

GLOBAL PARTNERSHIP FOR FINANCIAL INCLUSION 2024 ANNUAL WORK PLAN

Co-Chairs of the G20 Global Partnership for Financial Inclusion

Background

In 2023, the GPI, led by the Co-Chair together with the G20 India Presidency and the Troika, implemented a work plan coherent with the provisions contained in the G20 2020 Financial Inclusion Action Plan (FIAP). Through this work plan, the Presidency completed the tasks set out in the G20 2020 FIAP, delivered G20 Policy Recommendations for advancing Financial Inclusion and Productivity Gains through Digital Public Infrastructure and a new G20 2023 Financial Inclusion Action Plan. The GPI also appointed two new long-term GPI Co-Chairs that will lead the work of the partnership for the next three years beginning from 2024.

The G20 2023 Financial Inclusion Action Plan, endorsed by G20 Leaders at the 2023 Delhi Summit, aspires to build a world where every individual has equal access to formal financial services, irrespective of their location, background or socioeconomic condition. The GPI believes that financial inclusion is a powerful driver of economic growth and social progress, enabling countries to attain at least seven out of the seventeen SDGs and contributing to the 2030 agenda.

The premise of the Brazilian G20 Presidency is “Building a just world and a sustainable planet” and the objectives of the GPI are aligned with this statement as financial inclusion has the goal of reducing inequality and improving people’s lives.

Besides the deliverables already indicated in the FIAP, in 2024, the GPI will work under the Brazilian G20 Presidency on arriving at a conceptual framework and measurement tools for financial well-being. The objective is to improve the effectiveness of financial inclusion policies, which would allow countries to make greater progress in achieving the intended results.

Overall, three deliverables will be accomplished in 2024:

1. Policy options for improving “last mile” access and quality inclusion for individuals and MSMEs through digital infrastructure, including Digital Public Infrastructure, consumer protection and other FIAP objectives;
2. A New Action Plan for MSME Financing (multi-year project) building on previous GPI work, such as the 2016 G20 Action Plan on the SME Financing Implementation Framework and the most recent deliverables of GPI, to identify crucial action areas and concrete initiatives/actions for countries to fill the gaps in MSME financing and improve access, also with a focus on utilizing innovative digital infrastructures, including Digital Public Infrastructure (DPI), for removing various traditional barriers in order to enhance financial inclusion;
3. Propose a conceptual framework and measurement tools of financial well-being (Presidency priority).

The G20 2023 FIAP: priority areas, action areas and deliverables for 2024

1. *Digital Financial Inclusion*¹:

The deliverable envisaged by the G20 2023 FIAP for 2024 is to:

“Identify policy options for improving ‘last mile’ access and quality inclusion for individuals and MSMEs through digital infrastructure, including Digital Public Infrastructure (DPI), consumer protection and other FIAP objectives.”

The above commitment will be fulfilled by delivering a report with the following:

- develop an analysis, based on existing data, presenting what is considered the ‘last mile’ access challenges and the reasons behind them for individuals as well as MSMEs;
- describe policy measures, especially innovative ones, and public interventions that are proven to lead to meaningful progress in financial inclusion at the last mile, considering, among other policies, the role of digital infrastructures (including DPI), consumer protection and financial education in improving access and quality of financial services;
- analyze the concept of quality financial inclusion to better grasp its meaning and possible alternatives to measure it, by considering each country reality and characteristics;
- identify best practices and policy options for improving “last mile” access and quality inclusion, also through digital infrastructure (including DPI), consumer protection measures and other FIAP Objectives.

Implementing partners: CGAP, BtCA, World Bank.

2. *MSME Finance*²:

The deliverable envisaged by the G20 2023 FIAP is to:

“Develop an action plan which will identify crucial action areas and concrete initiatives/actions for countries to fill the gaps in MSME financing and improve access, also with a focus on utilizing innovative digital infrastructures, including Digital Public Infrastructure (DPI), for removing various traditional barriers in order to enhance financial inclusion.”

To fulfil this commitment – the following initiatives will be carried out in 2024:

- An **on-line webinar** and a **one-day seminar** to be held in Brasilia on the 14th of March to discuss the issue, share experiences and identify concrete initiatives to fill the gaps in MSME financing and improve access;
- a **concept note** summarizing crucial action areas and concrete initiatives to be developed also leveraging on the discussions held at the webinar and the seminar;
- a new G20 Action Plan on MSME Financing by building/updating upon 2016 Action Plan on SME Financing and other relevant documents by 2024 and its implementation over the next two years (multi-year project).

Implementing partners: IFC-SMEFF, OECD, World Bank.

¹ Digital financial inclusion, according to the G20 2023 FIAP is “interpreted as promoting the deployment of secure and responsible digitally-enabled financial services and products in G20 and non-G20 countries to provide financially excluded and underserved populations with a range of formal financial services suited to their needs, delivered responsibly, with a focus on effective access, at a cost affordable to customers and sustainable for providers”.

² MSME finance, according to the G20 2023 FIAP, is “interpreted as improving MSMEs’ access to finance in G20 and non-G20 countries, particularly in low-income and developing countries, through innovative methods (including digital infrastructures) for enhancing growth, resilience and exiting informality”.

3. *Presidency priority*

The aim of the Brazilian G20 Presidency – under the Presidency priority - is to deepen discussions and build a consensual concept of financial well-being as an outcome of financial inclusion to guide the GPII work moving forward, and suggest measurement tools that can be worked on internally in each country and allow international comparability.

In order to achieve this deliverable, a temporary sub-committee has been established according to art. 4.7 of the GPII 2023 Terms of Reference. The objective of the Sub-Committee is to establish a commonly accepted conceptual framework of financial well-being and a set of measurement tools that help monitoring and advancing financial inclusion, and consequently financial well-being, through broad discussion among Member Countries, Implementing Partners, Affiliated Partners, and the GPII Honorary Patron, so that financial inclusion policies can be made more effective towards improving financial well-being.

The expected output of the Sub-Committee will be a **Report**, to be endorsed by G20 countries, encompassing the following:

- a unified and consensual concept of financial well-being as an outcome of financial inclusion: What do we understand as financial well-being as an outcome of financial inclusion?
- measurement tools: How can we measure financial well-being? Which are the commonly agreed indicators of financial well-being for international comparison purposes? And for country specific needs?

The Temporary Sub-Committee will work under the overall supervision of GPII Co-Chairs, as established in the Temporary Subcommittee Term of Reference. It will be led by **USA and Brazil** and will have the following Members:

- GPII member countries – Argentina, Brazil, Canada, France, Germany, India, Italy, Portugal, Russia, South Africa, Turkey and USA.
- Implementing, Affiliated Partners and The Honorary Patron – Alliance for Financial Inclusion, Better than Cash Alliance, CGAP, OECD, UNSGSA, Women’s World Banking and World Bank.

Continuing actions

Alongside the annual priorities, according to the G20 2023 FIAP, the GPII will continue to work on issues that are continuous in nature, such as remittances, engagement with SSBs and relationships with non-G20 countries.

a) Remittances

In 2024, along with routine monitoring through the National Remittance Plans (NRPs), the GPII will explore the opportunities offered by economies of scale and innovation in financial technology for faster and cheaper remittance flows and then follow up with key stakeholders – especially SSBs, the IMF, the WB and IFAD – regarding the discussions on possible improvements to the work on remittances.

Expected Output: “2024 Update to Leaders on Progress towards the G20 Remittance Target” based on the NRPs updated in 2023 and suggesting possible improvements for faster and cheaper remittance flows through economies of scale and innovations in financial technology.

b) Engagement with regulation and standard-setting bodies

In 2024, the Co-Chairs plan to continue actively engaging with SSBs within the enhanced cooperation arrangement to ensure that the successful work undertaken further favors the integration of financial inclusion in the work of SSBs, as appropriate.

c) Relationship with non-G20 countries

In 2024 the GPII commits to promoting the organization of workshops and seminars for the dissemination of GPII products and deliverables to non-G20 countries for advancing financial inclusion. The GPII is also committed to enhancing collaboration and knowledge sharing, also on potential bilateral agreements on technical assistance, and on multilateral projects.

Cross-cutting issues

The cross-cutting issues that have to be reflected in the action areas and deliverables of 2024 as specified in the G20 FIAP 2023 are the following:

- Promote consumer protection measures to favor financial inclusion within an adequate regulatory framework and a responsible digital financial ecosystem.
- Promote targeted digital and financial education initiatives to enhance digital and financial capabilities.
- Promote accessible and affordable financial services for women and underserved and vulnerable groups.
- Liaise with other important groups, international fora and public and private organizations on issues relating to financial inclusion.

Key Dates

GPII and G20 Finance Track Calendar

Date	Task/Meeting/Event	Location
14-15 December 2023	1st Finance and Central Bank Deputies Meeting	Brasília
26-27 February 2024	2nd Finance and Central Bank Deputies Meeting	São Paulo
28-29 February	1st Finance Ministers and Central Bank Governors Meeting	São Paulo
14 March	1st Side Event on MSME Finance	Brasília
15-16 March	1st GPII Plenary Meeting	Brasília
16-17 April	3rd Finance and Central Bank Deputies Meeting	Washington DC
18 April	2nd Finance Ministers and Central Bank Governors Meeting	Washington DC
1-3 July (Tentative)	2nd GPII Plenary Meeting & Side Event	Fortaleza
22-23 July	4th Finance and Central Bank Deputies Meeting	Rio de Janeiro
25-26 July	3rd Finance Ministers and Central Bank Governors Meeting	Rio de Janeiro
23-25 September (Tentative)	3rd GPII Plenary Meeting & Side Event	Foz do Iguaçu
22-23 October	5th Finance and Central Bank Deputies Meeting	Washington DC
24 October	4th Finance Ministers and Central Bank Governors Meeting	Washington DC
18-19 November	Leaders' Summit	Rio de Janeiro