeting Women in Inclusive Insurance*, which was published by GIZ (on behalf of BMZ), Women's World Banking and the IFC in 2017. The compendium aims to orient the various stakeholders by identifying potential entry points for gender-sensitive insurance approaches and proposing ways for implementing those more effectively.

The **Regulation and SSB Subgroup** promoted women's economic empowerment as part of its underlying objective to expand the offer, access and usage of digital financial services to excluded and underserved customers. The 2016 GPGI White Paper entails reference to specific regulatory considerations that are of particular importance in the context of expanding women's financial

inclusion. Further issues arose in the discussions during the Third GPF Conference on SSBs and Innovative Financial Inclusion.

A major achievement of the **FCPFL Subgroup** in this area is a widely read report on *Digital Financial Solutions to Advance Women's Economic Participation*, which was published in 2015. The FCPFL Subgroup, in cooperation with the Markets and Payment Systems Subgroup, requested the Better Than Cash Alliance, Bill and Melinda Gates Foundation, Women's World Banking and the WBG to prepare the report. Furthermore, the *International Survey of Adult Financial Literacy Competencies* by the OECD/INFE, collects gender disaggregated data to analyze gender differences in financial literacy.

Building on the 2015 report *Digital Financial Solutions to Advance Women's Economic Participation*, the **Markets and Payment Systems Subgroup** included consideration of women's economic participation in its contribution to the 2016 update of the *Digital Financial Inclusion Indicators* (see part c of the results framework). Furthermore, the Subgroup promoted the inclusion of a clear commitment on women's economic participation in the *G20 High-Level Principles for Digital Financial Inclusion*.

c)... supported efforts to achieve further data harmonization and use in policy making;

All Subgroups contributed to the development of the update of the *Financial Inclusion Indicators* in 2016 (see Additional G20 Commitments, Digitization). The inclusion of indicators to measure access to digital infrastructure and the quality of regulations further increases the policy relevance of the instrument, thus contributing to greater use in policy making. Furthermore, the indicators integrate data of a number of existing surveys (i.e., different surveys from the World Bank, OECD, the IMF and Gallup) and thus avoid creating redundant data.

The **SME Finance Subgroup** has engaged in this area through its Implementing Partners. In 2015, the Alliance for Financial Inclusion's SME Finance Working Group has agreed a "base set" of SME finance indicators that its 41 member countries will try to monitor on an annual basis, or as frequently as possible. The base set draws on the G20 Financial Inclusion Indicators, the OECD Scoreboard and the AFI Core Set in order to avoid redundancies. The SME Finance Forum worked with AFI and the OECD to harmonize the base set and the OECD Scoreboard by using a common data pool for as many countries as possible. Nevertheless, further data harmonization and coordination efforts are needed. To provide a basis for this, the GPF's SME Finance Subgroup will develop a stocktaking report to give an overview of existing and planned multilateral initiatives in data collection on SME finance in 2017.

The **Regulation and SSB Subgroup** has not engaged in this area.

In 2015, the **FCPFL Subgroup** commissioned the WBG to update its *Global Mapping of Financial Consumer Protection & Financial Literacy Initiatives* (see Action Area 6). This mapping was an important first step toward greater data harmonization, as it provides an overview of existing financial literacy and consumer protection data initiatives from various international organizations. OECD/INFE updated their *Toolkit for Measuring Financial Literacy and Financial Inclusion*. The standardized methodology fosters data harmonization and allows countries to benchmark themselves against other economies. Using the toolkit, a first worldwide report on financial literacy, which covers 30 countries, was released in 2016.

The **Markets and Payment Systems Subgroup** was particularly active in the 2016 update of the *Financial Inclusion Indicators*. It developed additional indicators to monitor the existence and use of payment ecosystems. Most of the indicators generate data that is disaggregated by age, income and gender. The agreed indicators will enable individual countries to take a common approach to assess and monitor progress on developing inclusive payments.

d)... worked with the private sector to identify and address challenges to increasing access to financial services and promoting new approaches consistent with the G20 Principles for Innovative Financial Inclusion;

Private-sector engagement is a core area of work of the **SME Finance Subgroup**. A key output of the Subgroup is the private-sector engagement strategy, which was finalized in 2015. The strategy aims to systematically scale-up the engagement of all GPFIs work streams with the private sector to deliver innovative financial inclusion solutions. In accordance with the private-sector engagement strategy, the Subgroup engaged with the Business 20 (B20) engagement group and invites private-sector representatives to its meetings. In addition, the SME Finance Forum enables further outreach to its members from the private sector.

The **Regulation and SSB Subgroup** has engaged with private-sector actors in its work to inform and support the work of the SSBs and other global bodies relevant to financial inclusion, as well as country-level policy makers who apply SSB standards and guidance. The emphasis has been on engagement that provides the SSBs and other global bodies with the understanding that they need to develop standards and guidance that promote enabling and protective policy at the country level.

The **FCPFL Subgroup** engaged with the private sector through its Implementing Partners. The OECD/INFE finalized its *Guidelines for Private and Not-for-Profit Stakeholders in Financial Education* in November 2014. Furthermore, the IFC launched the Responsible Finance Forum web platform in 2014, to foster public-private sector collaboration in advancing responsible finance and financial inclusion.

The **Markets and Payment Systems Subgroup** has included guidance for the private sector in its reports on (i) the Use of Remittances, (ii) the G20 Survey on De-Risking Activities and (iii) Innovative Digital Payment Mechanisms. The first report was also endorsed by 85 MTOs at the International Day of Family Remittances in 2016. Furthermore, the reports on *Innovative Digital Payment Mechanisms* and *Digital Financial Solutions to Advance Women's Economic Participation*¹⁵, were drafted with private sector engagement and included multiple and extensive reference to private sector innovations that are driving financial inclusion, consistent with the *G20 Principles for Innovative Financial Inclusion*.

At the GPFIs meetings in Antalya and Chengdu, the Markets and Payment Systems Subgroup ensured the private sector was included in all the discussions it led. In addition, the Implementing Partner Better Than Cash Alliance facilitated private sector engagement by involving its private sector members in the Subgroup work.

e)... reached out to non-G20 countries to include their voices and experiences in their work programs and effectively promoted the work of the GPFIs.

In general, as per the GPFIs Terms of Reference, interested non-G20 countries are invited to become members of the GPFIs: Non-G20 countries are welcome to express their interest in becoming an Affiliated Country of the GPFIs; acceptance being subject to non-objection by any GPFIs Member Countries.

Outreach to non-G20 countries is also ensured through the annual GPFIs Forum.

All the GPFIs reports and documents mentioned in this report address non-G20 countries as well as G20 countries.

The **SME Finance Subgroup** reached out to non-G20 countries by organizing two events in 2015: the G20 SME Finance Compact (LIDCs Outreach Event) and the GPFIs Workshop on Financing Entrepreneurship-Innovative Solutions in June. Countries and regions that were represented through

¹⁵ The Markets and Payment Systems subgroup supported this publication of the FCPFL subgroup.

active speakers include: Malaysia, the Netherlands, Oman, Jordan, Spain, Kenya, United Arab Emirates, Palestine, Hong Kong SAR, Israel, Paraguay, Peru and Ghana.

In addition, the Implementing Partners – AFI, the SME Finance Forum and the OECD – integrated the perspectives of their networks and their non-G20 members in the work of the Subgroup.

The following non-G20 countries participated in the Subgroup’s work: Malaysia, the Netherlands and Switzerland.

The **Regulation and SSB Subgroup** organized the October 2016 GPFI SSBs conference, which featured the experiences of non-G20 countries (including Tanzania, Kenya, Bangladesh, Portugal, Ghana, Armenia, the Philippines, the Netherlands, Switzerland and Ireland) with innovations in digital financial inclusion. The Subgroup also encouraged the active participation of EMDEs in outreach activities of the SSB (see section IV, SDG Indicator 10.6).

The following non-G20 countries participated in the Subgroup’s work: Kenya, the Netherlands, Peru, the Philippines and Switzerland.

The **FCPFL Subgroup** reached out to non-G20 countries through its Implementing Partners. The OECD/INFE started two initiatives in 2016: a technical assistance project on financial literacy in the Commonwealth of Independent States supported by the Ministry of Finance of the Russian Federation, and a regional center on financial literacy and education in Latin America and the Caribbean in collaboration with the Securities Commission of Brazil (CVM). The WBG conducted training programs for FCPFL supervisors and regulators as part of the capacity-building activities in 2015. Furthermore, the OECD/INFE organized two global outreach events per year.

The following non-G20 countries participated in the Subgroup’s work: Czech Republic and Spain

The **Markets and Payment Systems Subgroup** ensured that experiences from non-G20 countries were discussed in the panels on innovation and on de-risking it organized at the July 2016 GPFI Forum. The panelists, which included the Commonwealth Secretariat, the remittance company Click Ex as well as Implementing Partners AFI and the Better than Cash Alliance, presented examples from several non-G20 countries. In addition, the Markets and Payment Systems Subgroup engaged with the Commonwealth Secretariat, which has developed a de-risking report as part of its G20 outreach activities in 2015.

The following non-G20 countries participated in the Subgroup’s work: the Netherlands and Switzerland

Additional G20 commitments

Since the adoption of the 2014 FIAP, additional financial inclusion-related G20 commitments have focused on the areas remittances, digitization and SME finance. GPFI contributions to selected commitments¹⁶ are outlined below.

Remittances

G20 commitments

- “Our G20 National Remittance Plans developed this year include concrete actions towards our commitment to reduce the global average cost of transferring remittances to five percent with a view to align with the SDGs and Addis Ababa Action Agenda. We are promoting financial inclusion by helping to open up access to payments, savings, credit and other services. We welcome the continued work on financial inclusion within the Global

¹⁶ For a complete list of additional financial inclusion commitments, see Annex A.

Partnership for Financial Inclusion (GPII)” (G20 Leaders' Communiqué of the Antalya Summit, Turkey, 16 November 2015)

- “The G20 remains committed to National Remittances Plans as an important step towards helping to reduce the transaction cost of migrant remittances to less than 3 per cent and eliminate remittance corridors with costs higher than 5 per cent (SDG 10, AAAA para 40) and addressing the potential negative impact of risk re-evaluation by financial institutions, commonly known as “de-risking” (G20 Action Plan on the 2030 Agenda for Sustainable Development)
- “We will continue to address, through the FSB-coordinated action plan, the decline in correspondent banking services so as to support remittances, financial inclusion, trade and openness” (G20 Leaders' Communiqué of the Hangzhou Summit, 5 September 2016)
- “To further improve the environment for remittances, we support progress made by the GPII with regard to facilitating remittances, including by promoting actions and policies that could lower their costs. We look forward to an update of National Remittances Plans by the end of 2017. Furthermore, we welcome joint efforts of FATF, FSB and GPII to clarify in a dialogue with the private sector any specific issues relating to remittance providers, including their access to banking services, and report back to us on it by July 2017. We also ask all relevant stakeholders, including IOs, to continue to support countries in building domestic capacity to improve the supervisory environment for remittances and correspondent banking, notably through technical assistance.” (Communiqué of the G20 Finance Ministers and Central Bank Governors Meeting, 18 March 2017, Baden-Baden, Germany)

GPII contributions

Action Area 8 “Help to analyze and consider ways to address the MTO bank account closure issue”, Action Area 9 “Reduce the cost of sending remittances” and Action Area 10 “Expand opportunities for innovative technologies to grow responsible financial inclusion” target issues affecting affordable and accessible remittance flows. Under Action Area 8, the Markets and Payment Systems Subgroup delivered a *Survey on De-Risking Activities in the Remittance Market* in 2015. Furthermore, the Subgroup engaged in arranging meetings and workshops with key stakeholders to explore solutions for this issue. Under Action Area 9, the Markets and Payment Systems Subgroup supported the implementation of the *G20 Plan to Facilitate Remittance Flows* and monitored *G20 National Remittance Plans*. In 2017, the Subgroup, in collaboration with the Regulation and SSB Subgroup, started to work with the FATF and the FSB to set up public-private workshops to deepen the exchange on improving the environment for remittances. Under Action Area 10, the Subgroup identified policy options and implementation approaches to increase the development impact of remittances in the receiving country.

Digitization

G20 commitments

- “Financial inclusion and remittances activities in the G20, focusing on providing full and equal access to formal financial services for all, enhancing financial literacy and education and consumers protection, promoting digital financial inclusion, and reducing the cost of transferring remittances, help reduce poverty and inequality (SDG 1,10) and foster inclusive growth (SDG 8, AAAA paras 39, 40).” (G20 Action Plan on the 2030 Agenda for Sustainable Development)

- “We endorse the G20 High-level Principles for Digital Financial Inclusion, the updated version of the G20 Financial Inclusion Indicators and the Implementation Framework of the G20 Action Plan on SME Financing. We encourage countries to consider these principles in devising their broader financial inclusion plans, particularly in the area of digital financial inclusion, and to take concrete actions to accelerate progress on all people’s access to finance.” (G20 Leaders' Communiqué of the Hangzhou Summit, 5 September 2016)
- “We ask the Global Partnership for Financial Inclusion, working with relevant organizations, to report back to us in 2017 on the actions being taken to promote digital financial inclusion at the country level.” (Communiqué of the G20 Finance Ministers and Central Bank Governors Meeting 23–24 July 2016, Chengdu, China)
- “We encourage an adequate coverage of opportunities and challenges of digital financial inclusion in the updated G20 Financial Inclusion Action Plan. We encourage G20 and non-G20 countries to take steps to implement the G20 High- Level Principles for Digital Financial Inclusion. We emphasize the importance of enhancing financial literacy and consumer protection given the sophistication of financial markets and increased access to financial products in a digital world and welcome related OECD/INFE work.” (Communiqué of the G20 Finance Ministers and Central Bank Governors Meeting, 18 March 2017, Baden-Baden, Germany)

GPFI contributions

Two key GPFI outputs to promote digital financial inclusion were endorsed by Leaders in 2016: (i) The *G20 High-Level Principles on Digital Financial Inclusion*, which serve as a catalyst for the G20 to adopt digital approaches to promote financial inclusion. The principles are action-oriented and foster implementation by providing several examples of action along with each principle. (ii) The update of the *Financial Inclusion Indicators* to reflect the proliferation of digital financial services. The updated indicators measure both the use of digital payments and access to digital infrastructure, covering a wide range of payment instruments, transmission methods and use cases. All Subgroups contributed to these two achievements but also promoted digital financial inclusion by other means. For example, the Stocktaking Report *Innovative Digital Payment Mechanisms Supporting Financial Inclusion* is a 2015 output of the Markets and Payment Systems Subgroup. In addition, the 2016 GPFI White Paper on *Global SSB and Financial Inclusion* has a strong focus on digital financial inclusion. The G20, the OECD and its INFE cover consumer protection aspects of digital financial inclusion in the publication on *Ensuring Financial Education and Consumer Protection for All in the Digital Age* (see Action Area 7). The 2017 FIAP reviews opportunities and challenges of digital financial inclusion and analyzes the implication for the future work of the GPFI.

The following first steps to support countries in implementing the *G20 High-Level Principles for Digital Financial Inclusion* have been taken:

- The G20 report on *Emerging Policy Approaches to Digital Financial Inclusion* has been endorsed by Finance Ministers and Central Bank Governors, April 2017
- A stocktaking report on *Alternative Data Transforming SME Finance* has been endorsed by the GPFI, June 2017
- The G20 conference “Digitizing Finance, Financial Inclusion and Financial Literacy” in January 2017 discussed recent developments and policy recommendations in that area of work.
- A report on the level of financial literacy in G20 countries using the OECD/INFE toolkit for measuring financial literacy and financial inclusion has been conceptualized. The report will serve as a starting point to foster research on the effectiveness and impact of financial literacy programs, also with regard to digital financial inclusion.

- The GPF *Guidance Note on Building Inclusive Digital Payments Ecosystems* was endorsed in June 2017.
- The GPF has supported the 8th Responsible Finance Forum “Opportunities and Risks in Digital Financial Services, Consumer Protection and Data Privacy” in April 2017.
- The Markets and Payment Systems Subgroup will incorporate the *G20 High-Level Principles for Digital Financial Inclusion* in the update of the *National Remittance Plans* in 2017 (see Action Area 9).
- The SME Finance Subgroup continues its support for country-level actions to implement the *G20 High-Level Principles for Digital Financial Inclusion*. Within this work stream, the Subgroup aims to ensure that the SME dimensions are considered in guiding country-level actions implementing the principles.
- The FCPFL Subgroup expects several studies on digital aspects of FCP and FL from Implementing Partners: the OECD, the INFE and the Consultative Group to Assist the Poor (CGAP). Furthermore, it started working on the operationalization of *G20 High-Level Principles for Digital Financial Inclusion* through strategic initiatives. It will share emerging good practices and solutions through responsiblefinanceforum.org.
- The Regulation and SSB Subgroup continues its encouragement of joint activities on themes of relevance to multiple SSBs, including new challenges posed by digital delivery and new technology-based approaches to mitigating privacy and data-protection risks. Furthermore, it plans to contribute a regulation and standard-setting perspective in the process of identifying effective approaches to implementation of *G20 High-Level Principles for Digital Financial Inclusion*.
- The second day of the GPF Forum 2017 facilitated discussions on three panels covering different aspects of the topic under the heading “Digital Financial Inclusion – Which Road Will We Take?”.

SME Finance

G20 commitments

- “We recognize the potential to facilitate financial intermediation for SMEs including by improving systems for credit reporting, lending against movable collateral, and insolvency reforms.” (G20 Finance Ministers and Central Bank Governors, Ankara, 5 September 2015)
- “We also support policies that encourage firms of all sizes, in particular women and youth entrepreneurs, women-led firms and SMEs, to take full advantage of global value chains (GVCs), and that encourage greater participation, value addition and upward mobility in GVCs by developing countries, particularly low-income countries (LICs).” (G20 Leaders' Communiqué of the Hangzhou Summit, 5 September 2016)
- “We support the work of the Global Partnership for Financial Inclusion (GPF) to advance financial inclusion, especially of vulnerable groups, and Small and Medium-sized Enterprises' (SMEs) participation in sustainable global value chains. [...] We welcome the progress made on the implementation of the G20 Action Plan on SME Financing and commit to further significant progress in improving the environment for SME Financing while continuing to encourage non-G20 countries to join this effort.” (Communiqué of the G20 Finance Ministers and Central Bank Governors Meeting, 18 March 2017, Baden-Baden, Germany)

GPF contribution

The SME Finance Subgroup developed the *G20 Action Plan on SME Financing* (jointly with the IIWG) in 2015 and the respective *Implementation Framework* in 2016. The framework enables countries to benchmark themselves against international good practices, as a first step to accelerate and replicate

successful policy reforms. The key assessment criteria are credit reporting systems, secured transactions and moveable collateral registries as well as insolvency regimes. A first baseline report consolidating the self-assessments of the G20 countries was conducted in 2017 under the German Presidency.

Innovations and success factors in financing agricultural value chains were presented in the 2015 GPFi synthesis report *New Trends in Agricultural Finance*. Furthermore, “Financial Services for SMEs in Sustainable GVCs” are a focus area of the SME Finance Subgroup in 2017. The stocktaking study on *Leveraging Financial Services for SMEs in Sustainable Global Value Chains* will be finalized in 2017 (see Action Area 1).

IV The GPFi’s Contribution to the SDGs

Financial inclusion is highly relevant for the achievement of several SDGs¹⁷. The 2014 FIAP was published before the adoption of the 2030 agenda in 2015. Nevertheless, activities under this FIAP can be attributed to the SDGs. The GPFi substantially contributed to the following SDGs: 1, 2, 5, 8, 9, 10 and 16.

SDG 1: End poverty in all its forms everywhere

1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.

All Subgroups contributed to the update of the *Financial Inclusion Indicators* and the development of the *G20 High-Level Principles for Digital Financial Inclusion*. These principles promote a digital approach to financial inclusion, thus contributing toward access to new technology, as well as to financial services. The updated indicators ensure that the digital dimension of financial inclusion can be adequately measured.

The **SME Finance Subgroup** engaged in improving SME access to finance by accelerating the industry’s learning (see Action Area 2) and improving the enabling environment for innovation (see Action Areas 1 and 3). The Subgroup presented a growing body of evidence that suggests SME access to finance has broader development impacts, for example through increased job creation.

The **Markets and Payment Systems Subgroup** also presented an empirically backed finding in the report on *The Use of Remittances and Financial Inclusion*: Remittances foster development on a national, regional and household level. In addition, recent robust academic research shows that creating an inclusive digital financial ecosystem helps to reduce poverty.¹⁸ The Subgroup’s remittance-related activities (see Action Areas 8 and 9) and its activities relating to new (digital) technologies as drivers of financial inclusion (see Action Area 10) support the achievement of the poverty reduction goal.

¹⁷ For an overview see the report on *Achieving the Sustainable Development Goals – The Role of Financial Inclusion* by CGAP and UNSGSA

¹⁸ Suri and Jack in their 2016 study on *Long-Run Poverty and Gender Impacts of Mobile Money* estimate that access to the Kenyan mobile money system M-PESA increased per capita consumption levels and lifted 2% of Kenyan households out of poverty.

The main activities of the **Regulation and SSB Subgroup** entail the promotion of proportionate regulatory and supervisory frameworks for inclusive financial services (see Action Area 4) and fostering their implementation (see Action Area 5). Such frameworks enable the expansion of financial services to previously excluded parts of the population.

The **FCPFL Subgroup** contributes toward ensuring that new financial technologies are adequate, in the sense that they benefit consumers as well as SMEs and increase their financial wellbeing (see Action Areas 6 and 7).

SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture

2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.

Through its *Synthesis Report on Innovations in Agricultural Finance*, the **SME Finance Subgroup** expanded knowledge of successful innovations in SME agricultural finance, which is a critical element to improving small-farm productivity, sustainability and profitability (see Action Area 1).

The **Regulation and SSB Subgroup** supports the work of the International Association of Insurance Supervisors (IAIS) (conducted in cooperation with the World Bank) in the area of index-based insurance and supports increased dialogue between policymakers and insurance supervisors on the use of insurance as a risk mitigation tool for concerns relating to food security. Index-based insurance can be used as a tool to promote agricultural and rural development by helping households, financial service providers (FSPs) and input suppliers manage low-to-medium-frequency covariate risks such as drought or excess rainfall.

SDG 5: Achieve gender equality and empower all women and girls

5.a Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws¹⁹

The **SME Finance Subgroup** raised awareness of gender gaps in SME access to finance. Furthermore, it integrated key organizations representing the interests of women in banking into the work of the GPFI.

The **Markets and Payment Systems Subgroup** included consideration of women's economic participation in its contribution to the *G20 High-Level Principles for Digital Financial Inclusion* and the update of the digital *Financial Inclusion Indicators* in 2016. Furthermore, it supported the FCPFL publication on *Digital Financial Solutions to Advance Women's Economic Participation*.

The **Regulation and SSB Subgroup** promoted women's economic empowerment as part of its underlying objective to expand the offer, access and usage of digital financial services to excluded and underserved customers.

The **FCPFL Subgroup** contributed to this target through its study on the *Digital Financial Solutions to Advance Women's Economic Participation*.

¹⁹ For a more detailed overview of subgroup activities in this field, see part b of the results framework.

SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services

The **SME Finance Subgroup** contributed to this target through its activities to accelerate and replicate successful policy reforms (see Action Area 1). Furthermore, it engaged in supporting the SME finance compact, which promotes policy reforms in LIDC (see Action Area 3).

The **Markets and Payment Systems Subgroup** contributed to this target by analyzing policy options to further support digital financial inclusion and to counter the de-risking issue (see Action Areas 10 and 8). In addition, it provided technical input to National Remittance Plans (see Action Area 9).

The promotion of proportionate regulatory and supervisory frameworks by the **Regulation and SSB Subgroup** fosters the expansion of financial services to support productive activities, including those of SMEs.

The **Financial Consumer Protection and Financial Literacy Subgroup** also engages in this area. In 2015, it received a progress report on *Financial Education for MSMEs and Potential Entrepreneurs* from OECD/INFE.

8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training

The **SME Finance Subgroup** contributed to these targets through the establishment of the Ye! Community, which supports young entrepreneurs to sustain their livelihoods and generate employment (see Action Area 3). Furthermore, since 2015, CYFI has been an affiliated partner of the Subgroup.

8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all

The **FCPFL Subgroup** contributed to this target through the capacity-building work of Implementing Partners (see part e of the results framework).

SDG 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets

All activities of the **SME Finance Subgroup** contribute toward this target (see Action Areas 1-3). Regular updates of the IFC's Enterprise Finance Gap statistics ensure adequate progress measurement in this area.

The promotion of proportionate regulatory and supervisory frameworks by the **Regulation and SSB Subgroup** fosters the expansion of financial services to support productive activities, including those of SMEs, including in the infrastructure sector.

The **Markets and Payments Subgroup** contributed towards this SDG through its 2015 Stocktaking Report on *Innovative Digital Payment Mechanisms Supporting Financial Inclusion* and the 2017

Guidance Note on Building Inclusive Digital Payments Ecosystems. Both publications report on and foster innovation.

SDG 10. Reduce inequality within and among countries

10.5 Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations

The main activities of the **Regulation and SSB Subgroup** contribute toward this target (see Action Areas 4 and 5).

The **SME Finance Subgroup's** main contribution toward this target was the development of the *G20 Action Plan on SME Financing and its Implementation Framework*, which promote credit market infrastructure reforms (see Action Area 1).

*10.6 Ensure enhanced representation and voice for developing countries in decision-making in global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions*²⁰

The **Regulation and SSB Subgroup** encouraged the active participation of EMDEs in outreach activities of SSBs. Outreach activities include those of the financial inclusion work stream of the Basel Consultative Group (the outreach arm of the BCBS) and those of the IADI Subcommittee on Innovation and Financial Inclusion.

10.c By 2030, reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent

The **Markets and Payment Systems Subgroup** focuses on reducing the transaction costs of remittances. All activities described under Action Areas 8 and 9 contribute toward this target. In addition, under Action Area 10 a report on *The Use of Remittances and Financial Inclusion* was developed.

In coordination with the Markets and Payment Systems Subgroup, the **Regulation and SSB Subgroup** engaged in remittance-related policy considerations. In the 2016 GPFI White Paper on *Global SSB and Financial Inclusion*, remittance issues play a large role, and the related phenomenon of de-risking is addressed as a cross-cutting issue.

Furthermore, the **SME Finance Subgroup** contributed to this target by fostering the active participation of remittance FinTechs in G20 discussions, with the aim of promoting increased mutual understanding and a constructive dialogue.

SDG 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

The **Regulation and SSB Subgroup** focuses on contributing to the establishment of inclusive regulatory and supervisory authorities as pillars of inclusive financial sectors (see Action Area 4).

²⁰ For details on the outreach activities of the GPFI itself, see part e of the Results Framework.

V Future Work

Since 2014, the GPFi has made considerable progress. Building on the achievements made and taking into account the rapid expansion of digital financial services as well as the adoption of the 2030 Agenda, a new FIAP has been agreed by the GPFi and proposed for endorsement by Leaders at the G20 Summit in Hamburg. The GPFi has identified four key drivers that will set the stage for continuing the progress in achieving financial inclusion under the 2017 G20 FIAP: (1) recognition of the 2030 Agenda for Sustainable Development as the overarching framework for sustainable development globally; (2) the rapid development and penetration of digital innovations; (3) increased attention to the importance of responsible access and usage of financial services to the poor, strengthening the focus on vulnerable groups; and (4) the mainstreaming of financial inclusion alongside other financial sector development goals of stability, integrity and consumer protection.

The 2017 G20 FIAP covers three components of highest priority: (a) overarching GPFi objectives; (b) action areas covering the work of the four GPFi Subgroups; and (c) a set of cross-cutting issues across the Subgroups. The 2017 G20 FIAP accountability mechanism is provided in the form of its results framework, a tool to keep GPFi leadership, members, and Implementing Partners focused on targeted measures to implement the 2017 G20 FIAP. This accountability mechanism will help the GPFi to better communicate GPFi achievements to the G20 and beyond by aligning it with the 2030 Agenda, optimize the GPFi's value, and provide continuity from G20 Presidency to Presidency.

The Subgroups continue their activities and will align their work plans with the 2017 G20 FIAP after its endorsement.

The **SME Finance Subgroup** will continue to use the *G20 Action Plan on SME Financing* and the respective *Implementation Framework* as key guiding documents for its activities over the next three years (see Action Area 1 for the priority areas outlined in both documents). The cross-cutting issues outlined in the results framework, as well as agricultural finance and the financial inclusion of youth, will remain important fields of work. The integration of SMEs in Sustainable Global Value Chains and the financial inclusion of forcibly displaced persons are new fields of work that will be continued in the following years. In addition to reaching out to non-G20 countries, the Subgroup will include the views of various stakeholders in its work by establishing or intensifying dialogue with the G20 engagement groups such as Business 20, Women 20, Think 20, Youth 20, Labor 20 and Civil 20.

The **Regulation and SSB Subgroup** will use the groundwork set in 2016 through the publication of the 2016 *GPFi White Paper* and the organization of the Third GPFi SSBs Conference to guide its future work. It will continue to mainstream financial inclusion in the work of SSBs and other global bodies, putting a focus on encouraging joint work among the SSBs. Efforts in the promotion of incorporating financial inclusion in financial sector assessments will be intensified. In addition, the Subgroup will continue its support in the area of regulation and standard-setting for the overarching actions of the GPFi and for the work of other GPFi Subgroups (notably the Markets and Payment Systems Subgroup).

The **Financial Consumer Protection and Financial Literacy Subgroup** will continue to improve the capacity of public authorities and other relevant stakeholders to develop and implement FCPFL programs. To strengthen evidence-based policy making, the Subgroup will include the rigorous evaluation of measures in its capacity-building efforts. Efforts to promote consumer protection and financial education good practices for financial services and products will be continued but broadened to include existing as well as emerging technologies. The Subgroup will continue to encourage and support FCPFL efforts that target the poor, with an emphasis on vulnerable groups,

including women, youth, migrants, the elderly, people living in rural and remote areas, and forcibly displaced persons.

The **Markets and Payment Systems Subgroup** will continue its work to reduce the cost of sending remittances, including its contribution in addressing the MTO bank account closure. This work directly contributes to SDG 10 (see above), and the Subgroup plans to analyze how the digitization of payments contributes towards furthering other SDGs as well. The Subgroup will focus on emerging technologies and business models, thereby incorporating strong links to market-based approaches through engagement with financial service providers. Further stakeholder involvement will include G20 groups (such as the Development Working Group), Implementing Partners, non-G20 countries and the private sector, as appropriate. The Subgroup will also continue to work in close collaboration with other GPFI Subgroups, particularly the Regulation and SSB Subgroup (see above).

Annex A: G20 Financial Inclusion Commitments

The Brisbane Summit, 16 November 2014

Leaders Declaration

11. We are committed to poverty eradication and development, and to ensure our actions contribute to inclusive and sustainable growth in low -income and developing countries. We commit to take strong practical measures to reduce the global average cost of transferring remittances to five per cent and to enhance financial inclusion as a priority.

Agreed documents

- 2014 Financial Inclusion Action Plan, November 2014
- G20 Plan to Facilitate Remittance Flows

Finance Ministers, September 2014

5. [...] We encourage the World Bank Group and regional and national development banks to continue to optimise balance sheet utilisation. The implementation mechanism for the Initiative will be announced by our Leaders in November and will make best use of existing capabilities and institutions. To support the Initiative, we have agreed on a set of voluntary Leading Practices to promote and prioritise quality investment, particularly in infrastructure, and will develop effective approaches for their implementation, including through model documentation. This will complement our continuing work to facilitate long-term financing from institutional investors, including through implementation of the agreed G20/OECD principles, and voluntary use of new effective approaches and the related checklist. Furthermore, work is currently underway to improve the transparency and functioning of securitisation markets which will promote financing, including for SMEs. We welcome the work of the World Bank Group to develop the Global Infrastructure Facility which provides a platform for collaboration between development banks and the private sector to lift quality infrastructure investment in emerging markets and developing economies

The Antalya Summit, 16 November 2015

Leaders Declaration

9. To provide a strong impetus to boost investment, particularly through private sector participation, we have developed ambitious country-specific investment strategies, which bring together concrete policies and actions to improve the investment ecosystem, foster efficient and quality infrastructure, including by the public sector, support small and medium sized enterprises (SMEs), and enhance knowledge sharing. Analysis by the OECD indicates that these strategies would contribute to lifting the aggregate G20 investment to GDP ratio, by an estimated 1 percentage point by 2018.

10. To improve our investment preparation, prioritization and execution processes, we have developed guidelines and best practices for public-private-partnership (PPP) models. We also considered alternative financing structures, including asset-based financing, and simple and transparent securitization to facilitate better intermediation for SMEs and infrastructure investment. Going forward, we call on our Ministers to continue their work to improve the investment ecosystem, promote long-term financing, foster institutional investors' involvement, support the development of alternative capital market instruments and asset-based financing models, and encourage Multilateral Development Banks (MDBs) to mobilize their resources, optimize their

balance sheets, and catalyze private sector funding. We are advancing efforts and developing toolkits to unlock the ways and means for countries to better prepare, prioritize and finance infrastructure projects. We expect the Global Infrastructure Hub to make a significant contribution towards these endeavors. To help ensure a strong corporate governance framework that will support private investment, we endorse the G20/OECD Principles of Corporate Governance. **We have placed a special focus on promoting long-term financing for SMEs, and we welcome the Joint Action Plan on SME Financing, the G20/OECD High-Level Principles on SME Financing as guidance, and the establishment of the private sector-led World SME Forum, a new initiative that will serve as a global body to facilitate the contributions of SMEs to growth and employment.**

11. [...] Inclusive Global Value Chains (GVCs) are important drivers of world trade. We support policies that allow firms of all sizes, particularly SMEs, in countries at all levels of economic development to participate in and take full advantage of GVCs and encourage greater participation and value addition by developing countries. [...]

20. Our work this year supports key areas for sustainable development such as energy access, food security and nutrition, human resource development, quality infrastructure, financial inclusion and domestic resource mobilization. We endorse the G20 Action Plan on Food Security and Sustainable Food Systems, which underlines our commitment to improve global food security and nutrition and ensure the way we produce, consume and sell food is economically, socially and environmentally sustainable. We remain focused on promoting responsible investment in agriculture and food systems, improving market transparency, increasing incomes and quality jobs, and fostering sustainable productivity growth. We will pay particular attention to the needs of smallholder and family farmers, rural women and youth. [...]

21. The private sector has a strong role to play in development and poverty eradication. Through our G20 Call on Inclusive Business we stress the need of all stakeholders to work together in order to promote opportunities for low income people and communities to participate in markets as buyers, suppliers and consumers. Our G20 National Remittance Plans developed this year include concrete actions towards our commitment to reduce the global average cost of transferring remittances to five percent with a view to align with the SDGs and Addis Ababa Action Agenda. We are promoting financial inclusion by helping to open up access to payments, savings, credit and other services. We welcome the continued work on financial inclusion within the Global Partnership for Financial Inclusion (GPII)

Agreed documents

- GPII Private Sector Engagement Strategy
- GPII 2015 Progress Report
- Digital Financial Solutions to Advance Women's Economic Participation
- Synthesis Report on Innovations in Agricultural Finance
- OECD/INFE Core Competencies Framework on Financial Literacy for Youth
- OECD/ INFE Policy Handbook on the Implementation of National Strategies for Financial Education
- Financial Education for Migrants and Their Families: OECD/INFE Policy Analysis and Practical Tools
- OECD/INFE Progress Report on Financial Education for MSMEs and Potential Entrepreneurs
- Consultation Document for Second Edition of GPII White Paper on Standard-Setting Bodies and Financial Inclusion
- G20 Survey on De-risking Activities in the Remittance Market

- The Use of Remittances and Financial Inclusion
- Innovative Digital Payment Mechanisms Supporting Financial Inclusion Stocktaking Report
- Report on SME Finance Compact Workshop
- G20 Action Plan on SME Financing: Joint Action Plan of G20 GPFII SME Finance Subgroup and IIWG

Finance Ministers, September 2015

5. Boosting investment is a top priority for us. To this end, we have prepared country-specific investment strategies that present concrete actions in order to improve the investment ecosystem, foster efficient infrastructure investment and support financing opportunities for SMEs. [...]

7. [...] We recognize the potential to facilitate financial intermediation for SMEs including by improving systems for credit reporting, lending against movable collateral, and insolvency reforms. We welcome the progress on the G20/OECD High-Level Principles on SME financing and the establishment of the private sector-led World SME Forum, a new initiative to serve as a global body to drive the contributions of SMEs to growth and employment.

Issues for further action

“We look forward to the finalization of the Joint Action Plan on SME Financing by the Investment and Infrastructure Working Group and the G20 Global Partnership for Financial Inclusion.”

The Hangzhou Summit, 5 September 2016

Leaders Declaration

13. To seize the opportunity that the new industrial revolution (NIR) presents for industry, particularly manufacturing and related services, we deliver the G20 New Industrial Revolution Action Plan. We commit to strengthen communication, cooperation and relevant research on the NIR, facilitate small and medium-sized enterprises (SMEs) to leverage benefits from the NIR, address employment and workforce skill challenges, encourage more cooperation on standards, adequate and effective IPR protection in line with existing multilateral treaties to which they are parties, new industrial infrastructure, and support industrialization, as committed in the action plan. [...]

14. To unleash the potential of digital economy, we deliver the G20 Digital Economy Development and Cooperation Initiative, which builds on our work begun in Antalya. We aim to foster favorable conditions for its development and to address digital divide, including through expanded and better and affordable broadband access, flow of information for economic growth, trust and security, while ensuring respect for privacy and personal data protection, investment in the ICT sector, entrepreneurship, digital transformation, e-commerce cooperation, enhanced digital inclusion and development of micro, small and medium-sized enterprises (MSMEs). [...]

18. Building an open and resilient financial system is crucial to supporting sustainable growth and development. To this end, we remain committed to finalizing remaining critical elements of the regulatory framework and to the timely, full and consistent implementation of the agreed financial sector reform agenda, including Basel III and the total-loss-absorbing-capacity (TLAC) standard as well as effective cross-border resolution regimes. We reiterate our support for the work by the Basel Committee on Banking Supervision (BCBS) to finalize the Basel III framework by the end of 2016, without further significantly increasing overall capital requirements across the banking sector, while promoting a level playing field. We welcome the second annual report of the Financial Stability Board (FSB) on implementation and effects of reforms, and will continue to enhance the monitoring of

implementation and effects of reforms to ensure their consistency with our overall objectives, including by addressing any material unintended consequences. We will continue to address the issue of systemic risk within the insurance sector. We welcome the work towards the development of an Insurance Capital Standard (ICS) for internationally active insurers. We are committed to full and timely implementation of the agreed over-the-counter (OTC) derivatives reform agenda, and we will remove legal and regulatory barriers to the reporting of OTC derivatives to trade repositories and to authorities' appropriate access to data. We encourage members to close the gap in the implementation of the Principles for Financial Market Infrastructures and welcome the reports by the Committee on Payments and Market Infrastructures, International Organization of Securities Commissions and FSB on enhancing central counterparty resilience, recovery planning and resolvability. Recognizing the importance of effective macroprudential policies in limiting systemic risks, we welcome the joint work by the IMF, FSB and Bank for International Settlements (BIS) to take stock of international experiences with macroprudential frameworks and tools and to help promote effective macroprudential policies. We welcome the FSB consultation on proposed policy recommendations to address structural vulnerabilities from asset management activities. We will continue to closely monitor, and if necessary, address emerging risks and vulnerabilities in the financial system, including those associated with shadow banking, asset management and other market-based finance. We will continue to address, through the FSB-coordinated action plan, the decline in correspondent banking services so as to support remittances, financial inclusion, trade and openness. We look forward to further efforts to clarify regulatory expectations, as appropriate, including through the review in October by the Financial Action Task Force (FATF) of the guidance on correspondent banking. We call on G20 members, the IMF and WBG to intensify their support for domestic capacity building to help countries improve their compliance with global anti-money laundering and countering the financing of terrorism (AML/CFT) and prudential standards. **We endorse the G20 High-level Principles for Digital Financial Inclusion, the updated version of the G20 Financial Inclusion Indicators and the Implementation Framework of the G20 Action Plan on SME Financing. We encourage countries to consider these principles in devising their broader financial inclusion plans, particularly in the area of digital financial inclusion, and to take concrete actions to accelerate progress on all people's access to finance.**

30. We also support policies that encourage firms of all sizes, in particular women and youth entrepreneurs, women-led firms and SMEs, to take full advantage of global value chains (GVCs), and that encourage greater participation, value addition and upward mobility in GVCs by developing countries, particularly low-income countries (LICs).[...]

39. [...] We endorse the G20/OECD Guidance Note on Diversification of Financial Instruments for Infrastructure and SMEs and we welcome the Annotated Public-Private Partnership (PPP) Risk Allocation Matrices completed by the GIH to help developing countries better assess infrastructure risks. We support the effective implementation of the G20/OECD Principles of Corporate Governance and G20/OECD High-level Principles on SME Financing and look forward to the revision of the assessment methodology of the G20/OECD Principles of the Corporate Governance, which will be informed by an FSB peer review on corporate governance.

Agreed documents:

- GPMI 2016 Progress Report
- GPMI 2016 White Paper: Global Standard-Setting Bodies and Financial Inclusion – The Evolving Landscape
- 2016 Update to Leaders on Progress Towards the G20 Remittance Target
- G20/OECD INFE Core Competencies Framework on Financial Literacy for Adults

- G20/OECD INFE Ensuring Financial Education and Consumer Protection for All in the Digital Age
- G20 High-level Principles for Digital Financial Inclusion
- G20 Financial Inclusion Indicators (2016 Update)
G20 Action Plan on SME Financing Implementation Framework

Finance Ministers, July 2016

Issues for further action

“We ask the Global Partnership for Financial Inclusion, working with relevant organizations, to report back to us in 2017 on the actions being taken to promote digital financial inclusion at the country level”

Meetings in Preparation of the Hamburg Summit

Finance Ministers, March 2017

6. To ensure that we will reap the benefits and opportunities that digital innovation offers, while potential risks are appropriately managed, we encourage all countries to closely monitor developments in digital finance, including consideration of cross-border issues, both in their own jurisdictions and in cooperation with the FSB and other international organisations and standard setting bodies. We welcome the FSB work on the identification, from a financial stability perspective, of key regulatory issues associated with technologically enabled financial innovation (FinTech).

8. We support the work of the Global Partnership for Financial Inclusion (GPII) to advance financial inclusion, especially of vulnerable groups, and Small and Medium-sized Enterprises’ (SMEs) participation in sustainable global value chains. We encourage an adequate coverage of opportunities and challenges of digital financial inclusion in the updated G20 Financial Inclusion Action Plan. We encourage G20 and non-G20 countries to take steps to implement the G20 High-Level Principles for Digital Financial Inclusion. We emphasise the importance of enhancing financial literacy and consumer protection given the sophistication of financial markets and increased access to financial products in a digital world and welcome related OECD/INFE work. We welcome the progress made on the implementation of the G20 Action Plan on SME Financing and commit to further significant progress in improving the environment for SME Financing while continuing to encourage non-G20 countries to join this effort.

12. We welcome the progress report and the 2017 work plan under the FSB-coordinated action plan to assess and address the decline in correspondent banking, so as to support remittances, financial inclusion, trade and openness. We welcome the publication of Guidance on Correspondent Banking Services by the FATF which will also support the provision of remittance services. We look forward to further work towards clarifying regulatory expectations, as appropriate. To further improve the environment for remittances, we support progress made by the GPII with regard to facilitating remittances, including by promoting actions and policies that could lower their costs. We look forward to an update of National Remittances Plans by the end of 2017. Furthermore, we welcome joint efforts of FATF, FSB and GPII to clarify in a dialogue with the private sector any specific issues relating to remittance providers, including their access to banking services, and report back to us on it by July 2017. We also ask all relevant stakeholders, including IOs, to continue to support countries in building domestic capacity to improve the supervisory environment for remittances and correspondent banking, notably through technical assistance.

G20 Action Plan on the 2030 Agenda for Sustainable Development

“Financial inclusion and remittances activities in the G20, focusing on providing full and equal access to formal financial services for all, enhancing financial literacy and education and consumers protection, promoting digital financial inclusion, and reducing the cost of transferring remittances, help reduce poverty and inequality (SDG 1,10) and foster inclusive growth (SDG 8, AAAA paras 39, 40). The Global Partnership for Financial Inclusion (GPII) is working on expanding access to financial services as well as usage for those formerly excluded, particularly youth and women, and addressing financial system challenges and legal uncertainties around SMEs financing in both G20 and non-G20 countries. The G20 will continue to develop evidence-based practices on sustainably increasing financial inclusion, both for individual and SMEs, including considering how digital technologies can offer affordable opportunities for the financially excluded. The G20 remains committed to National Remittances Plans as an important step towards helping to reduce the transaction cost of migrant remittances to less than 3 per cent and eliminate remittance corridors with costs higher than 5 per cent (SDG 10, AAAA para 40) and addressing the potential negative impact of risk re-evaluation by financial institutions, commonly known as “de-risking”.”

Annex B: List of Reports, Events and Outreach

Overarching reports

GPFI 2017 Progress Report to the Leaders, June 2017

G20 Financial Inclusion Action Plan (FIAP) Progress Report 2014-2017, June 2017

G20 2017 Financial Inclusion Action Plan, June 2017

GPFI Report on Emerging Policy Approaches to Digital Financial Inclusion, April 2017

GPFI 2016 Progress Report to G20 Leaders, September 13, 2016

G20 High-level Principles for Digital Financial Inclusion, August 17, 2016

G20 Financial Inclusion Indicators (2016 Update), August 17, 2016

GPFI 2015 Progress Report to G20 Leaders, November 19, 2015

G20 Financial Inclusion Action Plan (FIAP) Progress Report 2010-2014, March 5, 2015

2014 Financial Inclusion Action Plan, November 18, 2014

Regulation and SSBs reports

GPFI White Paper: Global Standard-Setting Bodies and Financial Inclusion – The Evolving Landscape, February 29, 2016

SME Finance reports

G20 Action Plan on SME Financing Implementation Framework: Credit Infrastructure Country Self-Assessment Consolidated Report, June 2017

GPFI Policy Paper: Climate Smart Financing of Rural MSMEs, May 2017

GPFI Report Alternative Data Transforming SME Finance, June 2017

G20 Action Plan on SME Financing Implementation Framework, August 17, 2016

G20 Action Plan on SME Financing: Joint Action Plan of G20 GPFI SME Finance Subgroup and IIWG, Nov 19, 2015

GPFI Private Sector Engagement Strategy, Nov 19, 2015

Synthesis Report on New Trends in Agricultural Finance, November 19, 2015

Report on SME Finance Compact Workshop, November 19, 2015

SME Finance Forum Annual Report 2014, May 13, 2015

Financial Consumer Protection and Financial Literacy reports

OECD Financial Education for Micro, Small and Medium-sized Enterprises in Asia, 2017

G20/OECD INFE Ensuring Financial Education and Consumer Protection for All in the Digital Age, April 20, 2017

G20/OECD INFE Core Competencies Framework on Financial Literacy for Adults, September 13, 2016

G20/OECD INFE Ensuring Financial Education and Consumer Protection for All in the Digital Age - Highlights, September 13, 2016

Digital Financial Solutions to Advance Women's Economic Participation, November 19, 2015

OECD/INFE Core Competencies Framework on Financial Literacy for Youth, November 19, 2015

OECD/ INFE Policy Handbook on the Implementation of National Strategies for Financial Education, November 19, 2015

Financial Education for Migrants and Their Families: OECD/INFE Policy Analysis and Practical Tools, November 19, 2015

OECD/INFE Progress Report on Financial Education for MSMEs and Potential Entrepreneurs, November 19, 2015

Global Mapping of Financial Consumer Protection & Financial Literacy Initiatives, September 2015

OECD/INFE Guidelines for Private and Not-for-Profit Stakeholders in Financial Education, November 2014

Markets and Payment System reports

Update to the Leaders on Progress Towards the G20 Remittance Target, June 2017

Guidance Note on Building Inclusive Digital Payments Ecosystems, June 2017

Update to Leaders on Progress Towards the G20 Remittance Target, September 13, 2016

Report on the G20 Survey on De-Risking Activities in the Remittance Market, November 19, 2015

The Use of Remittances and Financial Inclusion, November 19, 2015

Innovative Digital Payment Mechanisms Supporting Financial Inclusion Stocktaking Report, November 19, 2015

G20 Plan to Facilitate Remittance Flows, December 1, 2014

Other reports

GIZ, IFC and Women's World Banking: Mainstreaming Gender and Targeting Women in Inclusive Insurance, 2017

World Bank's Remittance Prices Worldwide, Issue number 21, March 2017

CGAP and UNSGSA: Achieving the Sustainable Development Goals – The Role of Financial Inclusion, 2016

IAIS Application Paper on Regulation and Supervision of Mutuals, Cooperatives and Community-based Organisations in increasing access to Insurance Markets, 2016

FATF Guidance for a Risk-Based Approach for Money or Value Transfer Services, 2016

FATF Guidance on Correspondent Banking Services, 2016

BCBS and BIS: Guidance on the Application of the Core Principles for Effective Banking Supervision to the Regulation and Supervision of Institutions Relevant to Financial Inclusion, 2016

WBG and BIS: Payment Aspects of Financial Inclusion, 2016

Global SME Finance Initiative: Annual Review 2016

G20 Action Plan on the 2030 Agenda for Sustainable Development, 2016

AFI, Guideline Note 16: SME Financial Inclusion Indicators Base Set, 2015

BCBS and BIS: Range of Practice in the Regulation and Supervision of Institutions Relevant to Financial Inclusion, 2015

OECD/INFE Toolkit for Measuring Financial Literacy and Financial Inclusion, 2015

The Commonwealth and Organisation Internationale de la Francophonie: Walking a Tightrope - AML/CTF Regulation, Financial Inclusion and Remittances, 2015

G20: National Remittance Plans, 2015

AFI: Maya Declaration, Updated as of September 2015

UN General Assembly: Transforming Our World: The 2030 Agenda for Sustainable Development, 2015

IADI: Revised IADI Core Principles for Effective Deposit Insurance Systems, 2014

GPI events

GPI Plenary, May 04, 2017

GPI Forum, May 02-03, 2017

GPI/AFI High-Level Forum on Financial Inclusion of Forcibly Displaced Persons, April 26, 2017

Joint Meeting among the FSB, FATF and the GPI with Banks and MVTS Providers (public-private workshop), March 22, 2017

G20 Workshop on SME Finance, February 24, 2017

GPI Workshop on Climate smart financing for rural MSMEs, February 23, 2017

G20 Conference on Digitising finance, financial inclusion and financial literacy, January 25-26, 2017

GPI Meeting and Workshop, January 23-24, 2017

Third GPI Conference on Standard-Setting Bodies and Innovative Financial Inclusion, October 26- 27 2016

GPI Plenary, July 20, 2016

2016 GPI Forum – Digital Financial Inclusion, July 18- 19, 2016

GPI Workshop, May 24-26, 2016

GPI Meeting, March 03, 2016

GPFI Workshop, March 01, 2016

GPFI Forum and Plenary, September 11-12, 2015

Global Ye! Launch, September 10, 2015

GPFI Workshop: SME Finance Compact (LIDCs Outreach Event), September 10, 2015

G20 Round Table on Innovations in Agricultural Finance, September 09 2015

GPFI Meeting, June 03, 2015

GPFI Workshop on SME Finance, June 01-02, 2015

Annex C: Overview of Achievements in the Action Areas

Action Area	Indicator	Outcome
SME Finance		
1. Accelerate and replicate successful policy reforms that facilitate the expansion of financial services to SMEs	1.1 Number of case studies of successful policy approaches that enhance SME access to finance:	The report on <i>Climate Smart Financing for Rural MSMEs</i> includes 10 such case studies.
2. Establish the SME Finance Forum as global center for good practice knowledge exchange and promotion	2.1 Number of unique visitors to Forum	23,000+ in 2016
	2.2 Number of participants in LinkedIn group	7800+
	2.3 Number of new public-private memberships	110+
	2.4 Financial support for Forum	Operational costs were covered by GPFI member countries (less than 70 percent) and through dues and sponsorships (over 30 percent) in calendar year 2016.
3. Improve financial access through the SME Finance Compact, SME Finance Initiative, and key development achievements	3.1 Number of countries that have developed or implemented new SME finance strategies	15
	3.2 Number of institutions assisted	54 institutions from 48 countries.
	3.3 Funding mobilized for financial services and capacity building	Euro 256,000
	3.4 Number of SMEs receiving services and number of net new jobs created in SMEs receiving assistance	This indicator cannot be reliably measured.
Regulation and SSBs		
4. Mainstream financial inclusion in the work of the SSBs and other relevant global bodies and increase understanding of the interdependence of	4.1 Number of significant multi-SSB activities on financial inclusion in which at least 5 relevant SSBs participate	3
	4.2 Number of new SSB and global body policy documents of direct relevance to financial inclusion that reflect a less siloed approach	11
	4.3 Number of G20 governments and non-G20 governments participating in the GPFI implementing coordination mechanisms addressing perceived risk in cross border payments	This indicator cannot be reliably measured

financial inclusion, stability, integrity and consumer protection	4.4 Concrete examples of financial inclusion policy making informed by analysis of financial inclusion, stability, integrity and consumer protection linkages	Examples include SSB policy documents and national Financial Inclusion Strategies as well as concrete administrative rules like making decisions in management committees where multiple objectives are represented.
5. Encourage effective and consistent incorporation of financial inclusion in financial sector assessments	5.1 Number of publicly available and widely used financial sector assessment methodologies and other tools adopted since updating of FIAP reflecting increased understanding of interdependence of inclusion, stability, integrity and consumer protection	1
	5.2 Number of publicly available financial sector assessment reports and findings since updating of FIAP reflecting increased understanding of financial inclusion by assessors.	An in-depth analysis of financial sector assessment reports would be needed to measure this indicator.
Financial Consumer Protection and Financial Literacy		
6. Improve the capacity of public authorities and other relevant stakeholders to develop and implement financial literacy and consumer protection measures	6.1 Number of developing countries which have implemented consumer protection systems broadly consistent with G20 High-Level Principles on Financial Consumer Protection, WB Good Practices on Financial Consumer Protection	7
	6.2 Number of developing countries which have implemented or adopted National Financial Education strategies in line with the OECD/INFE High-level Principles on National Strategies for Financial Education approved by G20 Leaders in 2012.	11
	6.3 Number, relevance and depth of Financial Literacy and Consumer Protection surveys, maps and best practices which are developed and disseminated.	The following numbers of highly relevant and in-depth items have been identified: 3 financial literacy surveys, 2 surveys covering consumer protection, 1 map 3 best practice documents.
7. Promote consumer protection and financial education good practices for digitally delivered financial products and services	7.1 Number of public and private sector good practices and emerging solutions for responsible digital finance identified and disseminated.	89 of such good practices and emerging solutions were presented in the report on <i>Ensuring Financial Education and Consumer Protection for All in the Digital Age</i> and the report on <i>Digital Financial Solutions to Advance Women's Economic Participation</i> .

Markets and Payment Systems		
8. Help to analyse and consider ways to address the MTO bank account closure issue	8.1 Seek to obtain and publish more comprehensive data on the number of bank accounts of MTOs and other remittance service providers being closed by country on a periodic basis	The <i>G20 Survey on De-Risking Activities in the Remittance Market</i> generated such data.
	8.2 Number of actions taken to contribute to raising awareness on the issue, working with other forums as appropriate	6
	8.3 Arrange for at least one high level meeting each year of key stakeholders, e.g. regulators, MTOs, banks etc., to identify solutions to the issue as appropriate	In 2014 and 2015 high-level meetings took place.
9. Reduce the cost of sending remittances	9.1 Number of G20 members taking at least one international or domestic policy action to reduce costs of sending remittances and/or to increase transparency of remittance transfers	20
	9.2 Number of policy options or recommendations issued on the most efficient ways to influence remittances costs	The <i>Report on the G20 Survey on De-Risking Activities in the Remittance Market</i> and the study on <i>The Use of Remittances and Financial Inclusion</i> include 12 ²¹ such recommendations.
	9.3 Number of G20 members actively pursuing national commitments/new targets and that may incorporate further relevant factors other than cost, such as accessibility, transparency, consumer protection and reducing the risk of exclusion.	Most G20 members pursued national commitments/new targets between 2014 and 2017.
10. Expand opportunities for innovative technologies to grow responsible financial inclusion	10.1 Stock take/gap analysis of opportunities for innovative technologies and business models to grow financial inclusion	The report on <i>Innovative Digital Payment Mechanisms Supporting Financial Inclusion</i> takes stock of such technologies and business models.
	10.2 Number of examples of public-private partnerships, including partnerships with banks, MTOs and telecom companies, that increase cooperation and expand financial inclusion through emerging technologies	The Guidance Note on <i>Building Inclusive Digital Payments Ecosystems</i> recommends the establishment of an “ecosystem coordinating forum” incorporating all major stakeholders to facilitate cooperation between the public and the private sector. Five examples of successful implementation are mentioned.

²¹ This includes eight recommendations that aim to address the de-risking phenomenon. De-risking might influence remittance cost, for example by reducing competition in the remittance market. However, “the effects of the de-risking phenomenon on the cost of sending remittances are still uncertain.” (Report on the G20 Survey on De-Risking Activities in the Remittance Market)

	10.3 Number of policy options and implementation approaches identified to increase the development impact of remittances in the receiving country	The report on <i>The Use of Remittances and Financial Inclusion</i> as well as the Guidance Note mentioned under indicator 10.2 include 15 such policy options and implementation approaches.
	10.4 Number of “good practice” case studies on emerging technologies that have been successfully applied to extend financial inclusion	The report mentioned under indicator 10.1 and the report on <i>The Use of Remittances and Financial Inclusion</i> include 18 examples of such technologies, of which three are analyzed in case studies.
	10.5 Number of policy options and implementation approaches for regulators, government agencies and the private sector on the sustainable provision of inclusive payment eco-systems, working with the Regulation and SSB Subgroup.	The report mentioned under indicator 10.1, and the Guidance Note mentioned under indicator 10.2 include 43 such policy options and implementation approaches.