



GLOBAL PARTNERSHIP FOR FINANCIAL INCLUSION - 2022 ANNUAL PLAN

Co-Chairs of the G20 Global Partnership for Financial Inclusion

Background

In 2021, the GPIFI led by the Co-Chairs together with the Italian G20 Presidency and the Troika have implemented a work-plan coherent with the provisions contained in the G20 2020 Financial Inclusion Action Plan (FIAP). The GPIFI Co-Chairs will continue their leading role also in 2022.

The overarching theme of the Indonesian G20 Presidency is “Recover Together, Recover Stronger” and has three pillars: (i) promoting productivity; (ii) increasing resilience and stability; and (iii) ensuring sustainable and inclusive growth. In 2022, the GPIFI – in coherence with the G20 2020 FIAP and pillars (i) and (iii) of the Indonesian Presidency – will explore areas where digital financial inclusion is expected to increase productivity and support inclusive and sustainable growth. The focus will be on both demand- and supply-side policies with the aim to promote financial inclusion for target groups.

The final outcome will be a “Financial Inclusion Framework in Harnessing Digitalization to Increase Productivity, Sustainable and Inclusive Economy of Women, Youth and MSMEs”. The Framework is expected to foster a sustainable financial inclusion – in terms of access, usage, and quality – of the most vulnerable groups such as social benefit recipients, households and MSMEs impacted by COVID-19, especially those led by women and youth.

Overall, four deliverables will be accomplished in 2022:

1. Implementation Framework for the G20 High-Level Principles (HLPs) on digital financial inclusion (DFI);
2. Stocktaking database and analysis of financial products and services for MSMEs beyond credit ones;
3. SME Digital Financial Services (DFSs) Regulatory Diagnostic Toolkit (draft, final version to be delivered in 2023);
4. Progressing the agenda on MSMEs data harmonization framework.

The G20 2020 FIAP: prioritised topics, action areas and deliverables for 2022

Digital Financial Inclusion: Action Area 1

In this Action Area, the deliverable envisaged by the G20 2020 FIAP for 2022 is to:

“Develop an Implementation Framework for the HLPs, which is to be interpreted as a mechanism for assessment and guidance, building on the specific guidelines and/or policy options provided in the HLPGs and other G20 GPIFI publications and reflecting the identified policy options and actions produced from deliverable i,¹ with a primary focus on underserved and vulnerable groups and MSMEs.”

¹ Deliverable i, completed in 2021 under Italian G20 Presidency, states to: “Analyze the COVID-19 implications on individuals’ financial inclusion and financial resilience, particularly for women and other underserved and vulnerable groups, and the roles of financial inclusion to mitigate the COVID-19 impact in the society. Against this backdrop, identify policy options, in particular through the use of responsible digital financial services as well as

To fulfil this commitment, the following deliverable will be produced in line with the Bali FinTech Agenda.

“Implementation framework for principles 1 (national strategy and coordination), 2 (balancing innovation and risk), 5 (responsible digital financial practices), and 6 (digital financial literacy) of the HLPs on DFI.”

The implementation framework should be interpreted as a set of guidelines that, for each principle, can allow countries to undertake them at national level and perform a self-assessment (envisaged for 2023).

The implementation framework will build upon the HLPs while taking into account past relevant GPMI work on the identification policy options,² and will represent the necessary basis for the completion of a global report by the GPMI in 2023, assessing progresses in financial inclusion.

The work in this Action Area will be led by the World Bank, in collaboration with BtCA, CGAP and the OECD.

Digital Financial Inclusion: Action Area 2

In this Action Area, devoted to remittances, the G20 2020 FIAP does not foresee new deliverables for 2022. Countries will implement their newly updated National Remittances Plans and GPMI will prepare the annual *Update to Leaders on Progress towards the G20 Remittance Target* by evaluating the steps taken in the direction indicated by their 2021 NRPs.

SME Finance: Action Area 1

In this Action Area, the deliverable envisaged by the G20 2020 FIAP for 2022 is to:

“Develop a stocktaking report on the financial products and services for SME beyond credit products (such as insurance and other risk-management products), with a particular focus on digital and innovative approaches with the aim to decrease possible financial fragility of SMEs and stimulating job creation, investment, innovation and inclusive economic growth globally.”

To fulfil this commitment a multiplicity of initiatives will be carried out:

A **one-day workshop** (virtual – 2-3 hours) in February to discuss non-credit financial products and services for MSMEs, with a special focus on the financial needs of specific target groups, namely: a) women as MSMEs Entrepreneurs; b) youth as MSMEs Entrepreneurs; c) social finance recipients.

The creation of a **permanent virtual stocktaking database**, developed and maintained by SMEFF, to store case studies of beyond-credit financial products and services for MSMEs. The database will be linked to the GPMI website and, under the commitment of the GPMI Members, will be updated in the coming years.

A synthetic **Report**, explaining the main learnings from the good practice cases received in the stocktaking activity and the main characteristics of the database.

The work in this Action Area will be led by IFC-SMEFF, in collaboration with BTCA, IFAD, WWB, IsDB, and other development banks.

recommendations on how to respond to DFI challenges and risks through financial consumer protection (taking account of the work of the G20/OECD Task Force on Financial Consumer Protection)”.
² Among them, the G20 Menu of Policy Options for digital financial literacy and financial consumer and MSME protection “Enhancing digital financial inclusion beyond the COVID-19 crisis”, produced by the GPMI under the Italian G20 Presidency, the results of the review of the G20 High-level Principles on Financial Consumer Protection and the OECD Recommendation on Financial literacy.

SME Finance: Action Area 2

In this Action Area, the deliverables envisaged by the G20 2020 FIAP for 2022 (with the latter spanning into 2023) are to:

“Progress SMEs data harmonization, including National and International Financial Institutions/Development Finance Institutions’ approaches; and improve the availability of disaggregated data for SMEs led by women, youth and other vulnerable groups based on the follow-up from the Stocktaking Report on data enhancement and coordination in SME finance of the existing and planned multilateral initiatives” (2022).

“Develop an SME DFS Regulatory Diagnostic Toolkit that could be used to determine how the national/domestic environment (including the private sector and SSBs engagement) can promote SMEs access to innovative digital financial services” (2022-23).

To fulfil these commitments the following deliverables will be produced:

“Progressing the agenda on MSMEs data harmonization framework”. The collection of harmonised and comparable data on MSMEs financial inclusion at the international level is of the utmost importance. Higher quality and comparable data would allow policymakers to understand the actual needs to support MSMEs financial access and use, and thoroughly analyse the relative impact on productivity and growth. In 2022, steps forward will be taken to ameliorate the availability of harmonized data concerning both the supply and the demand of financial services, as part of a multiyear project. Preparatory work on the harmonization of supply-side data will be produced in 2022 by the IFC/SMEFF, in collaboration with Member Countries and other IPs.

Develop an **“SME DFSs Regulatory Diagnostic Toolkit”** that, to be delivered in 2023, will be aimed to improve the needed national environment to further promote MSMEs access to, and use of, digital financial services. Support and commitment from the government and the private sector in providing infrastructures, financial products and services, policies and regulations, as well as MSMEs data, are essential in this regard. The regulatory diagnostic toolkit will be developed based on best practices on policies, regulations or initiatives that may cover components such as regulatory architecture, digital financial services ecosystem, consumer protection, data privacy, digital and financial literacy, and AML/CFT. A draft of the Regulatory Diagnostic Toolkit will be produced by AFI in 2022 in collaboration with the OECD and WWB, with the final version foreseen in 2023.

Cross-cutting issues in the G20 2020 FIAP

The cross-cutting issues that have to be reflected in the action areas and deliverables during the duration of the 2020 G20 FIAP are the following.

- a. *Promote the expansion of financial services among the hard-to-reach segments of the population, particularly targeting underserved and vulnerable groups, as well as the advancement of women’s economic empowerment.*

These issues will be addressed in most of the deliverables in 2022 and specifically women’s economic empowerment will be integrated into the final deliverable, the High-level Symposium, the dedicated seminar and the MSME Data Project.

- b. *Promote financial consumer protection and financial literacy by means of collaboration and coordination with multilateral organizations, including the G20/OECD Task Force for Financial Consumer Protection and the International Network on Financial Education.*

Due to the current rapid digitalization and in the spirit of balancing innovation and risk mitigation, the strategic review of G20/OECD High-Level Principles on Financial Consumer Protection will be

discussed within the GPMI to promote financial consumer protection to support financial inclusion. The strategic review is undertaken in collaboration with the G20/OECD Task Force for Financial Consumer Protection.

Capitalise on the engagement with SSBs

The GPMI has significantly engaged with global SSBs to mainstream financial inclusion into their work and actions within the enhanced cooperation arrangement. In 2021, two check-in meetings were held (28 April and 4 November). At the first one, work from various SSBs related to financial inclusion was presented and, more specifically, some results of the analysis on the unintended consequences on financial inclusion of some global standards (i.e. the FATF Recommendations and the Basel Core Principles for Effective Bank Supervision) were discussed. In this occasion, moreover, the GPMI Co-Chairs presented the Partnership's work-plan for 2021. At the second meeting, updates from SSBs on their work were offered, and A2ii was invited to participate in the enhanced arrangement. The Co-Chairs updated members on the results accomplished in 2021.

On 1 December, a High Level Meeting on financial inclusion was held, organised by BIS/FSB and with the participation of Her Majesty Queen Maxima of the Netherlands. The two most relevant topics discussed in the meeting were: i) proactive approaches to deal with the unintended consequences from global standards (specifically, FATF Recommendations); and ii) the role of central bank digital currencies for financial inclusion. Again, the GPMI Co-Chairs updated participants about the final results of the GPMI in 2021.

Finally, on 2-3 December, an International Workshop on financial inclusion was organised by the BIS/FSB mainly devoted to remittances. The GPMI Co-Chairs participated in one of the panels, discussing consumer insights related to remittances.

In 2022, the Co-Chairs plan to continue actively engaging with SSBs within the enhanced cooperation arrangement to ensure that the successful work undertaken further favours the integration of financial inclusion in the work of SSBs, as appropriate.

Key Dates

Tentative Timetable of GPFi and G20 Finance Track Meeting:

Date	Task/Meeting/Event	Location
9-10 Dec 2021	1st Finance and Central Bank Deputies Meeting (FCBD)	Bali, Hybrid
2 February	International Seminar on Digital Financial Inclusion (for public)	Jakarta, Virtual
3-4 February	1st GPFi Plenary Meeting a. Introduction of Indonesia Presidency b. Discussion on the issues notes of IPs' reports (i.e. outline, process, methodology). c. G20/OECD Task Force presentation on the strategic review of HLP on Financial Consumer Protection	Virtual
15-16 February	2nd Finance and Central Bank Deputies Meeting (FCBD)	Bali, Hybrid
17-18 February	1st Finance Minister and Central Bank Governors Meeting (FMCBG)	Bali, Hybrid
March	Workshop on Beyond Credit Financial Product and Services for MSMEs	Virtual
21-22 April	2nd Finance Minister and Central Bank Governors Meeting (FMCBG)	Washington DC
12 May	International Seminar on Digital Transformation for Financial Inclusion of Women, Youth, MSMEs	Bali, Hybrid
12-13 May	2nd GPFi Plenary Meeting a. Presentation on the draft reports (preliminary findings) by IPs b. Discussion on draft reports led by Co-chairs and Presidency c. G20/OECD TF presentation on the strategic review of HLP on Financial Consumer Protection	Bali, Hybrid
13-14 July	3rd Finance and Central Bank Deputies Meeting (FCBD)	Jakarta, Hybrid
15-16 July	3rd Finance Minister and Central Bank Governors Meeting (FMCBG)	Jakarta, Hybrid
4 October	GPFi High-Level Symposium: Harnessing Digitalization to Increase Productivity, Sustainable and Inclusive Economy of Women, Youth and MSMEs	Surabaya, Hybrid
4 - 5 October	3rd GPFi Plenary Meeting a. Presentation on the final draft of the reports by IPs and Financial Inclusion Framework in Harnessing Digitalization to Increase Productivity, Sustainable and Inclusive Economy of Women, Youth and MSMEs b. Discussion on the final draft reports led by Co-chairs and Presidency c. G20 Presidency and co-chairs presentation on the summary of results achieved during the year	Surabaya, Hybrid
13-14 October	4th Finance Minister and Central Bank Governors Meeting (FMCBG)	Morocco